

Agenda of October Finance Committee Meeting

The Board of Trustees New Hope-Solebury School District

A October Finance Committee Meeting of the Board of Trustees of New Hope-Solebury School District will be held Tuesday, October 20, 2026, beginning at 5:35 PM District Office Conference Room, 180 West Bridge Street, New Hope, PA 18938.

1. Meeting Opening

Description: Procedural

1.A. Call to Order

Description: Procedural

2. Public Comment

3. Approve Minutes from the (September 22, 2026) meeting

Description:

3.A. Approve Minutes from the September 22, 2026 meeting

Description:

4. New Business

4.A. Presentation of the Draft Audit Report - June 30, 2026

Description: Mr. Jeffrey Kowalczyk will present the draft audit report for fiscal year June 30, 2026

4.B. Fund Balance Allocation Discussion

Description:

- Net change in Fund Balance as of June 30, 2026 is \$1,459,160

4.C. 2026-2027 Budget

Description:

- Sept. 2026 Treasurer's Report / Investment Report
- Sept. 2026 Fiscal Dashboard Report
- Budget Projections — General Fund
- Food Service P&L - Sept. 2026

4.D. Contracts

Description:

- CBIZ Quote - Art Appraisal
- McNees Wallace & Nurick Legal Services Agreement
- BCIU - SBAP Support Services Agreement

4.E. Food Service Refresh/Rebrand Plan

Description:

4.F. Donations

Description:

- \$3,000 for LES Playground - New Hope Solebury Community Association
- T-Shirts for K-1 students and staff donated by the Carr Family, of Tommy Carr's Tire & Automotive Services AND the Lang Family.

5. Informational Items

Description:

5.A. Act 1 Index 2027-28

Description:

5.B. Capital Projects Plan 2026-27 - Revised 9.30.26

Description:

5.C. ParkMobile Quarterly Report

Description:

6. Adjournment



Finance Committee Minutes

September 22, 2026

Sitting Board Chair— Ms. Ellen Stiefel

Administrative Liaison—Ms. Marcia Cajeira

Committee Members Present – Mrs. Ellen Stiefel (Board), Mr. Benjamin Miller, Dr. Nikhil Heble (Board), Mr. John Deandrea

Committee Members Absent: Mr. Joshua Brinkley, Mr. John Augenblick, Mr. Robert Whelan

Ms. Ellen Stiefel called the meeting to order at 5:43pm.

Public Comment

Mr. Melvin Band addressed the Committee regarding the proposed installation of protective netting at the stadium. He expressed concerns regarding the cost and whether the netting would fully address safety concerns associated with holding multiple athletic events simultaneously. Mr. Band suggested that the District consider scheduling alternatives, including greater use of the stadium for evening events and other available fields, before making the proposed investment.

Upon a motion made by Mr. Benjamin Miller and seconded by Dr. Nikhil Heble, the minutes of the August 18, 2026, meeting were approved by the Committee.

New Business

1. 2026-27 Budget Report (August 2026 Financials)

Ms. Cajeira reported on the following:

General Fund:

The General Fund began August with about \$21.1 million in cash. The District received approximately \$15 million in local revenue, including approximately \$13.9 million in real estate taxes and \$665,000 in earned income tax. State revenues totaled approximately \$1.1 million, resulting in total monthly receipts of about \$16.1 million. Disbursements totaled \$3.6 million, and the General Fund ended August with approximately \$33.7 million.

Capital Reserve Fund:

The Capital Reserve Fund began August with \$678,000 and incurred around \$78,000 in expenditures, primarily related to the Middle School STEAM Lab. The Committee discussed the status of the project budget, which was originally about \$250,000. Final costs are not yet available, however, current expenditures are expected to be below budget.

Food Service Fund:

There was limited activity during August due to the small number of student days. The Food Service Fund had approximately \$146,000 in cash, which includes the \$125,000 General Fund transfer made in July.

Investment Cash Report:

Approximately \$20 million was invested at rates ranging from approximately 3.5% to 4.0%. The Committee discussed opportunities to maximize investment earnings, including short-term Treasury investments and other government-backed investment options. Ms. Cajeira reported that she had contacted the District's investment representative to review the current portfolio and develop a strategy to optimize interest earnings.

Fiscal Dashboard:

Ms. Cajeira noted a formula error in the 2026–2027 budget column of the dashboard. The correct figure is approximately \$20.5 million, rather than \$22.3 million, and the report will be corrected for the following month.

Revenue collections appear lower than the prior year primarily because of timing associated with the District's new electronic real estate tax collection process. Electronic payments are deposited into the tax collection account and swept into the General Fund weekly. Approximately \$8.4 million received during the final week of August was not transferred to the General Fund until September. Variable revenues continue to perform well, particularly real estate transfer tax.

Expenditures were approximately 10% of budget, consistent with expectations and the prior year. Contracted services were higher than the prior year primarily due to a change in the Bucks County Intermediate Unit special education payment schedule requiring districts owing less than \$750,000 to make a lump-sum payment rather than quarterly payments. Equipment expenditures were also higher due to an approximately \$120,000 security camera purchase, which is partially funded through a PCCD grant.

The Committee also discussed whether the weekly tax collection sweep could result in lost interest earnings compared with the prior process. Administration will determine whether funds held temporarily in the tax collection account earn interest and report back to the Committee.

Long-Term Financial Projections:

Ms. Cajeira presented an updated five-year financial projection, which was extended by two additional years from the version presented at the prior meeting. The District's current financial outlook has improved compared with the prior year. Revenue assumptions, particularly variable revenue for earned income tax and real estate transfer tax, remain conservative due to the variable nature of these revenue sources. The Committee discussed potentially revisiting these assumptions during the upcoming budget development process based on continued performance. The projections do not currently include future General Fund transfers to Food Service.

2. BCIU Homestead/Farmstead Agreement

The Committee reviewed the annual renewal agreement with the Bucks County Intermediate Unit for coordination, processing, printing, advertising, and mailing of the District's Homestead/Farmstead notices. The agreement remains unchanged, with the primary cost increase related to postage.

3. Food Service Connection-Revised Proposal

Ms. Cajeira presented the revised Food Service Connection consulting proposal and responses to questions raised by the Committee at its August meeting. The revised scope now includes a financial analysis evaluating the tradeoffs between food quality and student participation, versus financial performance. Following the initial four site visits, the consultant will provide the District with a written assessment and actionable recommendations. The agreement also includes a not-to-exceed amount of \$15,000 and a seven-day termination provision.

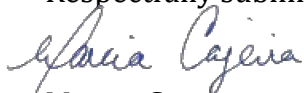
The Committee also revisited its request to obtain information from other small or comparable school districts regarding their Food Service operations. Ms. Cajeira reported that she had contacted several districts. The Committee requested that Administration continue gathering information from comparable districts.

The Committee discussed obtaining a sample report or deliverable from districts that previously worked with Food Service Connection. Administration will explore obtaining such documentation directly from the referenced school districts, including through a Right-to-Know request if necessary.

Upon a motion made by Mr. Benjamin Miller, and seconded by Dr. Nikhil Heble, the Committee recommended moving the BCIU Homestead/Farmstead Agreement and Food Service Connection agreement forward for full Board consideration. Motion carried.

Ms. Ellen Stiefel adjourned the meeting at 6.20 pm.

Respectfully submitted,



Marcia Cajeira
Chief Financial Officer



Finance Committee Meeting Sign-In and Attendance
 September 22, 2026

Name (Please Print)	Committee (C) or Public (P)
Marcia Cajeira	C P Admin
Ellen Stiefel	(C) P
Montu Patel	C P Board
Megan DeFeo	C (P)
Ben Miller	(C) P
Rosamennit	Admin. C P
Melissa Band	C (P)
	C P
	C P
	C P
	C P
	C P
	C P
	C P
	C P
	C P
John Deandrea	online (C) P
Tracy Costigan	online C (P) Board
Nikhil Heble	online (C) ~~P~~ Board
Melissa Persichetti	online C (P) Board

Please note: This sign-in sheet will be included in the meeting minutes and posted to the District's website.
 Committee Meetings and topics of discussion are subject to the Sunshine Act.
 Individuals serving on Committees are doing so in an advisory capacity.

**NEW HOPE-SOLEBURY SCHOOL DISTRICT
NEW HOPE, PENNSYLVANIA**

AUDIT REPORT

JUNE 30, 2026

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

(To be determined)

Members of the Board
New Hope-Solebury School District
New Hope, Pennsylvania

Report on the Financial Statements

Opinions

We have audited financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Hope-Solebury School District ("the School District"), New Hope, Pennsylvania, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Hope-Solebury School District, New Hope, Pennsylvania, as of June 30, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Members of the Board
New Hope-Solebury School District

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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Members of the Board
New Hope-Solebury School District

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

Report on Summarized Comparative Information

We have previously audited the School District's 2025 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in our report dated December 10, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10, and the budgetary comparison schedule – general fund, schedule of the School District's proportionate share of the net pension liability - PSERS, schedule of School District pension contributions - PSERS, schedule of the School District's proportionate share of the net OPEB liability - PSERS, schedule of School District OPEB contributions - PSERS, and schedule of changes in the School District's net OPEB liability - single employer plan on pages 57 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated (To be determined), on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant

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Members of the Board
New Hope-Solebury School District

agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

BARBACANE, THORNTON & COMPANY LLP

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

INTRODUCTION

New Hope-Solebury School District management presents this discussion and analysis of the District's financial activities for the fiscal year ended June 30, 2026. The discussion compares the current year with the prior year and should be read with the basic financial statements and notes. It focuses on the primary government and on the transactions, policies, and conditions that had the most significant effect on financial position and results of operations.

If you have any questions about this report or wish to request additional financial information, please contact Ms. Marcia Cajeira, Chief Financial Officer/School Board Treasurer, New Hope-Solebury School District, 180 West Bridge Street, New Hope, PA 18938; (215) 862-5372 or email at mcajeira@nhsd.org.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include government-wide statements and fund statements. Government-wide statements provide a long-term and short-term view of the District as a whole. Fund statements provide more detail about the District's major governmental and proprietary funds and separately report fiduciary activities. The notes provide information needed to understand amounts reported in the statements, and required supplementary information follows the notes.

Statement group	What the statements report	Measurement focus and basis
Government-wide statements	The statement of net position reports all financial and capital resources and obligations. The statement of activities reports the current year's revenues and expenses by governmental and business-type activity.	Economic resources measurement focus and accrual basis. Fiduciary activities are excluded.
Governmental fund statements	The balance sheet and statement of revenues, expenditures, and changes in fund balances report near-term inflows, outflows, and spendable resources. Reconciliations explain differences from the government-wide statements.	Current financial resources measurement focus and modified accrual basis.
Proprietary fund statements	The statements report the District's business-like activities, including financial position, operating results, and cash flows. The Food Service Fund is reported here.	Economic resources measurement focus and accrual basis.
Fiduciary fund statements	The statements report resources the District holds for the benefit of others. Those resources are unavailable to support District programs and are excluded from government-wide statements.	Economic resources measurement focus and accrual basis.

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

The government-wide statements and governmental fund statements use different measurement focuses and bases of accounting. Reconciliations accompanying the governmental fund statements explain how short-term fund information is converted to the government-wide amounts. The proprietary fund statements use the same measurement focus and basis as the government-wide statements but provide additional detail, including cash flows.

FINANCIAL SUMMARY

The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$10,533,058 as of June 30, 2026. Net position increased by \$7,041,114 from June 30, 2025. This net position continues to be impacted due to the application of the GASB 68 reporting item that requires all employers to report their respective portion of the PSERS liability. The amount applicable to the School District was \$56,129,000 as reported in the statement of net position below. The other significant changes in the statement of net position are due to the campus revitalization project and the work that has been completed as of June 30, 2026.

STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total Government	
	6/30/2026	6/30/2025	6/30/2026	6/30/2025	6/30/2026	6/30/2025
Current assets	\$ 24,006,317	\$ 22,169,698	\$ (298,869)	\$ (265,813)	\$ 23,707,448	\$ 21,903,885
Capital assets	68,874,491	70,734,147	18,773	22,799	68,893,264	70,756,946
Total Assets	92,880,808	92,903,845	(280,096)	(243,014)	92,600,712	92,660,831
Deferred outflows of resources	11,908,368	10,519,249	138,913	115,610	12,047,281	10,634,859
Total Assets and Deferred Outflows of Resources	104,789,176	103,423,094	(141,183)	(127,404)	104,647,993	103,295,690
Current liabilities	2,702,258	2,790,099	122,521	153,939	2,824,779	2,944,038
Long-term liabilities	30,047,608	32,612,154	-	-	30,047,608	32,612,154
Net OPEB liability	3,264,521	3,467,558	64,252	37,464	3,328,773	3,505,022
Net pension liability	55,411,206	57,715,672	717,794	755,328	56,129,000	58,471,000
Total Liabilities	91,425,593	96,585,483	904,567	946,731	92,330,160	97,532,214
Deferred inflows of resources	1,756,275	2,235,160	28,500	36,372	1,784,775	2,271,532
Total Liabilities and Deferred Inflows of Resources	93,181,868	98,820,643	933,067	983,103	94,114,935	99,803,746
Net Position (Deficit)	\$ 11,607,308	\$ 4,602,451	\$ (1,074,250)	\$ (1,110,507)	\$ 10,533,058	\$ 3,491,944

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

	Governmental Activities		Business-type Activities		Total Government	
	6/30/2026	6/30/2025	6/30/2026	6/30/2025	6/30/2026	6/30/2025
Revenues						
Charges for service	\$ 66,821	\$ 61,783	\$ 472,905	\$ 491,883	\$ 539,726	\$ 553,666
Operating grants	6,975,968	5,884,890	346,135	300,390	7,322,103	6,185,280
Property taxes, levied for general purposes	36,070,258	34,276,243	-	-	36,070,258	34,276,243
Taxes levied for a specific purpose	7,484,071	7,315,036	-	-	7,484,071	7,315,036
Grants and entitlements not restricted to specific programs	2,795,200	2,393,526	-	-	2,795,200	2,393,526
Investment earnings	1,398,760	2,145,166	3,406	8,715	1,402,166	2,153,881
Sale of fixed assets	-	-	3,278	-	3,278	-
Miscellaneous	587,922	108,793	-	-	587,922	108,793
Total Revenue	55,379,000	52,185,437	825,724	800,988	56,204,724	52,986,425
Expenditures						
Instruction	25,176,782	29,068,131	-	-	25,176,782	29,068,131
Support services	21,182,183	20,102,129	-	-	21,182,183	20,102,129
Noninstructional services	992,799	1,118,389	939,467	992,198	1,932,266	2,110,587
Debt service - interest	872,379	368,129	-	-	872,379	368,129
Total Expenditures	48,224,143	50,656,778	939,467	992,198	49,163,610	51,648,976
Change in net position	7,004,857	1,528,659	36,257	(191,210)	7,041,114	1,337,449
Net Position (Deficit) Beginning of Year	4,602,451	3,073,792	(1,110,507)	(919,297)	3,491,944	2,154,495
Net Position (Deficit) End of Year	\$ 11,607,308	\$ 4,602,451	\$ (1,074,250)	\$ (1,110,507)	\$ 10,533,058	\$ 3,491,944

The main driver of the \$7,041,114 increase in net position from June 30, 2026 is the increase in tax revenues and decrease in expenses. The decrease in expenses was largely due to amortization of deferred inflow and outflows of resources related to the District's pension and OPEB plans.

MAJOR FUNDS

At June 30, 2026, the District governmental funds reported a combined fund balance of \$20,978,577 which is an increase of \$1,736,786. The schedule below indicates the ending balances at June 30, 2026 and the revenues and expenditures for the year then ended.

	General Fund	Capital Reserve Fund	Totals
ASSETS			
Cash and investments	\$ 20,843,915	\$ 135,570	\$ 20,979,485
Receivables and due from other governments/funds	3,026,832	586,552	3,613,384
TOTAL ASSETS	\$ 23,870,747	\$ 722,122	\$ 24,592,869
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Accounts payables, accrued expenditures, and compensated absences	2,989,411	248,225	3,237,636
Unavailable revenue	376,656	-	376,656
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	3,366,067	248,225	3,614,292
FUND BALANCES			
Unassigned, assigned, committed, and restricted	20,504,680	473,897	20,978,577
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 23,870,747	\$ 722,122	\$ 24,592,869

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

Table A-4
General Fund Revenue Sources

	2026	2025	Increase (Decrease) from 2025-2026	Percent of Increase (Decrease)
Local sources	\$ 44,789,992	\$ 43,822,285	\$ 967,707	2.21%
State sources	9,332,444	7,817,024	1,515,420	19.39%
Federal sources	438,724	461,393	(22,669)	(4.91)%
Total Revenues	<u>\$ 54,561,160</u>	<u>\$ 52,100,702</u>	<u>\$ 2,460,458</u>	<u>4.72%</u>

Table A-5
General Fund Expenditures and Other Financing Uses

	2026	2025	Increase (Decrease) from 2025-2026	Percent of Increase
Instruction	\$ 28,027,855	\$ 27,560,409	\$ 467,446	1.70%
Support services	18,971,313	18,724,196	247,117	1.32%
Operation of noninstructional services	1,112,821	1,121,343	(8,522)	(0.76)%
Capital outlays	5,123	-	5,123	100.00%
Debt service and transfers	4,984,888	7,987,738	(3,002,850)	(37.59)%
Total Expenditures and Uses	<u>\$ 53,102,000</u>	<u>\$ 55,393,686</u>	<u>\$ (2,291,686)</u>	<u>(4.14)%</u>

General Fund

General fund revenues increased from the prior year due primarily to increases in state and local funding sources. Local funding increased due to increases in transfer and earned income taxes, which fluctuate annually based on economic conditions. Debt service and transfer expenditures decreased due to a \$3,000,000 decrease in transfers from the general fund to other funds, based on the needs and availability of fund balance to support long term needs of the District.

Capital Projects Fund

Capital projects fund balance increased due to insurance recoveries and interfund transfers from the general fund exceeding current year expenditures.

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

CAPITAL ASSET AND DEBT ADMINISTRATION

The School District, as of June 30, 2026, owned four buildings: one high school, one middle school, and two elementary schools.

GOVERNMENTAL ACTIVITIES

Capital Assets - Net of Depreciation

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Land and land improvements	\$ 5,455,030	\$ 5,455,030	\$ 5,455,030	\$ 5,455,030
Buildings and building improvements	91,465,545	91,295,049	87,901,861	85,570,858
Furniture and equipment	5,311,465	5,146,353	4,936,367	4,108,993
Right-to-use asset	<u>156,003</u>	<u>156,003</u>	<u>587,567</u>	<u>587,567</u>
Total	102,388,043	102,052,435	98,880,825	95,722,448
Accumulated depreciation/amortization	<u>(33,513,552)</u>	<u>(31,318,288)</u>	<u>(30,359,374)</u>	<u>(28,889,663)</u>
Total Net of Depreciation/Amortization	<u>\$ 68,874,491</u>	<u>\$ 70,734,147</u>	<u>\$ 68,521,451</u>	<u>\$ 66,832,785</u>

Outstanding Bond Debt

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
General Obligation Notes:				
2016 Issue	\$ -	\$ -	\$ 430,000	\$ 875,000
2016 A Issue	-	130,000	130,000	135,000
2017 Issue	5,955,000	6,475,000	6,480,000	6,485,000
2019 A Issue	-	-	1,830,000	2,590,000
2019 B Issue	2,685,000	2,690,000	2,930,000	2,935,000
2020 A Issue	8,805,000	9,595,000	9,620,000	9,625,000
2020 Note	-	-	-	990,000
2021 Issue	<u>9,030,000</u>	<u>9,725,000</u>	<u>9,740,000</u>	<u>9,755,000</u>
Total	<u>\$ 26,475,000</u>	<u>\$ 28,615,000</u>	<u>\$ 31,160,000</u>	<u>\$ 33,390,000</u>

Business-type activities capital assets totaled \$18,773 and \$22,799 for the years ended June 30, 2026 and 2025, respectively. Business-type activities had no long term debt at June 30, 2026 or 2025.

NEW HOPE-SOLEBURY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

LABOR RELATIONS

The professional staff of the School District is represented by the New Hope-Solebury Education Association (NHSEA), an affiliation of the Pennsylvania State Education Association. The current agreement covers the period from July 1, 2024 through June 30, 2027.

The support staff of the School District is represented by New Hope-Solebury Education Support Professionals, an affiliation of the Pennsylvania State Education Association. The current agreement covers the period from July 1, 2025 through June 30, 2028

The Administrative staff contract under Act 93 covers the period from July 1, 2022 through June 30, 2028. All contracts can be found on the School District web page under the business office.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

Public School Employees' Retirement System ("PSERS") – All full-time and eligible part-time employees are covered by the PSERS. The PSERS employer retirement contribution rate for the year ended June 30, 2025 was 33.90%. The employer retirement contribution rate for 2025 - 2026 is increasing to 34.00% and will increase annually until plateauing at approximately 39.94% in 2034 - 2035 unless legislative relief is mandated by the Commonwealth of Pennsylvania.

State Property Tax Reform – The current state legislature continues to discuss property tax reform measures. As approximately 70% of the District's revenue is generated from property taxes, any change in methodology around how this tax is collected and distributed to school districts across the state has the potential to adversely affect the School District.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2026

(With Summarized Comparative Information as of June 30, 2025)

	Governmental Activities	Business-type Activities	Totals	
			2026	2025
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS:				
Cash and cash equivalents	\$ 5,628,382	\$ 28,629	\$ 5,657,011	\$ 4,524,288
Investments	15,351,103	-	15,351,103	15,150,722
Restricted investments	-	-	-	-
Taxes receivable	432,062	-	432,062	432,062
Due from other governments	2,233,716	-	2,233,716	1,718,385
Internal balance	353,655	(353,655)	-	-
Other receivables	7,399	15,912	23,311	68,183
Prepaid expenses	-	-	-	-
Inventories	-	10,245	10,245	10,245
Land	1,710,672	-	1,710,672	1,710,672
Land improvements	3,744,358	-	3,744,358	3,744,358
Buildings and building improvements	91,465,545	-	91,465,545	91,295,049
Furniture and equipment	5,311,465	261,460	5,572,925	5,407,813
Right-to-use lease assets	156,003	-	156,003	156,003
Accumulated depreciation/amortization	(33,513,552)	(242,687)	(33,756,239)	(31,556,949)
TOTAL ASSETS	92,880,808	(280,096)	92,600,712	92,660,831
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amounts related to OPEB	630,764	9,423	640,187	727,480
Deferred amounts related to pension	11,277,604	129,490	11,407,094	9,907,379
TOTAL DEFERRED OUTFLOWS OF RESOURCES	11,908,368	138,913	12,047,281	10,634,859
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 104,789,176</u>	<u>\$ (141,183)</u>	<u>\$ 104,647,993</u>	<u>\$ 103,295,690</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)				
LIABILITIES:				
Accounts payable	\$ 606,059	\$ 42,682	\$ 648,741	\$ 905,078
Accrued salaries and benefits	1,897,110	-	1,897,110	1,804,440
Accrued interest	199,089	-	199,089	157,756
Other current liabilities	-	79,839	79,839	76,764
Noncurrent liabilities:				
Portion due or payable within one year				
Bonds and notes payable in future years, net	2,420,071	-	2,420,071	2,355,764
Lease liability	31,032	-	31,032	29,743
Accumulated compensated absences/				
Accumulated compensated absences	147,915	-	147,915	142,155
Portion due or payable after one year:				
Bonds and notes payable in future years, net	24,326,335	-	24,326,335	26,539,485
Lease liability	69,040	-	69,040	100,072
Accumulated compensated absences/				
Accumulated compensated absences	3,053,215	-	3,053,215	3,444,935
Net OPEB liability	3,264,521	64,252	3,328,773	3,505,022
Net pension liability	55,411,206	717,794	56,129,000	58,471,000
TOTAL LIABILITIES	91,425,593	904,567	92,330,160	97,532,214
DEFERRED INFLOWS OF RESOURCES:				
Deferred amounts related to OPEB	747,802	11,706	759,508	754,441
Deferred amounts related to pension	1,008,473	16,794	1,025,267	1,517,091
TOTAL DEFERRED INFLOWS OF RESOURCES	1,756,275	28,500	1,784,775	2,271,532
NET POSITION (DEFICIT):				
Net investment in capital assets	42,028,013	18,773	42,046,786	41,731,882
Restricted - capital projects	473,897	-	473,897	196,271
Unrestricted (deficit)	(30,894,602)	(1,093,023)	(31,987,625)	(38,436,209)
TOTAL NET POSITION (DEFICIT)	11,607,308	(1,074,250)	10,533,058	3,491,944
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)	<u>\$ 104,789,176</u>	<u>\$ (141,183)</u>	<u>\$ 104,647,993</u>	<u>\$ 103,295,690</u>

The accompanying notes are an integral part of these financial statements.

NEW HOPE-SOLEBURY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026
(With Summarized Comparative Data for the Year Ended June 30, 2025)

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position (Deficit)			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
							2026	2025
GOVERNMENTAL ACTIVITIES:								
Instruction	\$ 25,176,782	\$ -	\$ 4,055,459	\$ -	\$ (21,121,323)	\$ -	\$ (21,121,323)	\$ (25,435,278)
Instructional student support	5,953,753	-	901,820	-	(5,051,933)	-	(5,051,933)	(6,090,772)
Administrative and financial support services	7,551,555	-	854,578	-	(6,696,977)	-	(6,696,977)	(5,575,850)
Operation and maintenance of plant services	5,685,995	-	528,649	-	(5,157,346)	-	(5,157,346)	(4,821,249)
Pupil transportation	1,990,880	-	333,649	-	(1,657,231)	-	(1,657,231)	(1,647,155)
Student activities	992,799	66,821	111,858	-	(814,120)	-	(814,120)	(954,373)
Interest on long-term debt	872,379	-	189,955	-	(682,424)	-	(682,424)	(185,428)
TOTAL GOVERNMENTAL ACTIVITIES	48,224,143	66,821	6,975,968	-	(41,181,354)	-	(41,181,354)	(44,710,105)
BUSINESS-TYPE ACTIVITIES:								
Food service	939,467	472,905	346,135	-	-	(120,427)	(120,427)	(199,925)
TOTAL BUSINESS-TYPE ACTIVITIES	939,467	472,905	346,135	-	-	(120,427)	(120,427)	(199,925)
TOTAL PRIMARY GOVERNMENT	<u>\$ 49,163,610</u>	<u>\$ 539,726</u>	<u>\$ 7,322,103</u>	<u>\$ -</u>	<u>(41,181,354)</u>	<u>(120,427)</u>	<u>(41,301,781)</u>	<u>(44,910,030)</u>
GENERAL REVENUES								
Property taxes, levied for general purposes					36,070,258	-	36,070,258	34,276,243
Taxes levied for specific purposes					7,484,071	-	7,484,071	7,315,036
Grants and entitlements not restricted to specific programs					2,795,200	-	2,795,200	2,393,526
Investment earnings					1,398,760	3,406	1,402,166	2,153,881
Transfers					(150,000)	150,000		
Miscellaneous					587,922	3,278	591,200	108,793
TOTAL GENERAL REVENUES					<u>48,186,211</u>	<u>156,684</u>	<u>48,342,895</u>	<u>46,247,479</u>
CHANGE IN NET POSITION (DEFICIT)					7,004,857	36,257	7,041,114	1,337,449
NET POSITION (DEFICIT), BEGINNING OF YEAR					4,602,451	(1,110,507)	3,491,944	2,154,495
NET POSITION (DEFICIT), END OF YEAR					<u>\$ 11,607,308</u>	<u>\$ (1,074,250)</u>	<u>\$ 10,533,058</u>	<u>\$ 3,491,944</u>

The accompanying notes are an integral part of these financial statements.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2026

(With Summarized Comparative Information as of June 30, 2025)

	General Fund	Capital Reserve Fund	Totals	
			2026	2025
ASSETS				
Cash and cash equivalents	\$ 5,492,812	\$ 135,570	\$ 5,628,382	\$ 4,415,270
Investments	15,351,103	-	15,351,103	15,150,722
Taxes receivable	432,062	-	432,062	432,062
Due from other funds	353,655	586,552	940,207	434,284
Due from other governments	2,233,716	-	2,233,716	1,718,385
Other receivables	7,399	-	7,399	18,975
TOTAL ASSETS	\$ 23,870,747	\$ 722,122	\$ 24,592,869	\$ 22,169,698
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 357,834	\$ 248,225	\$ 606,059	\$ 827,903
Accrued salaries and benefits	1,897,110	-	1,897,110	1,804,440
Due to other funds	586,552	-	586,552	-
Accumulated compensated absences	147,915	-	147,915	142,155
TOTAL LIABILITIES	2,989,411	248,225	3,237,636	2,774,498
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues - delinquent taxes	376,656	-	376,656	153,409
TOTAL DEFERRED INFLOWS OF RESOURCES	376,656	-	376,656	153,409
FUND BALANCES:				
Restricted - capital projects	-	473,897	473,897	196,271
Committed	17,327,028	-	17,327,028	15,423,408
Unassigned (deficit)	3,177,652	-	3,177,652	3,622,112
TOTAL FUND BALANCES	20,504,680	473,897	20,978,577	19,241,791
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 23,870,747	\$ 722,122	\$ 24,592,869	\$ 22,169,698

The accompanying notes are an integral part of these financial statements.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION JUNE 30, 2026

TOTAL GOVERNMENTAL FUND BALANCES \$ 20,978,577

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 1,710,672	
Land improvements	3,744,358	
Buildings and building improvements	91,465,545	
Furniture and equipment	5,311,465	
Lease asset	156,003	
Accumulated depreciation/amortization	<u>(33,513,552)</u>	68,874,491

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

Bonds payable in future years, net	(26,746,406)	
Lease liability	(100,072)	
Accumulated compensated absences	(3,053,215)	
Accrued interest	(199,089)	
Net OPEB liability	(3,264,521)	
Net pension liability	<u>(55,411,206)</u>	(88,774,509)

Some of the School District's revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds.

376,656

Deferred inflows and outflows related to the School District's net OPEB liability are based on the differences between actuarially determined actual and expected investment returns, changes in the actuarially determined proportion of the School District's amount of the net OPEB liability, and OPEB contributions made after the measurement date of the net OPEB liability. These amounts will be amortized over the estimated remaining average service life of the employees.

Deferred outflows of resources:		
Deferred amounts related to OPEB	630,764	
Deferred inflows of resources:		
Deferred amounts related to OPEB	<u>(747,802)</u>	(117,038)

Deferred inflows and outflows related to the School District's net pension liability are based on the differences between actuarially determined actual and expected investment returns, changes in the actuarially determined proportion of the School District's amount of the total pension liability, and pension contributions made after the measurement date of the net pension liability. These amounts will be amortized over the estimated remaining average service life of the employees.

Deferred outflows of resources:		
Deferred amounts related to pension	11,277,604	
Deferred inflows of resources:		
Deferred amounts related to pension	<u>(1,008,473)</u>	<u>10,269,131</u>

NET DEFICIT OF GOVERNMENTAL ACTIVITIES \$ 11,607,308

The accompanying notes are an integral part of these financial statements.

DRAFT - FOR DISCUSSION PURPOSES ONLY

**NEW HOPE-SOLEBURY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026
(With Summarized Comparative Data for the Year Ended June 30, 2025)**

	General Fund	Capital Reserve Fund	Totals	
			2026	2025
REVENUES				
Local sources	\$ 44,789,992	\$ 8,041	\$ 44,798,033	\$ 44,451,502
State sources	9,332,444	-	9,332,444	7,817,024
Federal sources	438,724	-	438,724	461,393
TOTAL REVENUES	<u>54,561,160</u>	<u>8,041</u>	<u>54,569,201</u>	<u>52,729,919</u>
EXPENDITURES				
Current:				
Instruction	28,027,855	-	28,027,855	27,560,409
Support services	18,971,313	1,871,951	20,843,264	18,797,049
Operation of noninstructional services	1,112,821	-	1,112,821	1,121,343
Capital outlays	5,123	300,017	305,140	5,220,048
Debt service	2,979,888	-	2,979,888	2,987,738
TOTAL EXPENDITURES	<u>51,097,000</u>	<u>2,171,968</u>	<u>53,268,968</u>	<u>55,686,587</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,464,160</u>	<u>(2,163,927)</u>	<u>1,300,233</u>	<u>(2,956,668)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from extended term financing	-	-	-	156,003
Insurance recovery	-	586,553	586,553	-
Interfund transfers	(2,005,000)	1,855,000	(150,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,005,000)</u>	<u>2,441,553</u>	<u>436,553</u>	<u>156,003</u>
NET CHANGE IN FUND BALANCES	1,459,160	277,626	1,736,786	(2,800,665)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>19,045,520</u>	<u>196,271</u>	<u>19,241,791</u>	<u>22,042,456</u>
FUND BALANCES, END OF YEAR	<u>\$ 20,504,680</u>	<u>\$ 473,897</u>	<u>\$ 20,978,577</u>	<u>\$ 19,241,791</u>

The accompanying notes are an integral part of these financial statements.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2026

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 1,736,786

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense in the statement of activities. This is the effect of these activities:

Purchases of capital assets	\$ 335,608	
Depreciation/amortization expense	<u>(2,195,263)</u>	(1,859,655)

Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are recorded as deferred inflows of resources. Unavailable revenues increased by this amount this year. 223,247

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences. 2,169,743

In the statement of activities, certain operating expenses - compensated absences (vacations and sick leave) and special termination benefits (early retirement) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). 391,720

Governmental funds report bond premiums and bond discounts as other financing uses and sources, respectively. However these amounts are reported netted against the outstanding bond liability on the statement of net position and amortized over the life of the debt. This is the amount of current net amortization. 8,843

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and, thus, requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (41,333)

OPEB expenses in the statement of activities differ from the amount reported in the governmental funds because OPEB expenses are recognized on the statement of activities based on the School District's estimated future benefit payments and related deferred inflows and deferred outflows, whereas OPEB expenses are recognized in the governmental funds when a requirement to pay the benefits exists. 111,420

Pension expenses in the statement of activities differ from the amount reported in the governmental funds because pension expenses are recognized on the statement of activities based on the School District's proportionate share of the expenses of the cost-sharing pension plan, whereas pension expenditures are recognized in the governmental funds when a requirement to remit contributions to the plan exists. 4,264,086

CHANGE IN NET DEFICIT OF GOVERNMENTAL ACTIVITIES \$ 7,004,857

The accompanying notes are an integral part of these financial statements.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT STATEMENTS OF NET POSITION - PROPRIETARY FUND JUNE 30, 2026 AND 2025

	Food Service Fund	
	2026	2025
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 28,629	\$ 109,018
Other receivables	15,912	49,208
Inventories	10,245	10,245
Total Current Assets	54,786	168,471
FURNITURE AND EQUIPMENT:		
Net furniture and equipment	18,773	22,799
TOTAL ASSETS	73,559	191,270
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amounts related to OPEB	9,423	10,155
Deferred amounts related to pension	129,490	105,455
TOTAL DEFERRED OUTFLOWS OF RESOURCES	138,913	115,610
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 212,472	\$ 306,880
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)		
LIABILITIES:		
Accounts payable and other accrued liabilities	\$ 42,682	\$ 77,175
Other current liabilities	79,839	76,764
Due to other funds	353,655	434,284
Long-term liabilities:		
Portion due or payable after one year:		
Net OPEB liability	64,252	37,464
Net pension liability	717,794	755,328
TOTAL LIABILITIES	1,258,222	1,381,015
DEFERRED INFLOWS OF RESOURCES:		
Deferred amounts related to OPEB	11,706	11,696
Deferred amounts related to pension	16,794	24,676
TOTAL DEFERRED INFLOWS OF RESOURCES	28,500	36,372
NET POSITION (DEFICIT):		
Investment in capital assets	18,773	22,799
Unrestricted (deficit)	(1,093,023)	(1,133,306)
TOTAL NET POSITION (DEFICIT)	(1,074,250)	(1,110,507)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)	\$ 212,472	\$ 306,880

The accompanying notes are an integral part of these financial statements.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	Food Service Fund	
	2026	2025
OPERATING REVENUES		
Food service revenues	\$ 472,905	\$ 491,883
TOTAL OPERATING REVENUES	<u>472,905</u>	<u>491,883</u>
OPERATING EXPENSES		
Salaries	395,529	368,990
Employee benefits	212,253	246,937
Other purchased services	20,153	8,928
Food and supplies	306,291	356,585
Dues and fees	1,215	6,732
Depreciation	4,026	4,026
TOTAL OPERATING EXPENSES	<u>939,467</u>	<u>992,198</u>
OPERATING LOSS	<u>(466,562)</u>	<u>(500,315)</u>
NONCAPITAL SUBSIDIES		
State sources	145,747	131,806
Federal sources	200,388	168,584
TOTAL NONCAPITAL SUBSIDIES	<u>346,135</u>	<u>300,390</u>
OTHER NONOPERATING REVENUES		
Earnings on investments	3,406	8,715
Gain on sale of capital assets	3,278	-
TOTAL OTHER NONOPERATING REVENUES	<u>6,684</u>	<u>8,715</u>
CHANGE IN NET POSITION BEFORE TRANSFERS	(113,743)	(191,210)
Transfers from other funds	<u>150,000</u>	<u>-</u>
CHANGE IN NET DEFICIT	36,257	(191,210)
NET DEFICIT, BEGINNING OF YEAR	<u>(1,110,507)</u>	<u>(919,297)</u>
NET DEFICIT, END OF YEAR	<u>\$ (1,074,250)</u>	<u>\$ (1,110,507)</u>

The accompanying notes are an integral part of these financial statements.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT STATEMENTS OF CASH FLOWS - PROPRIETARY FUND FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	Food Service Fund	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from users	\$ 506,201	\$ 450,694
Payments to suppliers	(292,464)	(286,690)
Payments to employees	(727,257)	(526,829)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(513,520)	(362,825)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State sources	145,747	131,806
Federal sources	130,700	120,190
Transfers from other funds	150,000	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	426,447	251,996
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	3,278	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	3,278	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Earnings on investments	3,406	8,715
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	3,406	8,715
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(80,389)	(102,114)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	109,018	211,132
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 28,629	\$ 109,018
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	\$ (466,562)	\$ (500,315)
Adjustments to reconcile operating loss to net cash provided (used)		
by operating activities:		
Depreciation	4,026	4,026
Donated commodities	69,688	48,394
(Increase) Decrease in:		
Other receivables	33,296	(41,189)
Deferred outflows of resources - pension and OPEB	(23,303)	15,922
Increase (Decrease) in:		
Accounts payable	(34,493)	37,161
Due to other funds	(80,629)	91,895
Other current liabilities	3,075	2,314
Net pension and OPEB liabilities	(10,746)	(22,743)
Deferred inflows of resources - pension and OPEB	(7,872)	1,710
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (513,520)	\$ (362,825)
SUPPLEMENTAL DISCLOSURE		
NONCASH NONCAPITAL FINANCING ACTIVITY:		
USDA donated commodities	\$ 69,688	\$ 48,394

The accompanying notes are an integral part of these financial statements.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT STATEMENTS OF NET POSITION - FIDUCIARY FUNDS JUNE 30, 2026 AND 2025

	Private-Purpose Trust		Custodial Fund	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
ASSETS				
Cash	\$ 38,377	\$ 24,488	\$ 122,278	\$ 117,717
TOTAL ASSETS	<u>\$ 38,377</u>	<u>\$ 24,488</u>	<u>\$ 122,278</u>	<u>\$ 117,717</u>
LIABILITIES AND NET POSITION				
LIABILITIES:				
Other current liabilities	\$ -	\$ -	\$ -	\$ -
NET POSITION:				
Reserved	<u>38,377</u>	<u>24,488</u>	<u>122,278</u>	<u>117,717</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 38,377</u>	<u>\$ 24,488</u>	<u>\$ 122,278</u>	<u>\$ 117,717</u>

The accompanying notes are an integral part of these financial statements.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT STATEMENTS OF CHANGES IN NET POSITION - FIDUCIARY FUNDS FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	Private-Purpose Trust		Custodial Fund	
	2026	2025	2026	2025
ADDITIONS				
Earnings on investments	\$ 39	\$ 29	\$ -	\$ -
Scholarship contributions	16,000	-	-	-
Student activities contributions	-	-	112,320	103,101
TOTAL ADDITIONS	16,039	29	112,320	103,101
DEDUCTIONS				
Student activities distributions	-	-	107,759	115,605
Fees paid and scholarships awarded	2,150	2,150	-	-
TOTAL DEDUCTIONS	2,150	2,150	107,759	115,605
CHANGE IN NET POSITION	13,889	(2,121)	4,561	(12,504)
NET POSITION, BEGINNING OF YEAR	24,488	26,609	117,717	130,221
NET POSITION, END OF YEAR	<u>\$ 38,377</u>	<u>\$ 24,488</u>	<u>\$ 122,278</u>	<u>\$ 117,717</u>

The accompanying notes are an integral part of these financial statements.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The New Hope-Solebury School District ("the School District") operates two elementary schools, one middle school, and one high school in New Hope Borough and Solebury Township, Pennsylvania. The School District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania. The School District is governed by a locally elected nine-member Board form of government.

Reporting Entity

The GASB *Codification of Governmental Accounting and Financial Reporting Standards* ("GASB Codification") establishes the criteria for determining the activities, organizations, and functions of government to be included in the basic financial statements of the reporting entity. In evaluating the School District as a reporting entity, management has addressed all potential component units which may or may not fall within the School District's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the School District's reporting entity are financial accountability and the nature and significance of the relationship. The School District does not have any component units.

This report includes all of the funds of the School District based on the above criteria.

The Middle Bucks Area Vocational - Technical School Authority ("the VoTech Authority") is a separate legal entity which is not a component unit of the School District and is not included in the School District's reporting entity. The School District is a member of the VoTech Authority. In 1998, the VoTech Authority entered into an agreement with the member school districts and the VoTech Authority Board to provide for the acquisition and/or to construct alterations, renovations, additions, and improvements to the VoTech School and grounds.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the School District have been prepared in accordance with generally accepted accounting principles ("GAAP") as applied to governmental units. The Government Accounting Standards Board ("GASB") is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Fund Accounting

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

The School District classified funds into three categories: governmental, proprietary, and fiduciary.

Governmental funds include the following:

- **General Fund (major fund)** – the principal operating fund of the School District used to account for all financial resources, except those required to be in another fund.
- **Capital Reserve Fund (major fund)** – used to account for maintenance projects under Section 1432 of the Municipal Code.

The proprietary fund accounts for the operations of the School District that are financed and operated in a manner similar to those often found in the private sector. The fund included in this category is:

- **Food Service** – used to account for the operation of the cafeterias.

Fiduciary funds account for the assets held by the School District as a trustee or agent for individuals, private organizations, and/or governmental units and are, therefore, not available to support the School District's own programs. The funds included in this category are:

- **Private-Purpose Trust Fund** – used to account for assets held by the School District in a trustee capacity. This fund accounts for various scholarship programs for students.
- **Custodial Fund** – used to account for assets held by the School District as custodian. This fund accounts for various student activities.

Basis of Presentation

Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the School District. As a general rule, the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are also provided in the report for all of the governmental funds, the proprietary fund, and fiduciary funds of the School District. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements. Fiduciary funds are reported by fund type.

The proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the School District's enterprise fund are food service charges. Operating expenses for the School District's enterprise fund include food production costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) is used as a practical measure of economic resources, and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations, and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue and similar revenue streams to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state, and other grants designated for payment of specific School

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as unearned revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension liabilities, and claims and judgments, are recorded only when payment is due.

Budgetary Information

An operating budget is adopted each year for the general fund on a modified accrual basis of accounting.

The Pennsylvania School Code dictates specific procedures, including a timeline of events, relative to adoption of the School District's budget and reporting of its financial statements, specifically:

- The School District, before levying annual school taxes, is required to adopt an operating budget by June 30 for the succeeding fiscal year.
- The School District is required to publish notice by advertisement, at least once in two newspapers of general circulation in the municipality in which it is located, twenty days prior to final budget adoption, that the proposed budget has been prepared and is available for public inspection at the administrative office of the School District. Notice that public hearings will be held on the proposed operating budget must be included in the advertisement; such hearings are required to be scheduled at least 10 days prior to when final action on adoption is taken by the School Board of Directors.
- The School Board of Directors may make transfers of funds appropriated to any particular item of expenditure by legislative action. An affirmative vote of two-thirds of all members of the Board is required.
- Fund balances in budgetary funds may be appropriated based on resolutions passed by the School Board of Directors, which authorize the School District to make expenditures. Appropriations lapse at the end of the fiscal period.
- The general fund budget includes program budgets as prescribed by the state and federal agencies funding the programs. These budgets are approved on a program-by-program basis by the state or federal funding agency.
- Capital budgets are not implemented for capital improvements and capital projects in the construction fund. An adopted budget is not presently required due to the fund's recent inception and the limited amount of transactions. Additionally, all transactions

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

of the construction fund are approved by the School Board of Directors prior to commitment, thereby constructively achieving budgetary control.

- Proprietary fund budgets are not adopted; however, formal budgets are prepared and approved by management; and expenditures are controlled on the basis of these budgets.
- Trust funds are not formally budgeted; however, each individual expenditure/expense request is reviewed for compliance with trust provisions and for availability of funding.
- There were no supplemental budgetary appropriations or amendments proposed or approved during the year.

Receivables/Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Cash and Cash Equivalents and Investments

The School District's cash and cash equivalents are considered to be cash on hand, certificates of deposit, and liquid asset funds.

Cash equivalents in the basic financial statements include all highly liquid investments with an original maturity of three months or less.

The School District's investments are carried at amortized cost, which approximates fair value.

Inventories

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

Inventories of the governmental funds, consisting principally of textbooks and instructional supplies, are not valued since it is the consistent policy of the School District to charge these items to expense upon acquisition.

Inventories of the food service fund consisting of food and paper supplies are carried at cost using the first-in, first-out method. The inventories on hand at June 30, 2026 consist of the purchased food/supplies for use in the food program in the amount of \$10,245.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. Management has elected to include certain homogeneous asset categories with individual assets less than \$1,500 as composite groups for financial reporting purposes. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	15 - 45
Buildings	45 - 50
Building improvements	10 - 20
Furniture	10 - 25
Equipment	5 - 50
Right-to-use lease assets	Lease life

Compensated Absences

The School District accounts for compensated absences in accordance with the GASB Codification, which requires a liability be reported for certain compensated absences as the benefits are earned by employees instead of when they are paid.

The School District allows employees to accumulate vacation days and sick leave subject to limits which are paid prior to retirement or termination. At the end of the fiscal year, the amount expected to be paid for compensated absences from current resources is accrued in the general fund.

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Long-term Obligations

In the entity-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are netted against outstanding principal balances and amortized over the life of the bonds. Bond issuance costs are expensed when incurred. All amortization is calculated using the straight-line method.

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

Deferred Inflows and Deferred Outflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred inflows and deferred outflows of resources. These separate financial statement elements represent acquisition or use of net position that applies to a future period(s) and so will not be recognized as an inflow or outflow of resources (revenue or expense) until that time. The School District currently has two items that qualify for reporting in this category. Certain changes to the net pension liability, including pension contributions made subsequent to the measurement date and, therefore, not reflected in the net pension liability under full accrual basis reporting, are required to be amortized over a period of years. Additionally, certain changes to the net OPEB liability, including OPEB contributions made subsequent to the measurement date and, therefore, not reflected in the net OPEB liability under full accrual basis reporting, are required to be recognized in a future year. The unamortized portions of these changes are reflected as deferred outflows and inflows of resources on the entity-wide and proprietary fund statements of net position. Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The School District has one type of item that qualifies for reporting in this category. Delinquent taxes not collected within 60 days of year end and, therefore, are not available under modified accrual reporting are reflected as deferred inflows of resources on the general fund balance sheet.

Fund Balances

The School District complies with the GASB Codification, which provides clearly defined fund balance categories to make the nature and extent of the constraints placed on the School District's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- *Nonspendable fund balance* – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance* – amounts constrained to specific purposes by the School District itself, using its highest level of decision-making authority (the School Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the School District takes the same highest level action to remove or change the constraint.
- *Assigned fund balance* – amounts the School District intends to use for a specific purpose. Intent can be expressed by the School Board of Directors or by an official or body to which the School Board of Directors delegates the authority.
- *Unassigned fund balance* – amounts available for any purpose. Positive amounts are reported only in the general fund. Negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

The School Board of Directors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the School Board of Directors through adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, construction, debt service, or for other purposes).

The School District will typically use restricted fund balances first, followed by committed resources, and then assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

In the general fund, the School District strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 8% of the actual GAAP basis expenditures and other financing sources and uses.

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Under Section 440.1 of the Public School Code of 1949, as amended, the School District is permitted to invest funds in the following types of investments:

- Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- Deposits in savings accounts, time deposits, or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and for any amounts above the insured maximum, provided that approved collateral as provided by law therefore, shall be pledged by the depository.
- Commercial paper, bankers' acceptances, and negotiable certificates of deposit receiving top ratings from at least two nationally recognized statistical ratings organizations.

The deposit and investment policy of the School District adheres to state statutes. The administration is not aware of any deposits or investment transactions during the year that were in violation of either state statutes or the policy of the School District.

The breakdown of total cash and investments at June 30, 2026 is as follows:

Cash	\$ 5,817,666
Investments	<u>15,351,103</u>
	<u>\$ 21,168,769</u>

Deposits

At year end, the carrying amount of the School District's deposits was \$5,817,666, and the bank balance was \$6,061,218. Of the bank balance, \$38,377 was covered by federal depository

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NEW HOPE-SOLEBURY SCHOOL DISTRICT NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3 CASH AND CASH EQUIVALENTS AND INVESTMENTS (cont'd)

insurance, and the remaining \$6,022,841 was cash equivalents held as certificates of deposit with the Pennsylvania School District Liquid Asset Fund ("PSDLAF"), Pennsylvania INVEST, and the Pennsylvania Local Government Investment Trust ("PLGIT"), which enable governmental units to pool their available funds for investment in instruments authorized by Section 440.1 of the Pennsylvania Public School Code of 1949, as amended.

Investments

In general, all of the School District's investments are categorized as either (1) insured or registered for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name, or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agency, but not in the government's name.

As of June 30, 2026, the School District had the following investments:

<u>Investment</u>	<u>Fair Value</u>
Pennsylvania School District Liquid Asset Fund (PSDLAF)	<u>\$ 15,351,103</u>
Total Investments	<u>\$ 15,351,103</u>

Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF acts like money market mutual funds in that their objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized statistical rating organization, and is subject to an independent audit.

Of these investments, \$229,600 is invested in certificates of deposit, and \$15,121,503 is invested in 2a7-like pools. The amortized cost, which approximates fair value of the pool, is determined by the pool's share price. The School District has no regulatory oversight for the pools, which are governed by the Board of Trustees. PSDLAF is administered by PMA Financial Network, Inc., and the pool is audited annually by PricewaterhouseCoopers LLP, an independent certified public accounting firm.

Interest Rate Risk

The School District has a formal investment policy that limits maturities to 13 months or less in certain investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

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NEW HOPE-SOLEBURY SCHOOL DISTRICT NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3 CASH AND CASH EQUIVALENTS AND INVESTMENTS (cont'd)

Credit Risk

The School District has no investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2026, the School District's investments were rated as:

<u>Investment</u>	<u>Standard & Poor's</u>
Pennsylvania School District Liquid Asset Fund (PSDLAF)	AAAm

Concentration of Credit Risk

The School District places no limit on the amount the School District may invest in any one issuer. As of June 30, 2026, all of the School District's investments are in PSDLAF.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The School District has no investments subject to custodial credit risk.

NOTE 4 REAL ESTATE TAXES RECEIVABLE AND UNAVAILABLE REVENUE

Based upon assessments provided by the County, the School District has two independently elected tax collectors who bill and collect the School District's property taxes. The School District's tax rate for the year ended June 30, 2026, was 120.51040 mills (120.51040 per \$1,000 of assessed valuation) as levied by the Board of School Directors. The schedule for real estate taxes levied for each fiscal year is as follows:

July 1	-	Levy date
July 1 - August 31	-	2% discount period
September 1 - October 31	-	Face payment period
November 1 - December 15	-	10% penalty period
December 15	-	Lien date

The School District, in accordance with GAAP, recognized the delinquent and unpaid taxes receivable reduced by an allowance for uncollectible taxes as determined by administration.

The administration believes the full amount of unpaid taxes is collectible. A portion of this amount, which was measurable and available within 60 days, was recognized as revenue and the balance deferred in the fund financial statements.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 4 REAL ESTATE TAXES RECEIVABLE AND UNAVAILABLE REVENUE (cont'd)

The deferred inflow of resources balance in the general fund of \$376,656 consists of unavailable real estate taxes.

The School District has abated property taxes under Pennsylvania Conservation and Land Development Act ("Act 153") of \$5,543. In accordance with Act 153, real properties located within the School District that are registered as open space properties are exempt from future millage increases once said properties are accepted into the Open Space Program.

The School District also has abated property taxes under The Taxpayer Relief Act, Act 1 of Special Session 1 of 2006 ("Act 1") of \$1,311,611. Act 1 provides for property tax reduction allocations to be distributed by the Commonwealth to each school district, and the state funds must then be used to reduce local residential school property tax bills. Property tax reduction will be through a "homestead exclusion." Under homestead property tax exclusion, the assessed value of each homestead or farmstead is reduced by the amount of the exclusion before the property tax is computed.

NOTE 5 INTERNAL RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2026 is as follows:

Due To	Amount	Due From	Amount
General Fund	\$ 353,655	Food Service Fund	\$ 353,655
Capital Projects Fund	586,553	General Fund	586,553
	<u>\$ 940,208</u>		<u>\$ 940,208</u>

Interfund balances between funds represent temporary loans recorded at year end subsequent to a final allocation of expenses. The balances generally are paid shortly after year end.

The general fund transferred \$1,855,000 to the capital reserve fund and \$150,000 to the Food Service Fund during the year ended June 30, 2026 to support the long term capital needs of the District.

NOTE 6 UNEARNED REVENUES

The School District records unearned revenue for resources that have been received but not yet earned. At the end of the current fiscal year, the School District had no unearned revenues.

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NEW HOPE-SOLEBURY SCHOOL DISTRICT NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2026 was as follows:

	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>
<i>Governmental Activities</i>				
Capital assets not being depreciated:				
Land	\$ 1,710,672	\$ -	\$ -	\$ 1,710,672
Total Capital Assets Not Being Depreciated	<u>1,710,672</u>	<u>-</u>	<u>-</u>	<u>1,710,672</u>
Capital assets being depreciated:				
Land improvements	3,744,358	-	-	3,744,358
Buildings and building improvements	91,295,049	170,496	-	91,465,545
Furniture and equipment	5,146,353	165,112	-	5,311,465
Right-to-use lease asset	156,003	-	-	156,003
Total Capital Assets Being Depreciated	<u>100,341,763</u>	<u>335,608</u>	<u>-</u>	<u>100,677,371</u>
Less accumulated depreciation/ amortization for:				
Land improvements	2,306,989	-	-	2,306,989
Buildings and building improvements	25,550,270	984,653	-	26,534,923
Furniture and equipment	3,432,428	1,179,414	-	4,611,842
Right-to-use lease asset	28,601	31,197	-	59,797
Total Accumulated Depreciation/Amortization	<u>31,318,288</u>	<u>2,195,263</u>	<u>-</u>	<u>33,513,552</u>
Total Capital Assets Being Depreciated/ Amortized, Net	<u>69,023,475</u>	<u>(1,859,665)</u>	<u>-</u>	<u>67,163,819</u>
Governmental Activities Assets, Net	<u>\$ 70,734,147</u>	<u>\$ (1,859,665)</u>	<u>\$ -</u>	<u>\$ 68,874,491</u>
<i>Business-type Activities</i>				
Capital assets being depreciated:				
Equipment	\$ 261,460	\$ -	\$ -	\$ 261,460
Less accumulated depreciation for: Equipment	<u>238,661</u>	<u>4,026</u>	<u>-</u>	<u>242,687</u>
Business-type Activities Capital Assets, Net	<u>\$ 22,799</u>	<u>\$ (4,026)</u>	<u>\$ -</u>	<u>\$ 18,773</u>

Depreciation/amortization expense was charged to functions/program of primary government as follows:

Governmental Activities:

Instruction	\$ 235,509
Administrative and financial support services	410,085
Operation and maintenance of plant services	1,536,987
Pupil transportation	<u>12,682</u>
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 2,195,263</u>

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NEW HOPE-SOLEBURY SCHOOL DISTRICT NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 CAPITAL ASSETS (cont'd)

Depreciation expense was charged to the functions of the business-type activities as follows:

Business-type Activities:

Food service	\$ 4,026
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Total Depreciation Expense - Business-type Activities	<u>\$ 4,026</u>
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NOTE 8 LONG-TERM LIABILITIES

General Obligation Bonds - Series of 2017

On September 12, 2017, General Obligation Bonds, Series of 2017, were sold. The aggregate principal amount of this issue was \$6,600,000. The bonds bear interest rates ranging from 2.0% to 3.0%. Interest will be paid to the registered owners of the bonds semi-annually on August 15 and February 15 of each year with final maturity on February 15, 2036. The proceeds of the bonds were used to pay the costs of: (a) funding the design, acquisition, and construction of capital improvements and (b) paying the costs and expenses incurred by the School District in connection with the issuance of the bonds.

5,955,000

General Obligation Bonds - Series of 2019 B

On December 11, 2019, General Obligation Bonds, Series of 2019 B, were sold. The aggregate principal amount of this issue was \$6,600,000. The bonds bear interest rates ranging from 2.0% to 3.0%. Interest will be paid to the registered owners of the bonds semi-annually on March 1 and September 1 of each year with final maturity on February 15, 2035. The proceeds of the bonds were used to pay the costs of: (a) funding the design, acquisition, and construction of capital improvements and (b) paying the costs and expenses incurred by the School District in connection with the issuance of the bonds.

2,685,000

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 LONG-TERM LIABILITIES (cont'd)

General Obligation Bonds - Series of 2020 A

On November 18, 2020, General Obligation Bonds, Series of 2020 A, were sold. The aggregate principal amount of this issue was \$9,645,000. The bonds bear interest at 2.0%. Interest will be paid to the registered owners of the bonds semi-annually on February 15 and August 15 of each year with final maturity on February 15, 2035. The proceeds of the bonds were used to pay the costs of: (a) currently refunding the School District's Series of 2015 A bonds and (b) paying the costs and expenses incurred by the School District in connection with the issuance of the bonds.

8,805,000

General Obligation Bonds - Series of 2021 A

On November 22, 2021, General Obligation Bonds, Series of 2021 A, were sold. The aggregate principal amount of this issue was \$9,755,000. The bonds bear interest at 2.0%. Interest will be paid to the registered owners of the bonds semi-annually on February 15 and August 15 of each year with final maturity on February 15, 2036. The proceeds of the bonds were used to pay the costs of: (a) currently refunding the School District's Series of 2016 A bonds and (b) paying the costs and expenses incurred by the School District in connection with the issuance of the bonds.

9,030,000

Total Bonds/Notes Payable

\$ 26,475,000

Annual debt service requirements to maturity for general obligation bonds and notes, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Maturities</u>
2027	2,415,000	839,697	3,254,697
2028	2,440,000	779,869	3,219,869
2029	2,500,000	707,530	3,207,530
2030	2,550,000	630,480	3,180,480
2031	2,605,000	549,605	3,154,605
2032 - 2036	<u>13,965,000</u>	<u>1,361,653</u>	<u>15,326,653</u>
	<u>\$ 26,475,000</u>	<u>\$ 4,868,834</u>	<u>\$ 31,343,834</u>

Changes in Long-term Liabilities

Long-term liability balance and activity for the year ended June 30, 2026 was as follows:

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 LONG-TERM LIABILITIES (cont'd)

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Due Within One Year
Governmental Activities					
Bonds and notes payable	\$ 28,615,000	\$ -	\$ 2,140,000	\$ 26,475,000	\$ 2,415,000
Bond discounts	(33,044)	-	(3,098)	(29,946)	(3,098)
Bond premiums	313,293	-	11,941	301,352	8,169
Net bonds and notes payable	<u>28,815,249</u>	<u>-</u>	<u>2,148,843</u>	<u>26,746,406</u>	<u>2,420,071</u>
Other long-term liabilities:					
Compensated absences	3,587,090	-	385,960	3,201,130	147,915
Lease liability	129,815	-	29,743	100,072	31,032
Net pension liability	57,715,672	-	2,304,467	55,411,205	-
Net OPEB Liability	<u>3,467,558</u>	<u>-</u>	<u>203,037</u>	<u>3,264,521</u>	<u>-</u>
Total Governmental Long-term Liabilities	<u>\$ 93,795,384</u>	<u>\$ -</u>	<u>\$ 5,072,050</u>	<u>\$ 88,723,334</u>	<u>\$ 2,599,018</u>

The following summarizes the changes in the long-term liabilities of business-type activities for the year ended June 30, 2026:

	Balance June 30, 2025	Additions	Reductions	Balance June 30, 2026	Due Within One Year
Net pension liability	\$ 755,328	\$ -	\$ 37,534	\$ 717,794	\$ -
Net OPEB liability	<u>37,464</u>	<u>26,788</u>	<u>-</u>	<u>64,252</u>	<u>-</u>
TOTALS	<u>\$ 792,792</u>	<u>\$ 26,788</u>	<u>\$ 37,534</u>	<u>\$ 782,046</u>	<u>\$ -</u>

Long-term liabilities of governmental activities are anticipated to be liquidated by the general fund. Long-term liabilities of business-type activities are anticipated to be liquidated by the food service fund. Additions in compensated absences are reported net of reductions. Total interest expense during the year ended June 30, 2026 was \$872,378.

NOTE 9 EMPLOYEE RETIREMENT PLAN

Plan Description

The School District contributes to the Public School Employees' Retirement System ("PSERS"), a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the system include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school

NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 EMPLOYEE RETIREMENT PLAN (cont'd)

year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. Benefit terms and contribution rates may be amended by passing bills in the Pennsylvania Senate and House of Representatives and sending them to the Governor for approval. The PSERS issues a publicly available annual comprehensive financial report that includes the financial statements and required supplementary information for the plan. A copy of this report may be obtained by visiting the PSERS website at www.psers.pa.gov

Benefits Provided

The PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62, with at least one year of credited service, (b) age 60 with 30 or more years of credited service, or (c) 35 or more years of service regardless of age. Act 120 of 2010 ("Act 120") preserves the benefits of existing members, and introduced benefit reductions for individuals who became new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E ("Class T-E"), and Membership Class T-F ("Class T-F"). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of three years of service, or attain a total combination and age and service that is equal to or greater than 92, with a minimum of 35 years of service. Benefits are generally equal to 2% or 2½%, depending upon the membership class, of the member's final average salary as defined in the code, multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested, and early retirement may be elected. For Class T-E and Class T-F members, the right to benefits is vested after 10 years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2½%, depending upon the membership class, of the member's final average salary as defined in the code, multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members, or who has at least five years of credited service for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Member Contributions

Active members who joined the system prior to July 22, 1983 contributed at 5.25% (Membership Class T-C) or at 6.50% (Membership Class T-D) of the member's qualifying compensation.

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 EMPLOYEE RETIREMENT PLAN (cont'd)

Members who joined the system on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Membership Class T-C) or at 7.50% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the system after June 30, 2001 and before July 1, 2011 contribute at 7.50% (automatic Membership Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002.

Members who joined the system after June 30, 2011 automatically contribute at the Membership Class T-E rate of 7.50% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.30% (base rate) of the member's qualifying compensation. Membership Class T-E and T-F are affected by a "shared risk" provision in Act 120 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.50% and 9.50%, and Membership Class T-F contribution rate to fluctuate between 10.30% and 12.30%.

Employer Contributions

The School District's contractually required annual contribution is based on an actuarially determined amount that, when combined with the employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2026, the rate of the employer contribution was 34.00% of covered payroll, which was comprised of 32.96% for pension contributions, 0.42% for the PSERS defined contribution plan, and 0.62% for healthcare contributions. The School District's contribution to PSERS for pension contributions for the year ended June 30, 2026 was \$7,904,093.

Pension Liability and Expense, and Deferred Outflows and Inflows of Resources

At June 30, 2026, the School District reported a liability of \$56,129,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by rolling forward the system's total pension liability as of June 30, 2024 to June 30, 2025. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the School District's proportion was 0.1446%, which was an increase of 0.0049% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2026, the School District recognized pension expense of \$4,476,501. At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

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NEW HOPE-SOLEBURY SCHOOL DISTRICT NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 EMPLOYEE RETIREMENT PLAN (cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ -	\$ 197,000
Difference between expected and actual experience	946,000	472,000
Change in proportionate share of the net pension liability	2,557,000	-
Difference between employer contributions and proportionate share of total contributions	-	356,267
Contributions subsequent to the date of measurement	7,904,093	-
	<u>\$11,407,093</u>	<u>\$ 1,025,267</u>

An amount of \$7,904,093 is reported as deferred outflows of resources resulting from the School District's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2027. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources relating to pensions and will be recognized in pension expense as follows:

Year Ending June 30,

2027	\$ 2,380,933
2028	812,933
2029	(46,066)
2030	(670,067)
	<u>\$ 2,477,733</u>

Actuarial Assumptions

The total pension liability as of June 30, 2025 was determined by rolling forward the system's total pension liability as of the June 30, 2024 actuarial valuation to June 30, 2025 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – entry age normal, level percentage of pay
- Investment return – 7.00%, including inflation of 2.50%
- Salary increases – effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 EMPLOYEE RETIREMENT PLAN (cont'd)

- The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024 and as of June 30, 2025.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2022 actuarial valuation:
 - Salary growth rate – decreased from 5.00% to 4.50%
 - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively
 - Mortality rates – Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS Board of Directors. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

A schedule of plan investments by asset class, target allocations, and long-term expected real rate of return is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global public equity (hedged)	32.0%	4.2%
Private equity	12.0%	6.7%
Fixed income	34.0%	3.5%
Commodities	4.0%	3.9%
Infrastructure	10.0%	5.9%
Real estate	8.0%	6.4%
	<u>100.0%</u>	

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NEW HOPE-SOLEBURY SCHOOL DISTRICT NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 EMPLOYEE RETIREMENT PLAN (cont'd)

The above was the PSERS Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2025.

Discount Rate

The discount used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates which are actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
School District's proportionate share of the net pension liability	\$ 75,734,000	\$ 56,129,000	\$ 39,565,000

Pension Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in the PSERS Annual Comprehensive Financial Report, which can be found on the system's website at www.psers.pa.gov.

NOTE 10 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

The School District administers a single employer defined benefit healthcare plan (the Retiree Health Plan) for employees who meet the eligibility requirements upon retirement. The School

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NEW HOPE-SOLEBURY SCHOOL DISTRICT NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

District's retired employees are allowed to continue coverage for themselves and their dependents in the employer's group health plan until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment equal to the premium determined for the purpose of COBRA. In accordance with the GASB Codification, retiree benefits are viewed as a form of deferred compensation. As such, the benefits are treated as being earned over the working lifetime of the employee so that the cost is fully charged to operations by the earliest date of eligibility under the plan. A plan report is available in the School District office.

Funding Policy

The contribution requirements of plan members are established and may be amended by the Board of School Directors. The School District has no assets accumulated in a trust or equivalent arrangement for the purpose of administering the OPEB plan. The required contribution is based on projected pay-as-you-go financing requirements, with any additional amount to prefund as determined annually by the Board of School Directors. For fiscal year 2026, the School District paid \$99,331 to plan members eligible for receiving benefits.

Actuarial Assumptions and Other Inputs

The total OPEB liability was measured as of July 1, 2025, utilizing an actuarial valuation as of that date.

Discount Rate

The discount used to measure the total OPEB liability was 4.29% and 4.81% for the measurement dates of July 1, 2024 and July 1, 2025, respectively, based on S&P Municipal Bond 20-year High Grade Rate Index.

Salary Increases

An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases are composed of a 2.5% cost of living adjustment, 1% real wage growth, and for teachers and administrators, a merit increase which varies by age from 2.75% to 0%.

Withdrawal

Rates of withdrawal vary by age, gender, and years of service. Sample rates for employees with more than 10 years of service are shown below. Rates for new employees start at 25.93% for men and 27.46% for women and decrease with age and service.

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

<u>Age</u>	<u>Male Rate</u>	<u>Female Rate</u>
25	4.55%	3.90%
30	4.55%	3.90%
35	1.68%	2.83%
40	1.42%	1.67%
45	1.41%	1.60%
50	1.89%	2.08%
55	3.63%	3.66%
60	5.49%	5.94%

Mortality Rates

PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees.

Incorporated into the table are rates projected generationally by the Scale MP-2021 to reflect mortality improvement.

Disability

No disability was assumed.

Retirement

Assumed retirement rates are based on PSERS plan experience and vary by age, service, and gender.

<u>Age</u>	<u>Age 55 and 25 Years of Service</u>		<u>Superannuation TC and TD</u>		<u>Superannuation TE, TF, TG, and TH</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
55	14.5%	14.5%	25.0%	16.0%	16.3%	19.5%
56	14.5%	14.5%	25.0%	20.0%	16.3%	19.5%
57	14.5%	15.0%	28.0%	28.0%	16.3%	19.5%
58	14.5%	15.0%	28.0%	30.0%	16.3%	19.5%
59	21.6%	20.7%	28.0%	30.0%	16.3%	19.5%
60	14.5%	15.0%	29.0%	31.0%	16.3%	19.5%
61	29.0%	29.0%	29.0%	31.0%	16.3%	19.5%
62	29.0%	29.0%	36.0%	31.0%	16.3%	19.5%
63	29.0%	29.0%	21.0%	20.0%	16.3%	19.5%
64	29.0%	29.0%	22.0%	25.0%	16.3%	19.5%

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

Age	Age 55 and 25 Years of Service		Superannuation TC and TD		Superannuation TE, TF, TG, and TH	
	Male	Female	Male	Female	Male	Female
65	29.0%	29.0%	23.0%	28.0%	16.3%	19.5%
66	29.0%	29.0%	23.0%	27.0%	16.3%	19.5%
67	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
68	29.0%	29.0%	20.0%	22.0%	16.3%	19.5%
69	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
70	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
71-73	29.0%	29.0%	20.0%	20.0%	16.3%	19.5%
74-79	29.0%	29.0%	25.0%	25.0%	16.3%	19.5%
80+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Percent of Eligible Retirees Electing Coverage in Plan

Forty percent of all employees are assumed to elect coverage.

Percent Married at Retirement

Twenty percent of employees are assumed to be married and have a spouse covered by the plan at retirement. Non-spouse dependents are deemed to be immaterial.

Spouse Age

Wives are assumed to be two years younger than their husbands.

Per Capita Claims Cost

The per capita claims cost for medical and prescription drugs is based on the expected portion of the group's overall cost attributed to individuals in the specified age and gender brackets. Dental and vision costs are assumed to not vary with age or gender. The resulting costs are as follows:

Age	Medical		Prescription Drug	
	Male	Female	Male	Female
45 - 49	\$ 6,217	\$ 8,979	\$ 1,676	\$ 2,420
50 - 54	\$ 8,234	\$ 10,148	\$ 2,220	\$ 2,735
55 - 59	\$ 10,029	\$ 10,618	\$ 2,703	\$ 2,862
60 - 64	\$ 13,087	\$ 12,198	\$ 3,528	\$ 3,288
65+	\$ 6,423	\$ 6,423	\$ 4,971	\$ 4,971

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

Retiree Contributions

Retiree contributions are assumed to increase at the same rate as the healthcare cost trend rate.

Healthcare Cost Trend

The healthcare cost trend was 7.0% in 2024 with 0.5% decrease per year until 5.5% in 2028. Rates gradually decrease from 5.4% in 2029 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Actuarial Value of Assets

The actuarial value of assets is equal to the market value of assets.

Actuarial Cost Method – Entry Age Normal

Under the entry age normal cost method, the normal cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The accrued liability as of the valuation date is the excess of the present value of future benefits over the present value of future normal cost. The unfunded accrued liability is the excess of the accrued liability over the actuarial value of assets. Actuarial gains and losses serve to reduce or increase the unfunded accrued liability.

Participant Data

Participant data is based on census information as of July 2024. The plan consisted of 243 participants, of which 234 were active and 9 were retired and receiving benefits.

Sensitivity Analysis

The following presents the net OPEB liability, calculated using the valuation discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease 3.81%	Current Discount Rate 4.81%	1% Increase 5.81%
Total OPEB liability	\$ 1,035,194	\$ 966,773	\$ 901,766
Fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 1,035,194</u>	<u>\$ 966,773</u>	<u>\$ 901,766</u>

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NEW HOPE-SOLEBURY SCHOOL DISTRICT NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

The following presents the net OPEB liability, calculated using the valuation healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one percentage point lower each year or one percentage point higher each year than the current rate.

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 866,085	\$ 966,773	\$ 1,083,286
Fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 866,085</u>	<u>\$ 966,773</u>	<u>\$ 1,083,286</u>

Changes in Total OPEB Liability:

Total OPEB liability as of June 30, 2024	\$ 1,025,022
Service cost	52,925
Interest on OPEB obligation	42,999
Effect of assumption changes or inputs	(14,524)
Benefit payments	<u>(139,649)</u>
Total OPEB liability as of June 30, 2025	<u>\$ 966,773</u>

The amount of OPEB expense for the single employer plan recognized by the School District was \$71,852 for the year ended June 30, 2026. At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources relating to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumption	93,013	232,952
Net difference between expected and actual experience	19,333	75,556
Benefits paid subsequent to the date of measurement	<u>99,331</u>	<u>-</u>
	<u>\$ 211,677</u>	<u>\$ 308,508</u>

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

An amount of \$99,331 is reported as deferred outflows of resources resulting from the School District's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2027. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources related to OPEB and will be recognized in OPEB expense as follows:

Year Ending June 30,

2027	(24,072)
2028	(24,072)
2029	(24,072)
2030	(24,072)
2031	(24,075)
Thereafter	<u>(75,799)</u>
	<u>\$ (196,162)</u>

NOTE 11 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN

Health Insurance Premium Assistance Program

PSERS provides premium assistance, which is a governmental cost-sharing, multiple-employer other postemployment benefits ("OPEB") plan for all eligible retirees who qualify and elect to participate. Employer contribution rates for premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of premium assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2024, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

Retirees of the system can participate in the premium assistance program if they satisfy the following criteria:

- Have 24½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 11 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

OPEB Plan Description

The School District contributes to the Public School Employees' Retirement System ("PSERS"), a governmental cost-sharing multiple-employer defined benefit OPEB plan that provides postemployment benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the PSERS plan include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. Benefit terms and contribution rates may be amended by passing bills in the Pennsylvania Senate and House of Representatives and sending them to the Governor for approval. The PSERS issues a publicly available annual comprehensive financial report that includes the financial statements and required supplementary information for the plan. A copy of this report may be obtained by visiting the PSERS website at www.psers.pa.gov.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program.

Employer Contributions

The School District's contractually required contribution rate for the fiscal year ended June 30, 2026 was 0.62% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The School District's OPEB contribution to PSERS for the year ended June 30, 2026 was \$148,681.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

At June 30, 2026, the School District reported a liability of \$2,362,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the system's total OPEB liability as of June 30, 2024 to June 30, 2025. The School District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2026, the School District's proportion was 0.1436%, which was an increase of 0.0040% from its proportion measured as of June 30, 2025.

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 11 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

For the year ended June 30, 2026, the School District recognized OPEB expense of \$6,698. At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources relating to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ 1,000	\$ -
Change in proportionate share of the net pension liability	175,000	3,000
Change in assumptions	94,000	405,000
Difference between expected and actual experience	5,000	43,000
Difference between actual and proportionate share of contributions	4,829	-
Contributions subsequent to the date of measurement	<u>148,681</u>	<u>-</u>
	<u>\$ 428,510</u>	<u>\$ 451,000</u>

An amount of \$148,681 is reported as deferred outflows of resources resulting from the School District's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2027. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources relating to OPEB and will be recognized in OPEB expense as follows:

<u>Years Ending June 30,</u>	
2027	\$ (54,632)
2028	(68,992)
2029	20,040
2030	17,168
2031	8,552
Thereafter	<u>(93,307)</u>
	<u>\$ (171,171)</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2025, was determined by rolling forward the system's total OPEB liability as of June 30, 2024 to June 30, 2025 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – entry age normal – level percentage of pay
- Investment return – 4.81% – S&P 20-year Municipal Bond Rate

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 11 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

- Salary growth – effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases
- Premium assistance reimbursement is capped at \$1,200 per year.
- Assumed healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate pre-age 65 at 50%.
 - Eligible retirees will elect to participate post-age 65 at 70%.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2024.
- Cost method – Amount necessary to assure solvency of premium assistance through the third fiscal year after the valuation date.
- Asset valuation method – Market value
- Participation rate – 63% of eligible retirees are assumed to elect premium assistance.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Investments consist primarily of short-term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the program, as defined in the retirement code, employer contribution rates for premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of premium assistance benefits for each succeeding year.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	100.0%	1.7%
	<u>100.0%</u>	

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 11 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2026.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.13%, an increase from 4.81% as of June 30, 2025. Under the plan's funding policy, contributions are structured for short-term funding of premium assistance. The funding policy sets contribution rates necessary to assure solvency of premium assistance through the third fiscal year after the actuarial valuation date. The premium assistance account is funded to establish reserves that are sufficient for the payment of premium assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments; therefore, the plan is considered a "pay-as-you-go" plan. A discount rate of 4.81%, which represents the S&P 20-year Municipal Bond Rate at June 30, 2025, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of the System's Net OPEB Liability to Change in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual premium assistance. As of June 30, 2025, retirees' premium assistance benefits are not subject to future healthcare cost increases. The annual premium assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2025, 92,149 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2025, 489 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on healthcare cost trends as depicted below.

The following presents the system's net OPEB liability for June 30, 2025, calculated using current healthcare cost trends, as well as what the system's net OPEB liability would be if its healthcare cost trends were one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB liability	\$ 2,362,000	\$ 2,362,000	\$ 2,362,000

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, calculated using the discount rate of 4.81%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.81%) or one percentage point higher (5.81%) than the current rate:

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NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 11 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

	1% Decrease 3.81%	Current Discount Rate 4.81%	1% Increase 5.81%
School District's proportionate share of the net OPEB liability	\$ 2,656,000	\$ 2,362,000	\$ 2,114,000

OPEB Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in the PSERS Annual Comprehensive Financial Report, which can be found on the system's website at www.pa.gov/psers.

NOTE 12 NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY

The School District's aggregate net OPEB liability and deferred inflows and outflows of resources are as follows:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
School District Plan (See Note 10)	\$ 966,773	\$ 211,677	\$ 308,508
PSERS Plan (See Note 11)	2,362,000	428,510	451,000
Total	<u>\$ 3,328,773</u>	<u>\$ 640,187</u>	<u>\$ 759,508</u>

NOTE 13 FUND BALANCES

As of June 30, 2026, fund balances are composed of the following:

	General Fund	Capital Reserve Fund	Total Governmental Fund
Restricted:			
Capital projects	\$ -	\$ 473,897	\$ 473,897
Committed:			
PSERS increases	-	-	-
Capital projects	17,327,028	-	17,327,028
Unassigned	3,177,652	-	3,177,652
Total Fund Balances	<u>\$ 20,504,680</u>	<u>\$ 473,897</u>	<u>\$ 20,978,577</u>

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 14 CONTINGENCIES AND COMMITMENTS

Government Grants and Awards

The School District participates in both state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The School District is potentially liable for any expenditure which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

NOTE 15 JOINT VENTURES

On March 6, 1998, four public school districts in Bucks County signed lease agreements with the Middle Bucks Area Vocational - Technical School Authority ("the VoTech Authority"). The VoTech Authority issued \$3,980,000 of bonds that year, and each school district agreed to make payments of their prorated share of the VoTech Authority's debt service. Each school district's prorated share is calculated annually based on assessed market value. On June 1, 2003, the above bonds were refinanced with the VoTech Authority, issuing \$3,525,000 of bonds. On April 1, 2006, four public school districts in the County signed lease agreements with the VoTech Authority. The VoTech Authority issued \$16,500,000 of bonds that year, and each school district agreed to make payments of their prorated share of the VoTech Authority's debt service. Each school district's prorated share is calculated annually based on assessed market value. The VoTech Authority prepares financial statements, which can be obtained from the Middle Bucks Area Vocational - Technical School Authority, Administrative Office, 2740 Old York Road, Jamison, PA 18929.

During the year ended June 30, 2026, the School District paid \$114,342 in operating lease payments for its prorated share of the VoTech Authority's debt service.

NOTE 16 COMMITMENTS

The School District has office equipment leases expiring through 2030. The annual minimum lease payments related to these leases are included in the future annual minimum obligation under the above service contract and leases below.

Future annual minimum obligations under the above service contract and leases are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2027	\$ 31,032	\$ 3,655	\$ 34,687
2028	32,370	2,317	34,687
2029	33,779	908	34,687
2030	2,891	-	2,891
Totals	<u>\$ 100,072</u>	<u>\$ 6,880</u>	<u>\$ 106,952</u>

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 17 RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs except for workers' compensation, for which the School District retains risk of loss. For insured programs, there were no significant reductions in insurance coverages during the 2025 - 2026 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 18 DEFICIT NET POSITION/FUND BALANCE

For governmental activities, business-type activities, and the food service fund, the unrestricted net deficit amounts of \$30,894,604, \$1,093,023, and \$1,093,023, respectively, include the effect of deferring the recognition of pension and OPEB contributions made subsequent to the measurement date of the net pension and OPEB liabilities, the unamortized portion of contributions made in excess of the School District's share of its proportionate contributions to its pension and OPEB plans, and the deferred outflows resulting from the change in the School District's share of the net pension and OPEB liabilities. This is offset by the School District's actuarially determined pension and OPEB liabilities and the deferred inflows resulting from the differences between projected and actual investment earnings and changes in assumptions.

NOTE 19 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Other instructional programs	\$	4,661
Administrative support	\$	248,069
Operation and maintenance of plant services	\$	145,013
Student transportation	\$	124,995

The excess of expenditures over appropriations was financed with positive budget variances in other functions.

NOTE 20 IMPLEMENTATION OF GASB STATEMENT NO. 103

During the year ended June 30, 2026, the School implemented Governmental Accounting Standards Board ("GASB") Statement No. 103, "Financial Reporting Model Improvements." The purpose of this statement is to improve clarity, consistency, and usefulness of the management's discussion and analysis and budgetary comparison information.

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 21 SUBSEQUENT EVENTS

The School District has evaluated all subsequent events through (To be determined), the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT - FOR DISCUSSION PURPOSES ONLY

NEW HOPE-SOLEBURY SCHOOL DISTRICT BUDGETARY COMPARISON STATEMENT - GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance Between Original and Final Budgeted Amounts	Actual (GAAP Basis)	Variance with Final Budget Positive (Negative)
	Original	Final			
REVENUES					
Local sources	\$ 42,950,773	\$ 42,950,773	\$ -	\$ 44,789,992	\$ 1,839,219
State sources	8,724,934	8,724,934	-	9,332,444	607,510
Federal sources	424,459	424,459	-	438,724	14,265
TOTAL REVENUES	52,100,166	52,100,166	-	54,561,160	2,460,994
EXPENDITURES					
Instruction:					
Regular programs	19,156,070	19,156,070	-	18,719,563	436,507
Special programs	8,284,162	8,284,162	-	8,081,103	203,059
Vocational programs	1,322,944	1,322,944	-	1,213,042	109,902
Other instructional programs	9,486	9,486	-	14,147	(4,661)
Total Instruction	28,772,662	28,772,662	-	28,027,855	744,807
Support Services:					
Pupil services	3,437,909	3,437,909	-	2,907,917	529,992
Instructional support	3,141,628	3,141,628	-	3,122,892	18,736
Administrative support	3,996,489	3,996,489	-	4,244,558	(248,069)
Pupil health	692,309	692,309	-	609,673	82,636
Business support	1,315,638	1,315,638	-	1,117,157	198,481
Operation and maintenance of plant services	4,346,220	4,346,220	-	4,491,233	(145,013)
Student transportation	1,888,400	1,888,400	-	2,013,395	(124,995)
Central support	460,020	460,020	-	453,409	6,611
Other support services	12,000	12,000	-	11,079	921
Total Support Services	19,290,613	19,290,613	-	18,971,313	319,300
Operation of noninstructional services	1,135,114	1,135,114	-	1,112,821	22,293
Capital outlay	170,000	170,000	-	5,123	164,877
Debt service	2,979,988	2,979,988	-	2,979,888	100
TOTAL EXPENDITURES	52,348,377	52,348,377	-	51,097,000	1,251,377
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(248,211)	(248,211)	-	3,464,160	3,712,371
OTHER FINANCING SOURCES (USES)					
Budgetary reserve	(750,000)	(750,000)	-	-	750,000
Transfers out	(1,850,000)	(1,850,000)	-	(2,005,000)	(155,000)
TOTAL OTHER FINANCING SOURCES (USES)	(2,600,000)	(2,600,000)	-	(2,005,000)	595,000
NET CHANGE IN FUND BALANCE	(2,848,211)	(2,848,211)	-	1,459,160	4,307,371
FUND BALANCE, BEGINNING OF YEAR	19,045,520	19,045,520	-	19,045,520	-
FUND BALANCE, END OF YEAR	\$ 16,197,309	\$ 16,197,309	\$ -	\$ 20,504,680	\$ 4,307,371

The accompanying notes are an integral part of these financial statements.

NOTES TO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

NOTE 1 BUDGETARY BASIS AND CONTROL

The District adopts an annual budget for its General fund. The Board of Directors adopted the original fiscal year 2026 budget on June 26, 2025. The budgetary comparison schedule presents the original legally adopted budget, the final legally amended budget, actual results on the budgetary basis, the variance between the original and final budgets, and the variance between the final budget and actual results.

NOTE 2 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

The Budgetary Comparison Schedule - Governmental Funds presents a detailed comparison of the original and final budgeted amounts to the actual amounts as of June 30, 2026. For the year ended June 30, 2026, the Governmental funds incurred the following significant variances between final budgeted and actual amounts:

Revenues

- Local sources revenues (\$1,839,992 favorable) – local source revenues exceeded budget primarily due to higher than anticipated earned income and transfer tax revenues.
- State source revenues (\$607,510 favorable) – state source revenues exceeded budget primarily to additional grant funding from the state, including additional special education funding.

Expenses

- Regular programs (\$436,507 favorable) – regular programs results were favorable compared to the budget primarily due to savings in salaries and related costs
- Pupil services (\$529,992 favorable) – regular programs results were favorable compared to the budget primarily due to savings in salaries and related costs

NOTE 3 OTHER VARIANCES

Management reviewed all remaining original-to-final and final-to-actual variances and concluded that they were not significant. Those variances principally reflect normal fluctuations in timing, purchasing, staffing, and reimbursement activity and do not require separate explanation in these notes.

**NEW HOPE-SOLEBURY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Pennsylvania Public School Employees' Retirement System (PSERS)**

	MEASUREMENT DATE									
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
School District's proportion of the net pension liability	0.1446%	0.1397%	0.1361%	0.1339%	0.1340%	0.1285%	0.1282%	0.1279%	0.1329%	0.1389%
School District's proportion of the net pension liability - dollar value	\$ 56,129,000	\$ 58,471,000	\$ 60,546,000	\$ 59,530,000	\$ 55,016,000	\$ 63,272,000	\$ 59,975,000	\$ 61,398,000	\$ 65,637,000	\$ 68,834,000
School District's covered employee payroll	\$ 22,136,628	\$ 22,103,794	\$ 19,100,041	\$ 19,371,768	\$ 18,239,275	\$ 17,597,458	\$ 17,383,914	\$ 17,179,067	\$ 17,679,436	\$ 17,969,799
School District's proportionate share of the net pension liability as a percentage of its covered employee payroll	253.56%	264.53%	316.99%	307.30%	301.63%	359.55%	345.00%	357.40%	371.26%	383.05%
Plan fiduciary net position as a percentage of the total pension liability	68.04%	64.63%	61.85%	61.74%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%

**NEW HOPE-SOLEBURY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL DISTRICT PENSION CONTRIBUTIONS
Pennsylvania Public School Employees' Retirement System (PSERS)**

	<u>June 30, 2026</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Contractually required contribution	\$ 7,904,093	\$ 7,287,379	\$ 7,314,146	\$ 6,553,224	\$ 6,584,464	\$ 6,111,981	\$ 5,870,512	\$ 5,667,156	\$ 5,452,636	\$ 5,298,700
Contributions in relation to the contractually required contribution	<u>7,904,093</u>	<u>7,287,379</u>	<u>7,314,146</u>	<u>6,553,224</u>	<u>6,584,464</u>	<u>6,111,981</u>	<u>5,870,512</u>	<u>5,667,156</u>	<u>5,452,636</u>	<u>5,298,700</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered employee payroll	\$ 23,980,685	\$ 22,136,628	\$ 22,103,794	\$ 19,100,041	\$ 19,371,768	\$ 18,239,275	\$ 17,597,458	\$ 17,383,914	\$ 17,179,067	\$ 17,679,436
Contributions as a percentage of covered employee payroll	32.96%	32.92%	33.09%	34.31%	33.99%	33.51%	33.36%	32.60%	31.74%	29.97%

**NEW HOPE-SOLEBURY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
Pennsylvania Public School Employees' Retirement System (PSERS)**

	MEASUREMENT DATE								
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
School District's proportion of the net OPEB liability	0.1436%	0.1396%	0.1355%	0.1335%	0.1338%	0.1280%	0.1282%	0.1279%	0.1329%
School District's proportion of the net OPEB liability - dollar value	\$ 2,362,000	\$ 2,480,000	\$ 2,451,000	\$ 2,457,000	\$ 3,172,000	\$ 2,766,000	\$ 2,727,000	\$ 2,667,000	\$ 2,708,000
School District's covered employee payroll	\$ 22,136,628	\$ 22,103,794	\$ 19,371,768	\$ 18,239,275	\$ 18,239,275	\$ 17,597,458	\$ 17,383,914	\$ 17,179,067	\$ 17,679,436
School District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	10.67%	11.22%	12.65%	13.47%	17.39%	15.72%	15.69%	15.52%	15.32%
Plan fiduciary net position as a percentage of the total OPEB liability	7.50%	7.13%	6.86%	6.86%	5.69%	5.69%	5.56%	5.56%	5.73%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**NEW HOPE-SOLEBURY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL DISTRICT OPEB CONTRIBUTIONS
Pennsylvania Public School Employees' Retirement System (PSERS)**

	<u>June 30, 2026</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Contractually required contribution	\$ 148,681	\$ 139,461	\$ 143,062	\$ 143,250	\$ 154,974	\$ 149,562	\$ 147,819	\$ 144,286	\$ 142,586
Contributions in relation to the contractually required contribution	<u>148,681</u>	<u>139,461</u>	<u>143,062</u>	<u>143,250</u>	<u>154,974</u>	<u>149,562</u>	<u>147,819</u>	<u>144,286</u>	<u>142,586</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered employee payroll	\$ 23,980,685	\$ 22,136,628	\$ 22,103,794	\$ 19,100,041	\$ 19,371,768	\$ 18,239,275	\$ 17,597,458	\$ 17,383,914	\$ 17,179,067
Contributions as a percentage of covered employee payroll	0.62%	0.63%	0.65%	0.75%	0.80%	0.82%	0.84%	0.83%	0.83%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**NEW HOPE-SOLEBURY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S NET OPEB LIABILITY
Single Employer OPEB Plan**

	MEASUREMENT DATE								
	July 1, 2025	July 1, 2024	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
TOTAL OPEB LIABILITY									
Service cost	\$ 52,925	\$ 57,619	\$ 53,733	\$ 90,925	\$ 78,542	\$ 59,992	\$ 60,347	\$ 76,909	\$ 70,910
Interest on OPEB liability	42,999	42,348	41,615	29,282	19,322	32,995	30,883	35,854	28,086
Changes in benefit terms	-	-	-	-	234,020	-	-	-	-
Difference between expected and actual results	-	10,289	-	16,138	-	(81,323)	-	(74,129)	-
Effect of assumption changes or inputs	(14,524)	831	13,241	(277,526)	(34,395)	112,651	(26,916)	13	60,827
Benefit payments	(139,649)	(117,430)	(105,830)	(51,500)	(79,539)	(93,809)	(147,218)	(112,359)	(190,776)
NET CHANGE IN TOTAL OPEB LIABILITY	(58,249)	(6,343)	2,759	(192,681)	217,950	30,506	(82,904)	(73,712)	(30,953)
TOTAL OPEB LIABILITY, BEGINNING OF YEAR	1,025,022	1,031,365	1,028,606	1,221,287	1,003,337	972,831	1,055,735	1,129,447	1,160,400
TOTAL OPEB LIABILITY, END OF YEAR	<u>\$ 966,773</u>	<u>\$ 1,025,022</u>	<u>\$ 1,031,365</u>	<u>\$ 1,028,606</u>	<u>\$ 1,221,287</u>	<u>\$ 1,003,337</u>	<u>\$ 972,831</u>	<u>\$ 1,055,735</u>	<u>\$ 1,129,447</u>
PLAN FIDUCIARY NET POSITION, BEGINNING OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PLAN FIDUCIARY NET POSITION, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SCHOOL DISTRICT'S NET OPEB LIABILITY	<u>\$ 966,773</u>	<u>\$ 1,025,022</u>	<u>\$ 1,031,365</u>	<u>\$ 1,028,606</u>	<u>\$ 1,221,287</u>	<u>\$ 1,003,337</u>	<u>\$ 972,831</u>	<u>\$ 1,055,735</u>	<u>\$ 1,129,447</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 21,986,809	\$ 21,986,809	\$ 18,463,787	\$ 17,276,807	\$ 17,276,807	\$ 17,276,807	\$ 16,143,571	\$ 16,143,571	\$ 16,794,431
School District's net OPEB liability as a percentage of covered payroll	4.40%	4.66%	5.59%	5.95%	7.07%	5.81%	6.03%	6.54%	6.73%
Expected average remaining service years of all participants	12	13	13	13	13	13	13	13	13

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

OTHER REPORT

INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

(to be determined)

Members of the Board
New Hope-Solebury School District
New Hope, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Hope-Solebury School District ("the School District"), New Hope, Pennsylvania, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated (to be determined).

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting ("internal control") as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and

DRAFT - FOR DISCUSSION PURPOSES ONLY

Members of the Board
New Hope-Solebury School District

corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BARBACANE, THORNTON & COMPANY LLP

New Hope-Solebury School District
10 - General Fund - Treasurer's Report
For the Month Ended September 30, 2026

Beginning Cash Balance	33,705,565.81
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RECEIPTS

Local General Fund Receipts

Real Estate Taxes	15,432,790.03	
Interim Real Estate Taxes		
Delinquent Real Estate Taxes	28,262.66	
Transfer Tax	236,933.22	
EIT	253,724.73	
Interest Earnings	76,680.17	
IDEA Pass Through Funds (Act 319 Reimbursement)		
Event Admissions		
Facility Use Fees		
Donations/Stipends	1,935.17	
Ready to Learn Grant		
Returned Checks		
REVTRAK	11,631.59	
Other	11,840.00	
Total Local General Fund Receipts		16,053,797.57

State General Fund Receipts

Basic Education		
Special Education	83,737.00	
School Lunch Subsidy		
Transportation Subsidy	19,108.00	
PlanCon Subsidy		
Act 319 Rollback Taxes		
Cares		
Cyber Charter Subsidy		
Property Relief Subsidy		
Social Security Subsidy		
PSERS Subsidy	1,532,664.88	
Total State General Fund Receipts		1,635,509.88

Federal General Fund Receipts

Title I		
Title II		
Title IV		
SBAP - Access		
Total Federal General Fund Receipts		-

Other Receipts

Offsets to Expenditures	47,040.81	
Refunds	6,846.96	
Insurance Recoveries / Premiums		
Food Service - (Due To) / Due From		
Construction Fund - (Due To) / Due From		
Interfund Transfers		
Total Other Receipts		53,887.77

Total Receipts	17,743,195.22
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Total Beginning Cash Balance and Receipts		51,448,761.03
DISBURSEMENTS		
Checks (approved at Board Meeting)		
Check Run 1	778,298.43	
Check Run 2	81,427.46	
Check Run 3		
Check Run 4		
Check Run 5		
Bank Fees		
Void Checks		
Total Checks		859,725.89
Electronic Payments		
Health Benefits	496,385.20	
Dental Benefits	25,473.29	
Vision Benefits		
PSERS - Employer	3,042,159.08	
PSERS - Employee (VOYA)	12,663.38	
Retirement 403b Contributions		
Easy Procure Card	11,538.59	
S4Teachers	42,482.94	
Cigna/LTD/STD - Arbeiter / Chubb	17,187.40	
Vendor Wire Payments - BAS / Debt Service/UC	19,404.29	
Bond Payments		
Transfers to Food Service Fund		
Transfers-Interfund		
Transfer to Capital Reserve Fund		
Transfer to Student Activity Fund		
Total Electronic Payments		3,667,294.17
Payroll		
Payroll Transfers to CSIU	1,656,813.83	
Total Payroll		1,656,813.83
Total Disbursements		6,183,833.89
Ending Cash Balance		45,264,927.14
BANK ACCOUNT BALANCES		
PSDLAF - Operating Fund	17,841,653.33	
PSDLAF - Investments	26,919,148.27	
PLGIT - Investment	214,599.60	
PA Invest - Investment	289,525.94	
Total Bank Account Balances		45,264,927.14
Variance (Ending Cash - Bank Balances)		-
Status		Reconciled

New Hope-Solebury School District
22 - Capital Reserve Fund - Treasurer's Report
For the Month Ended September 30, 2026

Beginning Cash Balance **600,993.17**

RECEIPTS

Interest Earnings	1,563.88	
Transfer from GF (Ins Check)		
Total Receipts		1,563.88

DISBURSEMENTS

Vendor Checks	59,285.00	
Vendor Checks	64,660.00	
Transfer to GF		
Total Disbursements		123,945.00

Ending Cash Balance **478,612.05**

BANK ACCOUNT BALANCES

PSDLAF	478,612.05	
Total Bank Account Balances		478,612.05

Variance (Ending Cash - Bank Balances) -
Status **Reconciled**

FUND 22 EXPENDITURES

<u>Vendor / Project</u>	<u>Description</u>	<u>Expense</u>
James & Urbany Electrical Cont	Installation of 6 new circuits and lighting for MS Steam Room	11,575.00
11400 INC	Walk-in freezer in UES	27,300.00
Miller Building Inc.	Slab for LES storage building	20,410.00
Diversified Storage Solutions Inc	MS Library Shelving	40,950.00
Kingdom Playground	Playground Edging	3,610.00
Miller Building Inc.	Completion of storage building LES	20,100.00
Total Expenditures		123,945.00

New Hope-Solebury School District
50 - Food Service Fund - Treasurer's Report
For the Month Ended September 30, 2026

Beginning Cash Balance	146,809.10
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RECEIPTS

Cash Deposits	4,686.19	
Electronic Deposits	57,325.15	
Catering		
Subsidies	-	
Interest Income	505.78	
Transfer From General Fund	-	
Donations		
Total Receipts		62,517.12

DISBURSEMENTS

Check Run 1	20,553.30	
Check Run 2		
Check Run 3	-	
Void Checks	-	
Transfer to General Fund		
Total Disbursements		20,553.30

Ending Cash Balance	188,772.92
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BANK ACCOUNT BALANCES

PSDLAF	188,772.92	
Total Bank Account Balances		188,772.92

Variance (Ending Cash - Bank Balances)	-
Status	Reconciled

Cash / Investment Balances

As of: September 30, 2026

Investment Detail										
Fund	Bank	Type	Description	Settle	Mature	Balance	Rate	Days to Maturity	Income / Day	Est. Annual Income
General Fund	PSDLAF	Cash	Checking			\$ 17,841,653.33	3.591%		\$ 1,755.33	\$ 640,693.77
General Fund	PLGIT	Cash	Savings			\$ 214,599.60	3.870%		\$ 22.75	\$ 8,305.00
General Fund	PA Invest	Cash	Savings			\$ 289,525.94	3.810%		\$ 30.22	\$ 11,030.94
Total General Fund						\$ 18,345,778.87			\$ -	\$ -
General Fund	PSDLAF	Investment	Full Flex (VNB)	9/30/2026		\$ 1,008,076.27	3.500%		\$ 96.66	\$ 35,282.67
General Fund	PSDLAF	Investment	Full Flex (City NB), IL	9/30/2026		\$ 1,469.94	3.800%		\$ 0.15	\$ 55.86
General Fund	PSDLAF	Investment	Full Flex Pool (BofCA)	9/30/2026		\$ 1,072,210.53	3.830%		\$ 112.51	\$ 41,065.66
General Fund	PSDLAF	Investment	Full Flex Pool (Cust)	9/30/2026		\$ 873.56	3.830%		\$ 0.09	\$ 33.46
General Fund	PSDLAF	Investment	Full Flex Pool (OZK)	9/30/2026		\$ 8,012,336.98	3.800%		\$ 834.16	\$ 304,468.81
General Fund	PSDLAF	Investment	Full Flex Pool (BellCo), IL	9/30/2026		\$ 2,135,497.05	3.830%		\$ 224.08	\$ 81,789.54
General Fund	PSDLAF	Investment	PSDLAF Term Series	10/24/2025	10/23/2026	\$ 500,000.00	3.510%	23	\$ 48.08	\$ 17,550.00
General Fund	PSDLAF	Investment	First FSB of Mascoutah, IL	10/30/2024	10/30/2026	\$ 229,600.00	4.005%	30	\$ 25.19	\$ 9,195.48
General Fund	PSDLAF	Investment	PSDLAF Term Series	5/22/2026	11/4/2026	\$ 500,000.00	3.650%	35	\$ 50.00	\$ 18,250.00
General Fund	PSDLAF	Investment	PSDLAF Term Series	5/22/2026	12/2/2026	\$ 500,000.00	3.650%	63	\$ 50.00	\$ 18,250.00
General Fund	PSDLAF	Investment	PSDLAF Term Series	9/4/2026	12/3/2026	\$ 2,000,000.00	3.710%	64	\$ 203.29	\$ 74,200.00
General Fund	PSDLAF	Investment	PSDLAF Term Series	12/5/2025	12/4/2026	\$ 500,000.00	3.520%	65	\$ 48.22	\$ 17,600.00
General Fund	PSDLAF	Investment	PSDLAF Term Series	7/31/2026	12/15/2026	\$ 500,000.00	3.880%	76	\$ 53.15	\$ 19,400.00
General Fund	PSDLAF	Investment	PSDLAF Term Series	6/5/2026	1/6/2027	\$ 500,000.00	3.680%	98	\$ 50.41	\$ 18,400.00
General Fund	PSDLAF	Investment	PSDLAF Term Series	8/28/2026	1/20/2027	\$ 1,000,000.00	3.750%	112	\$ 102.74	\$ 37,500.00
General Fund	PSDLAF	Investment	PSDLAF Term Series	8/28/2026	2/17/2027	\$ 1,000,000.00	3.763%	140	\$ 103.10	\$ 37,630.00
General Fund	PSDLAF	Investment	PSDLAF Term Series	5/22/2026	2/18/2027	\$ 500,000.00	3.751%	141	\$ 51.38	\$ 18,755.00
General Fund	PSDLAF	Investment	PSDLAF Term Series	9/25/2026	3/10/2027	\$ 1,000,000.00	4.189%	161	\$ 114.77	\$ 41,890.00
General Fund	PSDLAF	Investment	PSDLAF Term Series	9/25/2026	3/25/2027	\$ 1,959,083.94	4.211%	176	\$ 226.02	\$ 82,497.02
General Fund	PSDLAF	Investment	PSDLAF Term Series	6/5/2026	4/7/2027	\$ 500,000.00	3.760%	189	\$ 51.51	\$ 18,800.00
General Fund	PSDLAF	Investment	PSDLAF Term Series	9/25/2026	4/7/2027	\$ 1,000,000.00	4.150%	189	\$ 113.70	\$ 41,500.00
General Fund	PSDLAF	Investment	PSDLAF Term Series	8/28/2026	4/20/2027	\$ 1,000,000.00	3.805%	202	\$ 104.25	\$ 38,050.00
General Fund	PSDLAF	Investment	PSDLAF Term Series	8/28/2026	5/19/2027	\$ 500,000.00	3.852%	231	\$ 52.77	\$ 19,260.00
General Fund	PSDLAF	Investment	PSDLAF Term Series	9/25/2026	9/7/2027	\$ 500,000.00	4.390%	342	\$ 60.14	\$ 21,950.00
General Fund	PSDLAF	Investment	PSDLAF Term Series	9/25/2026	10/6/2027	\$ 500,000.00	4.350%	371	\$ 59.59	\$ 21,750.00
Total Investments						\$ 26,919,148.27			\$ -	\$ -
Total General Fund + Investments						\$ 45,264,927.14			\$ -	\$ -
									\$ -	\$ -
Food Service Fund	PSDLAF	Cash	Checking			\$ 188,772.92	3.591%		\$ 18.57	\$ 6,778.84
Student Activity Fund	PSDLAF	Cash	Checking			\$ 109,395.79	3.591%		\$ 10.76	\$ 3,928.40
Capital Reserve Fund	PSDLAF	Cash	Checking			\$ 478,612.05	3.591%		\$ 47.09	\$ 17,186.96
Total						\$ 46,041,707.90	3.742%		\$ 4,720.68	\$ 1,723,047.41

New Hope - Solebury School District
2026 - 2027 Fiscal Dashboard - Current
September 30, 2026

	24-25 Actual	25-26 EOY Pre-Audit	26-27 Budget	26-27 YTD	25-26 YTD %	26-27 Projections	Projection Variance to Budget	25-26 Budget	25-26 YTD	25-26 YTD %
1 Beginning Uncommitted Fund Balance	3,268,812	3,268,812	3,268,812							
2 Committed Fund Balance - PSERS	1,766,003					-				
3 Committed Fund Balance - CAPITAL PROJECTS	17,303,689	15,776,707	17,327,028							
4 Total Beginning Fund Balance - July 1st	22,338,504	19,045,519	20,595,840	-		0				
5										
6 Revenues										
7 Local Revenue										
8 Real Estate Taxes	34,125,217	35,201,797	37,406,917	32,932,878	88%	(37,406,917)		35,002,104	31,425,917	90%
9 Delinquent Tax	759,604	682,205	650,000	220,096	34%	(650,000)		650,000	48,321	7%
10 Transfer Tax	1,544,123	1,643,486	1,100,000	447,316	41%	(1,100,000)		910,000	224,428	25%
11 Earned Income Tax	5,680,670	5,803,594	5,200,000	1,040,579	20%	(5,200,000)		5,003,669	930,433	19%
12 Other Local Revenue (Interest, Donations, Rental)	1,712,670	1,667,563	1,485,000	234,790	16%	(1,485,000)		1,585,000	328,373	21%
13 State Revenue - General	3,212,188	4,069,652	3,877,694	1,029,763	27%	(3,877,694)		3,579,655	658,881	18%
14 State Revenue - Retirement/FICA Subsidy	4,819,620	5,251,713	5,122,801	1,532,665	30%	(5,122,801)		5,145,279	-	0%
15 Federal Revenue	246,609	216,810	224,459	-	0%	(224,459)		224,459	82,733	37%
16 Total Revenue	52,100,701	54,536,818	55,066,871	37,438,087	68%	-	(55,066,871)	52,100,166	33,699,086	65%
17										
18 Expenditures										
19 100 Salaries and Wages	24,010,984	24,300,895	25,276,894	2,914,396	12%	(25,276,894)		24,640,287	2,849,105	12%
20 200 Benefits & Taxes	14,462,995	14,964,851	16,166,762	2,720,243	17%	(16,166,762)		15,255,255	2,493,939	16%
21 300 Contracted Services	2,484,662	2,553,587	2,850,060	1,264,658	44%	(2,850,060)		2,388,235	850,917	36%
22 400 Property Services	385,553	620,969	705,950	221,762	31%	(705,950)		669,967	204,093	30%
23 500 Purchased Services	3,730,057	3,526,455	4,055,881	523,547	13%	(4,055,881)		4,060,719	637,943	16%
24 600 Supplies, Books, Software and Fuel	2,056,777	1,796,104	2,051,648	472,813	23%	(2,051,648)		2,030,047	642,019	32%
25 700 Equipment	192,187	166,172	195,900	199,648	102%	(195,900)		229,054	4,358	2%
26 800 Interest, Fees, and Dues	574,977	692,463	654,571	337,038	51%	(654,571)		714,818	349,193	49%
27 900 Principal Debt Service and Reserve	2,495,494	2,360,000	2,905,000	1,045,000	36%	(2,905,000)		3,110,000	1,030,000	33%
28 Total Operating Expenses	50,393,686	50,981,498	54,862,666	9,699,107	18%	-	(54,862,666)	53,098,382	9,061,566	17%
29										
30 Revenues versus Expenditures	1,707,015		204,205			-				
31										
32 *** Capital Fund Transfers	5,000,000	2,005,000	1,375,000	-				1,850,000	-	
33 *** Food Service Transfers				375,000						
34 Total Expenditures	55,393,686	52,986,498	56,237,666	10,074,107		-		54,948,382	9,061,566	
35 Expenditure Surplus/(Deficit)										
36 Net Change in Fund Balance	(3,292,985)	1,550,321	(1,170,795)			-				
37										
38										
39										
40 Uncommitted Fund Balance Percentage of Expenditures	6.49%	6.41%	5.96%							
41										
42 Uncommitted Fund Balance	3,268,812	3,268,812	3,268,812							
43 PSERS Committed Fund Balance	1,766,003									
44 Capital Projects Committed Fund Balance	14,010,704	17,327,028	16,156,233							
45 TOTAL ENDING FUND BALANCE - JUNE 30TH	19,045,519	20,595,840	19,425,045							

Fiscal Dashboard - 2026-2027 Highlights

Overall Financial Position:

- * YTD revenue of \$37.44M (68.0% of budget) is \$3.74M ahead of \$33.70M (64.7%) at the same point last year, as real estate tax collections caught up following the 9/1 sweep and the first retirement subsidy was received.
- * YTD operating expenditures of \$9.70M (17.7% of budget) are \$638k (7.0%) above last year's \$9.06M (17.1%), driven primarily by the one-time BCIU special education payment and security cameras purchase.
- * Year-end projections have not yet been established. Financial activity will continue to be monitored as patterns develop.

Revenue:

- * Real estate taxes of \$32.93M (88.0% of budget) are \$1.51M ahead of last year's \$31.43M (89.8%), now that the \$8.4M swept into the General Fund on 9/1 has been recorded.
- * Delinquent tax collections of \$220,096 are well ahead of \$48,321 last year, however this revenue can fluctuate throughout the year.
- * Transfer tax of \$447,316 (40.7% of budget) is nearly double last year's \$224,428.
- * EIT collections of \$1.04M (20.0% of budget) are \$110k ahead of \$930,433 last year.
- * Other local revenue of \$234,790 trails last year's \$328,373, reflecting timing of interest earnings and donations from stadium have concluded.
- * State general revenue of \$1.03M is \$370,883 ahead of \$658,881 last year due to last year's hold on funds.
- * The first retirement/FICA subsidy of \$1.53M (29.9% of budget) has been received.

Expenditures:

- * Total operating expenditures of \$9.70M represent 17.7% of budget, appropriate for the first quarter of the fiscal year.
- * Salaries of \$2.91M (11.5% of budget) are \$65k (2.3%) above last year's \$2.85M, consistent with the start of the school year.
- * Benefits and taxes of \$2.72M (16.8% of budget) are \$226k (9.1%) above last year's \$2.49M, in line with budgeted rate increases.
- * Contracted services of \$1.26M are \$414k above last year's \$850,917 due to the BCIU special education one-time payment (\$516k). Excluding this payment, contracted services would be below prior year.
- * Property services of \$221,762 (31.4% of budget) are consistent with last year's \$204,093.
- * Purchased services of \$523,547 (12.9% of budget) are below last year's \$637,943.
- * Supplies of \$472,813 remain below last year's \$642,019, primarily due to purchasing timing.
- * Equipment of \$199,648 is slightly over the annual budget (101.9%) due to the \$120k security camera purchase and network essentials. The overage will be offset by grant reimbursement.
- * Interest, fees and dues (\$337,038) and principal debt service (\$1,045,000) are consistent with prior year, reflecting the first debt service payment

New Hope - Solebury School District
Fiscal Dashboard - Future Projections
September 30, 2026

	23-24	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Fund Balance	Actuals	Actuals	EOY-UA	Budget	Projection	Projection	Projection	Projection	Projection
Beginning Uncommitted Fund Balance	3,268,812	3,268,812	3,268,812	3,268,812	3,268,812	3,268,812	3,268,812	3,268,812	3,268,812
Committed Fund Balance - PSERS	1,766,003	1,766,003							
Committed Fund Balance - Capital Proj	16,246,699	17,303,689	15,776,708	17,327,029	16,156,234	15,574,640	14,209,232	11,972,534	8,769,013
Total	21,281,514	22,338,504	19,045,520	20,595,841	19,425,046	18,843,452	17,478,044	15,241,346	12,037,825
Fund Balance as % of Expenditures	45.4%	44.3%	37.4%	37.3%	34.0%	31.7%	28.3%	23.7%	18.0%
% with Transfers	43.3%	40.3%	35.9%	36.6%	33.4%	31.2%	27.8%	23.3%	17.7%
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Revenues	Actuals	Actuals	EOY-UA	Budget	Projection	Projection	Projection	Projection	Projection
Local Revenue									
Real Estate Taxes	33,071,669	34,125,217	35,201,797	37,406,917	38,753,566	39,993,680	41,273,478	42,594,229	43,872,056
Delinquent Taxes	482,494	759,605	682,205	650,000	650,000	650,000	650,000	650,000	650,000
Earned Income Tax	5,172,459	5,680,670	5,803,594	5,200,000	5,552,241	5,552,241	5,552,241	5,552,241	5,552,241
Transfer Tax	1,015,765	1,544,123	1,643,486	1,100,000	1,401,125	1,401,125	1,401,125	1,401,125	1,401,125
Other Local Revenue	1,927,512	1,712,670	1,667,563	1,485,000	1,536,173	1,583,297	1,631,929	1,682,118	1,730,675
State Revenue - General	3,493,595	3,212,188	4,069,652	3,877,695	3,916,472	3,955,637	3,995,193	4,035,145	4,075,496
State Revenue - Soc Sec/Retirement	4,815,818	4,819,620	5,251,713	5,122,800	5,597,568	5,709,520	5,823,710	5,940,184	6,058,988
Federal Revenue	281,650	246,609	216,810	224,459	224,459	224,459	224,459	224,459	224,459
Total Revenue	50,260,962	52,100,702	54,536,818	55,066,871	57,631,603	59,069,958	60,552,135	62,079,501	63,565,040
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Expenditures	Actuals	Actuals	EOY-UA	Budget	Projection	Projection	Projection	Projection	Projection
100 Personnel Services - Salaries	22,421,138	24,010,984	24,300,895	25,276,894	26,035,201	26,555,905	27,087,023	27,628,763	28,181,339
200 Benefits	12,561,062	14,462,995	14,964,851	16,166,762	17,460,103	18,856,911	20,365,464	21,994,701	23,754,277
300 Purch Prof & Tech Services	2,339,357	2,484,662	2,553,587	2,850,060	2,935,562	3,023,629	3,114,338	3,207,768	3,304,001
400 Purchased Property Services	392,479	385,553	620,969	705,950	727,129	748,942	771,411	794,553	818,390
500 Other Purchased Services	3,733,078	3,730,057	3,526,455	4,055,881	4,177,557	4,302,884	4,431,971	4,564,930	4,701,878
600 Supplies	2,172,023	2,056,777	1,796,104	2,051,648	2,113,197	2,176,593	2,241,891	2,309,148	2,378,422
700 Property	233,458	192,187	166,172	195,900	201,777	207,830	214,065	220,487	227,102
800 Other Objects	807,977	574,977	692,463	654,571	662,671	662,671	662,671	662,671	662,671
900 Other Uses of Funds	2,230,000	2,495,494	2,360,000	3,280,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
Total Expenditures	46,890,572	50,393,686	50,981,498	55,237,666	57,213,197	59,435,366	61,788,833	64,283,021	66,928,079
Revenues versus Expenditures	3,370,390	1,707,016	3,555,321	(170,795)	418,406	(365,408)	(1,236,699)	(2,203,520)	(3,363,039)
*** Capital Fund Transfers	(2,313,301)	(5,000,000)	(2,005,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Net Change in Fund Balance	1,057,089	(3,292,984)	1,550,321	(1,170,795)	(581,594)	(1,365,408)	(2,236,699)	(3,203,520)	(4,363,039)
Total Expenditures incl. Transfers	49,203,873	55,393,686	52,986,498	56,237,666	58,213,197	60,435,366	62,788,833	65,283,021	67,928,079
Projected Ending Uncommitted Fund Bal	3,268,812	3,268,812	3,268,812	3,268,812	3,268,812	3,268,812	3,268,812	3,268,812	3,268,812
Fund Balance as % of Expenditures	7.0%	6.5%	6.4%	5.9%	5.7%	5.5%	5.3%	5.1%	4.9%

Assumptions

Projected Revenues - using 26/27 as base year

Real Estate Tax projected at 3.6%(27/28), 3.2% (28/29), 3.2% (29/30), 3.2% (30/31), 3% (31/32) increase per year
Increased Soc Sec/Retirement Subsidy by applicable salary increase
Investment Income increased by additional RE Tax revenue multiplied by 3.8%
State Revenue projected 1% increase
All other revenues held flat at 2026-2027 budget levels (below 2025-2026 actuals - conservative), excluding EIT and Transfer Tax
Updated EIT and Transfer Tax to 3-year average of actuals (23/24, 24/25, 25/26 EOY-UA), held flat 27/28 through 31/32.

Projected Expenditures - using 26/27 budget as base year

Salaries at 3% (27/28), 2% (28/29), 2% (29/30), 2% (30/31), 2% (31/32) increase per year.
Benefits at 8% increase per year (27/28 through 31/32)
Objects 300 - 700 at 3% increase per year (27/28 through 31/32)
Objects 800- Mostly Bond Interest Payments (\$600k)

Object 900 - removed Capital Transfers kept \$500k in budgetary reserve + Bond Payments

*** Separated Capital Transfers

Capital fund projections reflect continued annual transfers of \$1,000,000 for planned projects. No additional capital borrowing is assumed.

NEW HOPE-SOLEBURY SCHOOL DISTRICT
FOOD SERVICE REPORT - SEPTEMBER 30, 2026
FISCAL YEAR 2026-2027

PROFIT & LOSS STATEMENT

	Month Ended 09/30/2026	Month Ended 09/30/2025	YTD 09/30/2026	YTD 09/30/2025
NET POSITION, BEGINNING OF YEAR			(\$1,110,507)	(\$919,297)
REVENUES				
Student Lunch - Type A	\$28,867	\$26,796	\$28,867	\$31,928
Student Breakfast	\$0	\$0	\$0	\$0
Student - A La Carte	\$21,049	\$20,108	\$21,049	\$23,504
Adult Sales	\$186	\$222	\$186	\$252
Catering	\$0	\$473	\$0	\$715
Rebates	\$118	\$0	\$118	\$0
Subtotal Sales	\$50,219	\$47,599	\$50,219	\$56,399
FICA Reimb	\$1,035	\$1,356	\$1,589	\$1,356
PSERS Reimb	\$4,127	\$5,476	\$6,628	\$5,476
State Subsidy	\$145	\$810	\$145	\$810
Federal Subsidy	\$567	\$2,354	\$567	\$2,354
Subtotal Subsidies	\$5,874	\$9,996	\$8,929	\$9,996
Donations				
Interest Earnings	\$506	\$399	\$1,068	\$981
Sale of Assets				
Transfer from General Fund			\$375,000	
TOTAL REVENUES	\$56,599	\$57,994	\$435,216	\$67,377
EXPENSES				
Employee Salaries	\$28,855	\$36,997	\$43,811	\$51,245
Employee Benefits	\$23,491	\$22,718	\$55,843	\$51,915
Purchased Services	\$1,232	\$2,188	\$1,232	\$2,188
Cost of Food	\$16,501	\$17,465	\$16,501	\$17,465
Supplies	\$2,641	\$1,020	\$2,641	\$1,020
Property, Dues & Fees, Other	\$179	\$247	\$807	\$247
TOTAL EXPENSES	\$72,899	\$80,634	\$120,835	\$124,080
TOTAL PROFIT / (LOSS)	(\$16,300)	(\$22,640)	\$314,381	(\$56,703)
NET POSITION, END OF YEAR			(\$796,126)	(\$976,000)

CURRENT MONTH OPERATING STATISTICS

Serving Days	19			
Lunches Served (month, reported)	8,602			
Participation	LES	UES	MS / HS	TOTAL
Average Daily Breakfasts	70	58	67	195
Average Daily Lunches	106	127	220	453
Sept 2026 Enrollment	217	274	703	1,194
% Participation - Lunch	48.8%	46.4%	31.3%	37.9%
% Participation - Breakfast	32.3%	21.2%	9.5%	16.3%

HIGHLIGHTS

Lunches are up 97 meals compared to last September.
Breakfast is up 372 meals from last September mostly due to the breakfast cart that was incorporated in Jan.
Despite going down to one serving line, it did not hurt meal counts.

CONTRACT SUMMARY
Finance Committee / Board Approval

Vendor: CBIZ Valuation Group
Contract Title / Service: Fine Arts Appraisal
Department / Program: Business Office
Contract Term: One time engagement

1. Purpose of Agreement

This agreement is for a professional appraisal of the District's fine arts collection to establish updated replacement values for insurance purposes.

The appraisal is not a required service but was recommended by the District's insurance provider because the artwork has not been appraised in many years. Updated valuations will help the District assess the adequacy of its insurance coverage in the event of damage or theft.

CBIZ will conduct a physical inspection of the artwork identified in the District's inventory, documenting each piece's condition, location, photographs, and estimated replacement value.

2. Cost Summary

School Year	Cost
Total	\$8,500

Estimated Completion: Reports delivered approximately 30–45 days after fieldwork

Billing Terms: Up to 80% upon commencement of fieldwork; remaining 20% upon report delivery

Funding Source: General Fund - Business Office

3. Administration Notes

Administration recommends approval of this one-time expenditure as a proactive risk-management measure to help protect the District's fine arts assets. Last appraisal found from 2015. Current Value's \$750K - 20 pieces.



September 18, 2026

Proposal for Property Insurance Valuation Services – Fine Arts Appraisal to:

New Hope - Solebury School District

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CBIZ Overview

CBIZ Valuation Group, LLC

CBIZ Valuation Group, LLC is a wholly owned subsidiary of CBIZ, Inc. (NYSE: CBZ).

Our Specialties

- Replacement cost appraisals for insurance purposes
- Reproduction cost appraisals of historically significant properties
- Fixed asset inventory and reconciliation services
- Proof-of-loss documentation
- Real estate/fair market value determinations

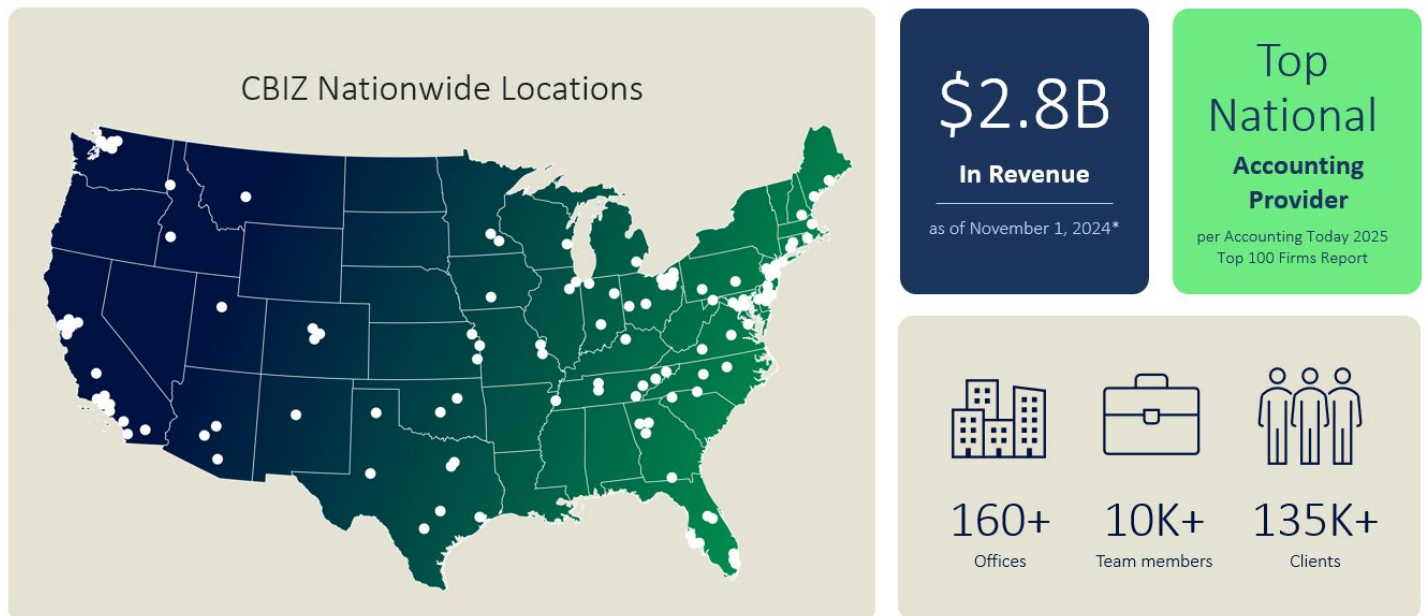
Our Clients

- Fortune 1000 companies
- Religious & non-profit
- Educational Institutions
- Governmental
- Health care
- Utilities
- Manufacturing
- Risk sharing consortiums
- Entertainment and Recreation
- Retail
- Real Estate

CBIZ, Inc.

CBIZ is a leading consulting, tax, and financial services advisor serving middle-market businesses and organizations nationwide. With more than 10,000 team members and 160 locations in major metropolitan areas and suburban cities coast to coast, we deliver forward-thinking insights and actionable solutions to help clients anticipate the next steps and accelerate growth.

CBIZ operates under an alternative practice structure as defined by the AICPA with CBIZ CPAs P.C. (CBIZ CPAs), an independent CPA firm. Together, we are proud to be a leading professional services advisor nationwide.



CBIZ is a consulting, tax, and financial service provider that works closely with CBIZ CPAs P.C., an independent CPA firm that provides audit, review, and other attest services. In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.

PERSONAL AND CONFIDENTIAL

September 18, 2026

Ms. Marcia Cajeira, M.S., Ed
Chief Financial Officer/Board Treasurer
New Hope - Solebury School District
180 W. Bridge Street
New Hope, PA 18938

Dear Ms. Cajeira,

CBIZ Valuation Group, LLC (CVG) is pleased to submit our proposal to provide professional data collection and property valuation services for New Hope - Solebury School District ("District") for their fine arts. Our proposal has been prepared based on our understanding of your needs and our experience in assisting similar entities for similar purposes.

Purpose of Engagement

The purpose of this engagement is to provide the District an insurance appraisal for the fine arts owned and/or that are the responsibility of the various schools throughout the District. The effective date of the valuation will be the last day of our on-site inspection.

Scope & Methodology

The scope of the proposed consulting services is limited to the following tangible assets outlined in this proposal.

- **Fine Arts:** CVG will complete a physical inspection and valuation of the fine arts identified on the attached property addendum provided by the District. During the inspection, detailed data on each art piece will be collected including:
 - Medium (painting, sculpture, tapestry, manuscript, etc.)
 - Digital photo
 - Year created
 - Display type (hanging, pedestal, display case); if the art is not on display, indicate type and condition of storage
 - General overall condition
 - Types of fire, water, and security protections systems in place per facility
 - Location identification including address verification and corrections, if necessary

Tangible assets not identified above will be excluded from the engagement.

Client Participation

We understand that your time is valuable, and you are relying on our experience to complete this engagement in a timely and efficient manner with minimal disruption to your daily operations. To facilitate this, prior to the start of fieldwork we will schedule a call with the designated engagement contact for your organization to discuss the following:

- Obtaining access to each fine arts piece
- Applicable security access badges and/or documents needed to access facilities
- Scheduling protocol
- Access to plans, drawings, articles of provenance and other records

Schedule

Upon receipt of an executed agreement, we will work with the District to determine a mutually agreed-upon start date for commencement of the fieldwork portion of the engagement. This engagement will require cooperation, continued access, and timely receipt of requested information from the District. Delays in obtaining requested information or access to facilities may impact the completion of the engagement. Our reports will be available in approximately 30-45 days from the completion of the engagement fieldwork.

Standards of Value

Replacement cost new for fine arts is based on the appraised work at the highest realistic price from a major art gallery, organization or individual located within a major United States center, to that of a similar and like subject, medium, mannerism, medium of execution, in a pristine like condition, and the works being of a similar and like size and approximate age for valuation purposes.

If the work suffered a total loss, the time and costs necessary to find another acceptable work by the same artist may take significant time, if at all possible. Additionally, it would then be necessary to inspect, crate and ship the piece. These ancillary costs are difficult to estimate, given the number of variables involved (potential currency exchange, potential conservation costs, and so forth) until the piece is in your possession. Because of this difficulty, these costs have not been taken into consideration for the replacement valuation of the appraised piece.

This appraisal does not constitute a guarantee as to an exact replacement actually being obtainable. The work appraised is considered to be an original, or in the case of a print, as one specific piece out of a limited numbered edition, unless otherwise stated. Therefore, the replacement value of the work appraised is regarded to be that of either a new, original work of art or a new, contemporary, specifically numbered print, existing as one in a series of a numbered edition. This appraisal deems that it is possible to replace the work within that stated replacement value.

This appraisal is limited to our opinion of value. This appraisal is not intended as a guarantee or warranty as to placement of insurance coverage, the amount of an insurance claim settlement, or of the actual values realized at an auction or by sale, as we are not an insurance broker or agent, an insurance company, an auction house or an art gallery, etc.

Deliverables

Reports will be provided in an electronic (.PDF) format and delivered via e-mail to the District representative as designated on the authorization page of this proposal. Final reports will include the following and will be expressly subject to the Terms and Conditions found within this proposal:

- **Transmittal Letter** summarizing the scope, methodology and valuation conclusions
- **Fine Arts Detail Report** showing all art pieces and containing one digital photo of each inspected art piece
- **Standard Master Data File** (Excel format) containing the information collected for all inspected fine arts

Engagement Fees & Client Acceptance

Our estimated fees, including expenses, to provide professional data collection and valuation services, are listed below. Our fee estimate is based on the fine arts listing provided in Appendix B, as reported by the District.

Services

Fees for Individual Services	Fee
Valuation of fine arts identified on the attached property addendum	\$8,500

The fees for the professional services outlined within this agreement shall remain in effect for a period not greater than 90 days from the date of this proposal. As a publicly traded company, CVG retains client records and work files for a period of seven (7) years.

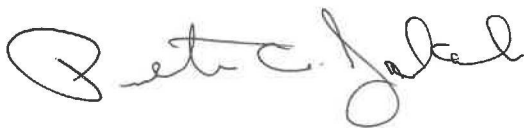
If conditions beyond our control are encountered, or if the scope of the engagement is expanded beyond its original requirements such that we will require additional time and fees not presently estimated in our work plan, we will notify you before proceeding to arrange a mutually-acceptable revision in our fees. If a decision is made by you to discontinue work on an engagement, our fees will be based upon the actual consultant hours and expenses incurred as of that date. Our fees include a standard allotment of 60 minutes of phone support for the District. Any subsequent meetings/conversations or other service requests, including activities and expenses outside the scope of our technical proposal, will be billed separately at our standard hourly rates and in accordance with CVG's standard expense practices. Services requested after the issuance of our reports, such as meetings, planning, testimony and other services, will be billed separately at our normal hourly rates and in accordance with our normal expense practices. Fees for valuation report updates will be based upon our standard hourly rates plus expenses incurred.

We will bill up to 80% of the fee after fieldwork commences; 20% will be withheld until reports are delivered. Our invoices are payable within 30 days of presentation. Invoices not paid within 45 days shall be considered delinquent. Delinquent invoices shall be subject to a late charge equal to the lesser of one-and-one-half percent (1.5%) per month, or the maximum amount allowed by state law. Disputes pertaining to billing matters must be put in writing within 20 days upon the receipt of the invoice. CBIZ Valuation Group, LLC reserves the right to suspend or terminate this engagement for the District's failure to make timely payment. Should any invoice remain unpaid beyond 60 days, professional activity will cease until payment is received.

We appreciate the opportunity to submit our proposal and look forward to working with you on this important engagement.

Sincerely,

CBIZ VALUATION GROUP, LLC



Peter Jakab
Senior Client Executive

Phone: 312.602.6676
Email: pjakab@cbiz.com

Client Acceptance

I have read the terms of this agreement and hereby authorize this assignment

ACCEPTED this _____ day of _____, 2026

Date

New Hope - Solebury School District

Client

By: Signature

Printed Name

Title

Final reports will be emailed to authorizer or other District designee at the email address provided here:

Report Recipient Email Address

Report Recipient Name (if different from authorizer above)

The fees for the professional services outlined within this agreement shall remain in effect for a period not greater than 90 days from the date of this proposal.

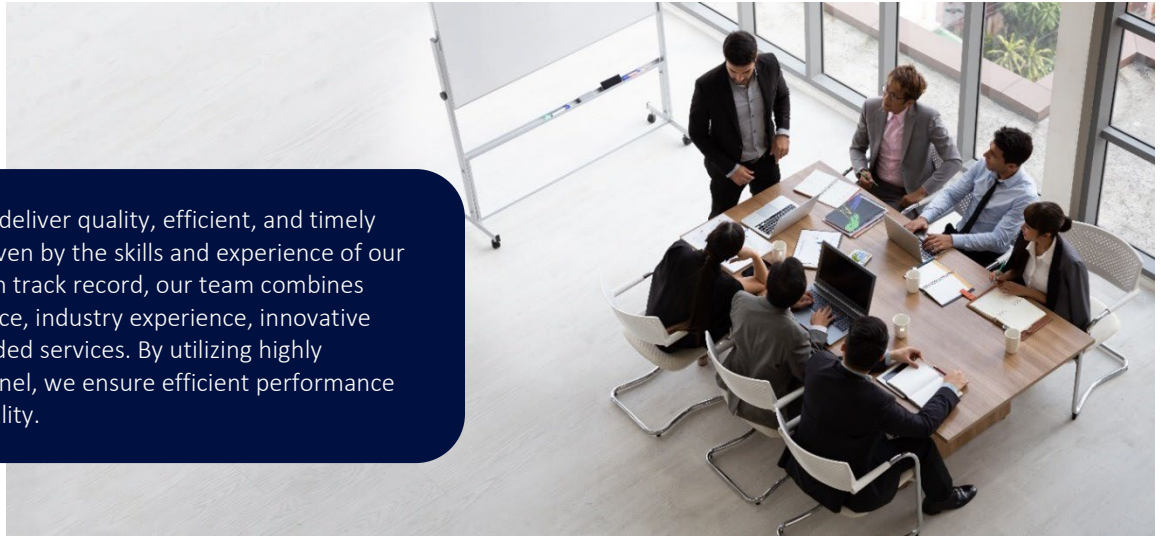
Please follow these steps:

1. Sign and date the document and specify the report recipient's name and email address
2. Return signed engagement to:

Email to: pjakab@cbiz.com

CBIZ Valuation Group Team

Our firm's ability to deliver quality, efficient, and timely service is largely driven by the skills and experience of our team. With a proven track record, our team combines technical competence, industry experience, innovative ideas, and value-added services. By utilizing highly experienced personnel, we ensure efficient performance and unmatched quality.



Our Team

The team below will be responsible for the services provided to the District. They will be assisted by other qualified consulting professionals as necessary.



Peter Jakab

Senior Client Executive, CBIZ Valuation Group
Chicago, IL and Milwaukee, WI

Peter is a seasoned business development professional. He is responsible for establishing and maintaining relationships with prospects and clients as well as ensuring successful project implementation from beginning to final delivery.

Peter comes to CBIZ Valuation Group from a national supplier where he was a Business Development Specialist focusing on the education industry. He has over 25 years of experience in valuation services and capital asset management. He has served many roles in the valuation industry ranging from an appraiser working on school, municipal and special projects for buildings, machinery and equipment appraisals, served as Vice President, Director of Educational Services, Regional Appraisal Manager, Appraisal Review/Production Manager and Business Development Manager for both a large global appraisal consulting firm and various national appraisal firms.

He is a member of various organizations including: Risk Management Society (RIMS) including the National, Chicago and Minneapolis Chapters, IL Government Finance Officers Association (IGFOA), IL Association of School Board Officials (IASBO), WI Association of School Board Officials (WASBO), University Risk Management and Insurance Association (URMIA) and Public Risk Management Association (PRIMA) including the National and Chicago Chapters. He is currently serving as a Director at Large for the Wisconsin chapter of PRIMA.

Outside of CBIZ, he was an elected City Councilman for 12 years, functioning as Chairman to multiple municipal committees, enabling him to have an extensive understanding of how public sector entities operate and function. Additionally, he served for 20 years as the President of a local condominium association. His experience also consists of serving on the Chicago RIMS membership committee and on the URMIA new member committee.



David Werch, ASA

Managing Director, CBIZ Valuation Group
Dallas, TX

David is a Managing Director of the Machinery & Technical Specialties (Machinery and Equipment) in the Tangible Asset Practice of CBIZ Valuation Group. He has more than 31 years of valuation experience throughout the United States, Mexico, Europe and South America. David has extensive experience in valuing industrial/manufacturing properties, buildings and machinery and equipment for insurance, financial reporting, property tax, gift/estate and due diligence purposes. He has also provided litigation support and expert witness testimony for his clients in healthcare, agriculture and printing industries.

He has served clients in various industries, including medical/healthcare, metal working, plastics, printing, and utility industries. Prior to joining CBIZ Valuation Group, he was employed by a large global appraisal consulting firm, where he began as a senior manager and then became managing principal, responsible for growing a newly created regional practice that he started. He also worked for Valuation Resource Management, Inc., where he worked his way up from staff appraiser to regional appraiser manager. He first began his career as a staff appraiser/tax consultant at Alliance Appraisal Group.

He earned a Bachelor of Business Administration degree in real estate from Baylor University. He is a member of the American Society of Appraisers and holds the designation of Accredited Senior Appraiser (ASA) in the discipline of Machinery & Technical Specialties/Machinery and Equipment. He is also a Practicing Affiliate with the Appraisal Institute.



Jamaal Condry, ASA

Senior Director, CBIZ Valuation Group
Raleigh, NC

Jamaal Condry is a Senior Director in the Tangible Asset Practice of CBIZ Valuation Group, where he provides leadership and oversight for large, multi-disciplinary appraisal teams. He manages several large-scale risk pool engagements and guides appraisers and operations staff through complex, multi-location assignments, ensuring consistent quality, efficient execution, and on-time delivery across diverse client portfolios.

With more than 19 years of experience in appraisal, project planning, and project management, Jamaal brings both deep technical expertise and a strong operational perspective to his role. He leads project strategy, staffing coordination, and quality review, while serving as a key client contact on high-profile and portfolio-based engagements. Prior to joining CBIZ Valuation Group, he worked with a large global appraisal consulting firm.

Jamaal's experience includes appraisals of water and wastewater treatment facilities, electrical generation facilities, municipal buildings, airport facilities, sporting venues, lodging properties, and specialized accounting-driven assignments. He earned a Bachelor of Arts in Mathematics from Columbus State University and a Master's degree in Construction Management from Western Carolina University. Jamaal is a member of the American Society of Appraisers and holds the Accredited Senior Appraiser (ASA) designation in Machinery & Technical Specialties/Machinery and Equipment.



Patrick Keim

Manager, CBIZ Valuation Group
Pittsburgh, PA

Fine Arts, Cultural Property & Historic Asset Valuation

Professional Bio

Patrick Keim has more than 25 years of experience in the valuation industry, specializing in the appraisal of fine arts, cultural property, historic architecture, religious artifacts, antiques, and other unique assets. His experience includes the valuation of museum collections, public art collections, historic properties, religious appointments, stained glass, statuary, silver, ceremonial objects, and other culturally significant assets.

Throughout his career, Patrick has managed and contributed to more than 50 representative engagements involving fine art, architectural art, religious and ceremonial objects, historic furnishings, public sculpture, decorative arts, and other specialized property categories. These assignments span museums and cultural institutions, state and municipal fine arts collections, religious organizations across multiple denominations, performing arts venues, historic estates and landmarks, private clubs, luxury hospitality properties, and internationally recognized architectural assets.

Prior to joining CBIZ Valuation Group, Patrick served as a Senior Appraiser for a national valuation firm, where he managed valuation engagements throughout North America and internationally, with a focus on high-value, unique, and historically significant property.

Education & Professional Background

Patrick's appraisal expertise is supported by a strong academic foundation in the visual arts. He earned a Bachelor of Fine Arts from Carnegie Mellon University and is currently pursuing a master's degree with a concentration in Modern Art from the University of Pittsburgh. He also completed one year of study at Kuvataideakatemia, the Academy of Fine Arts in Helsinki, Finland.

His formal education and professional appraisal experience provide a strong combination of art historical knowledge, visual analysis, materials awareness, and practical valuation expertise for fine art, decorative art, religious art, and historically significant collections.

Education / Training	Focused Study	Valuation Relevance
Bachelor of Fine Arts	Carnegie Mellon University	Formal foundation in visual arts, artistic methods, and object-based analysis
Master's Degree in progress	Modern Art concentration, University of Pittsburgh	Advanced study supporting fine art and modern art valuation assignments
International fine arts study	Kuvataideakatemia / Academy of Fine Arts, Helsinki, Finland	International arts exposure and broader cultural-property perspective

Areas of Specialized Expertise

- Fine art collections, including paintings, sculptures, mixed-media works, and public art
- Museum collections, cultural artifacts, historic memorials, and municipal or state-owned art collections
- Religious art, icons, communion vessels, liturgical objects, altar linens, and sanctuary furnishings
- Judaica and ritual art collections

- Stained glass windows and architectural art installations
- Antiques, decorative arts, statuary, historic furnishings, coin and sterling silver objects
- Historic estates, civic landmarks, performing arts venues, cultural institutions, luxury hotels, private clubs, and architecturally significant properties

Representative Engagement Profile

For confidentiality, client names are not listed below. The summary reflects the property types represented in Patrick's significant engagement history:

Engagement Category	Summary of Property Types Appraised
Religious and ceremonial property	More than twenty engagements involving churches, cathedrals, dioceses, synagogues, chapels, temples, sanctuary furnishings, communionware, altar linens, religious icons, stained glass, and ritual art.
Fine arts, museum, and public collections	Multiple museums, municipal, state, foundation, memorial, and private collection engagements involving paintings, sculpture, public art, Judaica, decorative arts, cultural artifacts, and archival or historically significant objects.
Historic architecture and landmark properties	Numerous assignments involving historic mansions, architecturally significant residences, civic buildings, state capitol and governor residence property, and landmark structures with integrated art, furnishings, and architectural features.
Performing arts, hospitality, and club properties	Engagements involving concert halls, theaters, cultural venues, country clubs, private clubs, and luxury hotel properties with fine art, architectural elements, decorative arts, and specialty furnishings.

Appendix A: Terms & Conditions

These Standard Terms and Conditions of Services (“Terms”) and the Master Service Agreement (“MSA”) or Engagement Letter to which these Terms are appended (including any Statements of Work, Project Addenda, Schedules and/or Exhibits attached thereto) (collectively referred to as “SOW”), constitute the entire agreement between Client and CBIZ for the provision of certain professional services (the “Agreement”). Any defined terms not expressly defined in these Terms shall have the meanings ascribed to them in the MSA or Engagement Letter, as the case may. Unless otherwise stated, these Terms shall apply to all Services (as defined below) provided by CBIZ and any of its Affiliates. A CBIZ Affiliate includes any parent, subsidiary, or entity under the common ownership of CBIZ Inc. (“Affiliate”). In the case of a conflict between these Terms, the MSA or Engagement Letter, and/or any SOW, the following order of precedence shall apply: (1) these Terms, (2) the MSA or Engagement Letter, (3) the applicable SOW. These Terms shall govern any work performed in connection with Services prior to execution of the Agreement.

A. Services. As used herein, the term Services includes only those services provided by CBIZ to Client which are expressly identified in the Agreement. Services shall also include any “Deliverables” as defined in the Agreement. While CBIZ’s Services may include advice and recommendations, all decisions in connection with the implementation of the Services shall be Client’s responsibility. CBIZ will not assume any responsibility for any financial reporting. Unless expressly described in the Agreement, Services are not intended to detect fraud or illegal acts, and CBIZ will not address any legal matters or questions of law in connection with this Agreement. Further, CBIZ will not update its Services for changes or modifications to the law or regulations, or for subsequent events or transactions after completion of the Services, unless Client separately engages CBIZ to do so in writing. Client acknowledges and understands that CBIZ will not provide any attest services of any kind, scope or nature whatsoever as part of the Agreement.

B. Third Parties and Internal Use. Unless otherwise expressly stated, all Services shall be solely for Client’s internal purpose and use. There are no express or implied third-party beneficiaries to this Agreement, and this Agreement does not create privity between CBIZ and any person or third party other than Client. No third party is entitled to rely, in any manner or for any purpose, on the Services. To protect CBIZ from any unauthorized reliance or claims, Client agrees the Services will not be distributed, made available, circulated, or quoted to or used by any third party, or included in any offering memoranda or other documentation supporting or relating to the offering of securities or the solicitation of financing through equity or debt, without the prior written consent of CBIZ. In the event CBIZ expressly permits sharing with a third party, any deliverable must be shared in its entirety, no limitations, restrictions, qualifications, conditions, or other disclaimers may be removed, and sharing must be conditioned upon the third party signing CBIZ’s standard non-reliance letter. Client agrees to indemnify, defend and hold harmless CBIZ and its Representatives from any third-party dispute, controversy, claim or action (“Claim”) that may arise out of or result from such claims or Client’s disclosure of, or CBIZ complying with Client’s request to disclose, Services with third parties including but not limited to all costs, expenses and reasonable attorneys’ fees.

C. Confidentiality. “Confidential Information” means all non-public information including, but not limited to documents, reports, technology, security procedures, methods of operation, software, data, records, forms and other materials obtained by one party (the “Receiving Party”) from the other party (the “Disclosing Party”) (whether related to the Party or its customers, affiliates, or representatives) that the Disclosing Party marks as “confidential” or “proprietary” or that otherwise by its nature should be understood by a reasonable person to be confidential. All terms of this Agreement are considered Confidential Information. Each Party shall exercise the same level of care to protect the other’s Confidential Information as it exercises to protect its own Confidential Information but in no event less than reasonable care. CBIZ will maintain the confidentiality of Client’s information in accordance with applicable professional standards. Notwithstanding the foregoing, Confidential Information does not include information that (i) is or becomes publicly available or is generally known to persons in the industry at no fault of the Receiving Party, (ii) was rightfully known to the Receiving Party prior to disclosure; (iii) is developed independently by the Receiving Party, (iv) is received from a third party without a breach of an obligation of confidentiality, or (v) is otherwise permitted to be disclosed under the Agreement..

CBIZ may disclose Confidential Information to its officers, employees, partners, subcontractors, vendors, and Affiliates (collectively herein “CBIZ Representatives”), as necessary to provide the Services; for internal, administrative and/or regulatory compliance purposes; or as otherwise described herein or as directed by Client, provided CBIZ Representatives are bound by similar confidentiality obligations. To the extent CBIZ utilizes subcontractors to provide the Services, CBIZ shall be responsible for such subcontractors’ compliance with the applicable confidentiality terms herein. Receiving Party may disclose Confidential Information if required by applicable law, statute, rule, regulation, professional standard, or validly issued judicial, governmental, or administrative demand, order, or other legal process, but will use commercially reasonable efforts to provide prompt notice to the Disclosing Party, unless prohibited by law, to allow the Disclosing Party to seek a protective order at Disclosing Party’s sole cost and expense.

CBIZ may use Confidential Information to check for conflicts of interest and to verify independence. In the event Client engages CBIZ CPAs P.C. (formerly Mayer Hoffman McCann PC,¹), or any other CPA firm associated with CBIZ, to provide Client with attest services (collectively the “CPA Firm”), CBIZ may disclose Client Confidential Information to CPA Firm to facilitate its performance of those services. In those circumstances only, Client authorizes CPA Firm to provide CBIZ access to all of Client’s files and accounting, tax, financial and other information in CPA Firm’s possession for the purpose of providing any tax or other services requested.

Notwithstanding any other provision of this Agreement, CBIZ and its Representatives may use Client’s information, including tax return information, to develop, enhance, modify and improve technologies, tools, methodologies, services and offerings, or for development or performance of data analysis or other insight generation, including without limitation benchmarking studies. Information developed in connection with these purposes may be used or disclosed to Client or current or prospective clients to provide services or offerings. Such information will not be disclosed to third parties assisting CBIZ and its Representatives with these uses unless such information is aggregated or anonymized. With respect to tax return information, Client may request in writing a more limited use and disclosure than the foregoing.

D. Client Responsibilities; Representations and Warranties. Client is responsible for all management decisions and performing all management functions, and for designating an individual from Client’s senior management with suitable skill, knowledge, and experience to oversee the Services. Client is responsible for evaluating the adequacy and results of the Services performed and accepting responsibility for them, including the implementation of any findings, recommendations, or remedial actions. Client will establish and maintain internal controls over the processes with which such Services are concerned, including monitoring ongoing activities. The Services should not be taken to supplant Client’s own obligations and, if applicable Client’s due-diligence and any additional inquiries and procedures that Client should undertake in consideration of a potential investment or transaction. CBIZ will not perform management functions or make management decisions for Client.

Client will reasonably cooperate with CBIZ and take all actions reasonably necessary to enable CBIZ to perform the Services. Client shall make all corporate, information technology, systems, financial, and related information, records or data (“Information”) available to CBIZ on a timely basis to enable CBIZ to provide Services. Information may include Confidential Information, as defined above, but also includes all other relevant information that is requested by CBIZ and provided by Client in connection with this Agreement. Client agrees to provide only the Information that is requested by CBIZ in connection with this Agreement and necessary for the performance of the Services. CBIZ will have no responsibility for Information Client provides that CBIZ did not request, including data outside the scope of the engagement and personally identifiable information. Client represents and warrants, and CBIZ shall be entitled to assume, without independent verification, that the Information, representations, and assumptions provided by Client and/or on Client’s behalf, is accurate and complete.

Client represents and warrants that it (i) has the necessary right, title, license, consent, approvals, permission, waivers, and releases to grant to CBIZ and its Representatives access to Client systems and Information and other information, software, and materials provided in connection with the Services for the purpose as set forth in the Agreement and (ii) will comply with all applicable laws, rules and regulations of any governmental or regulatory authority that are directly applicable to Client’s industry, its use of the Services, and performance of its obligations under this Agreement, including without limitation complying with all applicable import and export laws, export control and economic sanctions regulations, antibribery and anti-corruption laws, and data privacy and information security laws.

Client shall provide its own qualified and competent personnel and third-party contractors to work with CBIZ, as required by the engagement or requested by CBIZ. Client shall be solely responsible for its personnel, agents, advisors, consultants, vendors, subcontractors, and representatives. CBIZ Services will not include any verification of the work performed by such third parties. All fee and delivery estimates are based on the expectation of Client’s cooperation. Therefore, any insufficiency or delays on Client’s behalf may impact the successful completion of the Services and may delay the timing and/or increase the amount of fees and expenses charged by CBIZ. Should CBIZ become aware that material information was withheld or misrepresented, CBIZ may terminate the Agreement or any part thereof, with all billed and accrued fees up through the time of the termination immediately payable to CBIZ.

E. Fees, Payment, Subpoenas, and Post-Engagement Inquiries. Invoices for Services and expenses will be rendered as work progresses and are payable on presentation, unless other invoicing or payment terms are explicitly described on an invoice or SOW. The invoices may designate CBIZ, Inc. as the receiving party for ACH and wire payments. If invoices are not paid within thirty (30) days of issuance, a finance charge may accrue at the lesser of (i) 1% per month or (ii) the highest interest rate allowable by law. Without limiting its rights or remedies, CBIZ shall have the right to suspend or terminate Services until full payment is received on such past due invoices. In the event Client disputes any fees or expenses on a specific invoice, Client agrees to notify CBIZ within twenty (20) days of receipt of

¹ CBIZ CPAs P.C. still operates in certain states as Mayer Hoffman McCann P.C

the invoice in dispute. If Client fails to notify CBIZ within the twenty (20) day period, Client's right to dispute the invoice will be waived. In the case of nonpayment, in addition to interest, Client will be liable for all reasonable costs and attorneys' fees incurred by CBIZ to collect the fees. The failure of CBIZ to exercise its right to suspend or terminate work shall not constitute a waiver by CBIZ of any right or remedy, and CBIZ will bear no liability if work is suspended or terminated because of nonpayment. All outstanding bills will be paid in full prior to the release of any Deliverable, unless other arrangements to pay the invoice have been agreed upon. CBIZ's fees are exclusive of administrative fees, taxes and similar charges. Client acknowledges and agrees that Client will be solely responsible for all applicable sales, use, and other taxes due in connection with the Services. ***CBIZ reserves the right to assess a technology and administrative fee to cover the cost of technology, processing, and other administrative expenses at a rate reflected in an MSA, Engagement Letter, SOW, or as invoiced.***

If CBIZ is required by applicable law, legal process (subpoena or otherwise), or government action or investigation to produce information, documentation or testimony as a witness or for interviews, or otherwise to make information relating to Services available to a third party, or Client, Client shall reimburse CBIZ for any professional time at its then current hourly rate, and expenses (including reasonable internal and external legal fees, e-discovery costs, and other expenses) incurred to respond to the request. This includes any post engagement production and requests.

Further, any requests for diligence questionnaires will be at Client's cost and CBIZ reserves the right to charge for any expenses and time incurred by any CBIZ Representatives at the Representatives' then current hourly rate.

F. Termination. CBIZ may terminate this Agreement, or any part thereof at any time by giving written notice to Client, including without limitation CBIZ's resignation or declining to issue a deliverable. In the event of a termination or expiration of an SOW, Client agrees to compensate CBIZ for all work performed and expenses incurred through the effective date of termination, as well as any transition services performed. Upon termination, the following sections of this Agreement will survive completion of the Services or its earlier termination, and will apply to any and all Services provided by CBIZ in the future, unless and until these Terms are superseded by a new agreement: Fees and Payment, Subpoenas and Post-Engagement Inquiries, Confidentiality, Third Parties and Internal Use, Property and Record Retention, Employment Offers to Our Personnel, Dispute Resolution and Jury Trial Waiver, Governing Law and Severability, Fees and Payment Limitation on Damages, Indemnification and such other provisions of this Agreement which by their nature are intended to survive.

G. Limitation on Warranties. This is an engagement for professional services. CBIZ will perform Services in good faith and in a professional manner. CBIZ disclaims all warranties, either express or implied, including, without limitation all warranties of merchantability and fitness for a particular purpose.

H. Marketing. Client agrees that CBIZ may reference Client as a client in its experience citations and marketing materials, including websites and social media, indicating the general services rendered and/or identifying Client as a recipient of Services. In addition, Client gives CBIZ the right to use its name and logos solely for presentations or reports to the Client or for internal CBIZ presentations and intranet sites.

I. Independent Contractor. It is understood and agreed that each of the Parties hereto is an independent contractor and that neither Party is, nor shall be, an agent, partner, joint venturer, or representative of the other. Neither Party shall act or represent itself, directly or by implication, as an agent of the other or in any manner bind the other party or assume or create any obligation of behalf of, or in the name of, the other.

J. Employment Offers to Our Personnel. During the term of this Agreement and for a period of one year thereafter, Client agrees not to hire, solicit, or attempt to solicit, whether directly or indirectly, any CBIZ employee or contractor involved in the provision of Services without the prior written consent of CBIZ. If any of CBIZ's personnel accepts a position of employment with Client, its related parties, subsidiaries or affiliates at any time while CBIZ performs services for Client or within one (1) year thereafter, irrespective of whether they have worked on Client's account or not, Client agrees to pay CBIZ a placement fee equal to the employee's annual compensation in effect on the date such employment was contracted. Such fee is payable when the employee accepts such a position.

K. Safe Environment. Client agrees that in any circumstances wherein CBIZ Representatives are required to provide Services at any premises or location operated or controlled by Client, Client will take all actions and precautions necessary to ensure the premises are free from all known or reasonably foreseeable safety hazards, and all forms of harassment and discrimination. For Services being performed at the Client's facilities, the Client shall provide CBIZ's Representatives with necessary access during

normal business hours to its facilities and as needed, appropriate office space, computers, phones, printing, faxing, copying and similar office services. If required by the engagement, Client shall be responsible for providing, at its cost, a satisfactory communications link between its facilities and the applicable CBIZ facility. To the extent required by CBIZ to perform the Services, Client shall provide CBIZ's

Representatives with access and login identifications for its information technology environment and local area network, as applicable. Client represents and warrants that it has the requisite right and authority to provide CBIZ and its Representatives with access to such premises, locations, facilities, equipment, hardware, software, information technology environment and local area network, as the case may be, and shall indemnify, defend and hold harmless CBIZ from all Claims and Losses (defined below) arising from or relating to CBIZ or its Representatives' access as directed by Client.

L. Property and Record Retention. As between the parties, each party owns and will retain its Confidential Information. The workpapers and files which CBIZ generates in connection with this Agreement are the property of CBIZ. Except to the extent required to comply with applicable law, rule, regulation, professional standards or its internal document retention policy, CBIZ does not retain any original Client records and will return those to Client at the completion of the Services, but Client acknowledges and agrees Confidential Information, including source documents, will be retained by CBIZ in CBIZ's confidential workpapers. It is Client's responsibility to retain and protect Client's records for possible future use, including, but not limited to, potential examination by any government or regulatory agencies. All CBIZ workpapers and files will be retained pursuant to CBIZ's document retention policy and in accordance with applicable professional standards. Client's need to retain documents may differ from CBIZ's retention policy.

M. Electronic Communication and Third-Party Services. CBIZ and Client may communicate with one another via e-mail or otherwise to electronically transfer files and documents. Such communications may include Confidential Information or information that is sensitive to Client. Client accepts the inherent risks of these forms of communication (including any security risks of unauthorized access, interception, corruption of communications, viruses and other harmful devices). Should CBIZ use a public or third-party electronic file transfer service in connection with this engagement, Client acknowledges that CBIZ makes no representations or warranties regarding the security of data transmitted to and from, or stored by, that public or third-party electronic file transfer service and Client assumes responsibility for all use of such service. In the event Client requests CBIZ access information through or use a third-party system, whether cloud-based or otherwise, Client will be responsible for ensuring the confidentiality and security of such systems and complying with all laws and requirements relating to the third-party system. Client warrants that it has the authority to grant CBIZ access to such system. Client agrees that CBIZ is not responsible for any loss, or unauthorized interception, of data transmitted to and from, or stored by, that public or third-party electronic file transfer service. Further, CBIZ shall have no responsibility or liability for any hardware, software or any system provided by or at Client's direction.

Services may include or contain links to allow Client to connect to and/or use, certain third-party products, services, or software ("Third-Party Services", and each, a "Third-Party Service") in conjunction with Client's use of Services. These Third-Party Services may be subject to other terms and conditions (including log-in requirements) imposed by the provider of such Third-Party Services and may require Client to sign up or log into their respective websites or applications. Client acknowledges that any access and use of such Third-Party Services is subject to and governed by the terms and conditions and privacy policy of such Third-Party Service, and that CBIZ does not endorse, is not liable for, and makes no representations or warranties as to any Third-Party Service, its content, or the way such Third-Party Service uses, stores or processes any data. Client irrevocably waives any claims against CBIZ with respect to Third-Party Services. The Client's sole and exclusive right and remedy with respect to any such Third-Party Service is against the Third-Party Service and not against CBIZ, whether CBIZ assists in procuring the Third-Party Service.

N. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio without giving effect to any choice or conflict of law provision or rule. Any legal suit, action, or proceeding based upon, arising out of or related to this Agreement or the matters contemplated hereunder shall be instituted in the federal courts of the United States or the courts of the State of Ohio in each case located in the City of Cleveland, Cuyahoga County and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding and waives any objection based on improper venue or forum non conveniens.

O. LIMITATION PERIOD, DISPUTE RESOLUTION, AND JURY TRIAL WAIVER. NOTWITHSTANDING ANY APPLICABLE STATUTE OF LIMITATIONS, ANY CLAIM REGARDLESS OF FORM, BROUGHT BY CLIENT AND ARISING FROM THIS AGREEMENT MUST BE BROUGHT WITHIN TWELVE (12) MONTHS AFTER THE EARLIER OF THE DATE THAT THE CONDUCT, SERVICE, OR DELIVERABLES GIVING RISE TO THE ALLEGED LIABILITY OR CLAIM UNDER THIS AGREEMENT WAS PROVIDED OR THE TERMINATION OF THE APPLICABLE ENGAGEMENT.

IF ANY CLAIM ARISES IN CONNECTION WITH THIS AGREEMENT, WITHIN THE TIME IDENTIFIED IN SECTION O, EITHER PARTY MAY, UPON WRITTEN NOTICE TO THE OTHER PARTY THAT INCLUDES A DESCRIPTION OF THE CLAIM, REQUEST THAT THE MATTER BE MEDIATED. SUCH MEDIATION WILL BE CONDUCTED BY A MEDIATOR APPOINTED BY AND PURSUANT TO THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION OR SUCH OTHER NEUTRAL FACILITATOR ACCEPTABLE TO BOTH PARTIES. THE MEDIATION PROCEEDINGS SHALL CONCLUDE WITHIN SIXTY (60) DAYS FROM RECEIPT OF THE WRITTEN NOTICE UNLESS EXTENDED OR TERMINATED SOONER BY MUTUAL CONSENT. UNLESS OTHERWISE AGREED, THE FEES AND EXPENSES OF THE MEDIATOR AND MEDIATION WILL BE BORNE EQUALLY BY THE PARTIES. IF THE PARTIES CANNOT RESOLVE THE DISPUTE THROUGH MEDIATION, EITHER PARTY MAY PURSUE ACTION IN A COURT OF COMPETENT

JURISDICTION AS SET FORTH IN SECTION N OF THESE TERMS. IT IS UNDERSTOOD BY THE PARTIES THAT A PARTY'S REQUEST FOR MEDIATION SHALL NOT SERVE TO EXTEND THE LIMITATION PERIOD STATED ABOVE.

UNLESS OTHERWISE PROHIBITED BY LAW OR APPLICABLE PROFESSIONAL STANDARD EACH PARTY IRREVOCABLY, VOLUNTARILY AND KNOWINGLY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR COUNTERCLAIM BASED UPON, ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE MATTER CONTEMPLATED HEREUNDER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING. IT INCLUDES ALL CLAIMS THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. IT ALSO INCLUDES ALL SUCH CLAIMS THAT MAY BE BROUGHT AGAINST CBIZ AND ITS REPRESENTATIVES, CURRENT OR FORMER.

P. LIMITATION ON DAMAGES. EXCEPT AS PROHIBITED BY LAW OR APPLICABLE PROFESSIONAL STANDARD, CBIZ'S AND/OR ITS CURRENT OR FORMER REPRESENTATIVES' LIABILITY FOR ANY CLAIMS, LIABILITIES, DAMAGES OR EXPENSES ARISING OUT OF THE SERVICES PERFORMED UNDER THE AGREEMENT SHALL IN NO EVENT EXCEED, IN THE AGGREGATE, THE TOTAL FEES ACTUALLY PAID BY CLIENT TO CBIZ FOR THOSE SPECIFIC SERVICES GIVING RISE TO THE CLAIM IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH CLAIM. IN NO EVENT SHALL CBIZ AND/OR ITS REPRESENTATIVES, CURRENT OR FORMER, BE LIABLE FOR CONSEQUENTIAL, SPECIAL, INDIRECT, INCIDENTAL, LOST PROFITS, LOST DATA, REPUTATIONAL DAMAGES, PUNITIVE, OR EXEMPLARY LOSSES OR DAMAGES RELATING TO THIS AGREEMENT OR FOR ANY LOSS OF REVENUE OR PROFITS, DATA, OR DATA USE. THIS LIMITATION ON LIABILITY SECTION SHALL APPLY TO THE FULLEST EXTENT OF THE LAW, WHETHER IN CONTRACT, STATUTE, TORT (SUCH AS NEGLIGENCE), PROFESSIONAL STANDARD, OR OTHERWISE. FURTHER, CBIZ WILL BEAR NO LIABILITY IN THE CASE OF CYBERSECURITY INCIDENTS THAT RESULT IN UNAUTHORIZED ACCESS TO CLIENT'S DATA, EXCEPT TO THE EXTENT SUCH INCIDENT RESULTED FROM CBIZ'S GROSS NEGLIGENCE, FRAUD OR INTENTIONAL MISCONDUCT, IN WHICH CASE CBIZ AND ITS REPRESENTATIVES' LIABILITY WILL BE LIMITED AS PROVIDED ABOVE IN THIS SECTION.

Q. Indemnification. Unless otherwise prohibited by law or applicable professional standard, Client shall indemnify, defend, and hold harmless CBIZ and its Representatives from and against any third-party Claims, damages (whether compensatory, consequential, special, indirect, incidental, punitive, exemplary, or of any other type or nature), judgments, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and the reasonable time and expenses of CBIZ's personnel involved) (collectively "Losses") brought against or involving CBIZ at any time and in any way arising out of or relating to (i) breach by Client of any terms, obligations, representations and warranties as set forth in the Agreement and (ii) the Services under this Agreement or any third-parties use or reliance on the Services. Client also agrees to indemnify, defend and hold harmless CBIZ and its Representatives from and against any Losses arising from or relating to Client's misrepresentations, or false, inaccurate or incomplete Information provided to CBIZ in connection with the Services. All indemnification provisions herein shall survive the termination of this Agreement for any reason and shall apply to the fullest extent of the law, whether in contract, tort, or otherwise.

R. Background Checks. CBIZ reserves the right to perform background checks on Clients or potential Clients as deemed necessary in CBIZ's sole discretion. Any costs associated may be passed on to Client or potential Client. This Agreement is expressly contingent upon the satisfactory completion of such background checks and CBIZ reserves the right to withdraw from any relationship should information, which CBIZ deems to be adverse come to CBIZ's attention.

S. General.

1. **Entire Agreement:** This Agreement forms the entire agreement between the Parties relating to the Services, and replaces and supersedes any previous proposals, correspondence, understandings, or other communications whether written or oral, unless specifically incorporated by this Agreement. This Agreement, and any part thereof, may only be amended or modified in a writing executed by both Parties. Each Party acknowledges that this was a negotiated contract, and no part of this Agreement shall be construed against either Party based on drafting. If any provision of this Agreement is determined to be invalid under any applicable statute, rule, or law, then the invalid portion of the provision will be deemed omitted, and the balance of the provision and Agreement shall remain enforceable. For evidentiary purposes, an electronic scan (e.g., PDF file) of this executed Agreement shall be deemed by the Parties to be a true, authenticated document which is admissible into evidence.
2. **Assignment:** CBIZ may assign all or part of the Agreement to a parent, subsidiary, or Affiliate, or to entity acquiring substantially all its ownership interests or assets without Client's consent. Client may not assign all or part of this Agreement, or subcontract or delegate any rights, licenses, claims, or obligations under this Agreement without CBIZ's written consent and any assignment without consent shall be void and invalid. To the extent applicable, this Agreement shall be binding on all transferees, successors and assigns of both CBIZ and Client.

3. **Force Majeure:** Except for client's payment or indemnification obligations, neither Party shall be liable to the other for any delay or failure to perform any of the Services or obligations set forth in this Agreement due to acts of God, natural disasters, war, civil disturbance, government action, strike, epidemics, pandemics, and/or causes beyond its reasonable control ("Force Majeure Event") The Party affected by a Force Majeure Event shall provide written notice to the other Party within a commercially reasonable time and shall use commercially reasonable efforts to resume performance as reasonable as practical.
4. **Waiver:** No delay or omission by either Party in exercising any right or power shall impair such right or power or be construed to be a waiver. A waiver by either party of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach or of any other covenant. No waiver or discharge shall be valid unless in writing and signed by an authorized representative of the Party against whom such waiver or discharge is sought to be enforced.
5. **No Third-Party Beneficiary:** No third-party shall be deemed a third-party beneficiary of this Agreement.

T. OFAC, Foreign Ownership. By executing this Agreement, you confirm, represent and warrant that (i) it is not organized, incorporated or a resident in jurisdictions sanctioned by the United States (including, by way of example, Cuba, Iran, North Korea, Syria, or the Crimea, separatist-held Donetsk and Luhansk regions of Ukraine); (ii) listed in any economic, financial or trade sanctions-related list of designated parties maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, U.S. Department of Commerce, Public Safety Canada, Global Affairs Canada, the United Kingdom Office of Financial Sanctions, the United Nations Security Council, the European Union or any European Union member state; (iii) is not a resident of and does not have subsidiaries that are, located or organized under the laws of Russia; and (iv) it is not owned 50% or more or controlled by parties described in (i)-(iii). Further, the Client represents and warrants that it is not engaging CBIZ to provide services directly or indirectly to jurisdictions in (i) or for the benefit, use or reliance on any party in (i)-(iv).

U. Exceptions for Certain CBIZ CPAs Clients. All of Sections B, P and Q, and the provision in Section O regarding filing a Claim based on this engagement in court within twelve (12) months after performance of Services hereunder, do not apply to engagements with SEC registrants in which CBIZ CPAs P.C. is the auditor of record.

V. Valuation Services. If Valuation services are rendered by CBIZ in connection with this Agreement, the following additional terms and conditions will apply:

1. **Not a Fairness Opinion.** Neither CBIZ's opinion nor CBIZ's report are to be construed as an opinion of the fairness of an actual or proposed transaction, a solvency opinion, or an investment recommendation, but, instead, are the expression of CBIZ's determination of the fair value between a hypothetical willing buyer and a hypothetical willing seller in an assumed transaction on an assumed valuation date where both the buyer and the seller have reasonable knowledge of the relevant facts.
2. **Limitation on Distribution and Use.** The report, the final estimate of value, and the prospective financial analyses (collectively, as used in this paragraph, the "CBIZ Work Product") included therein are intended solely for the information of the person or persons to whom they are addressed and solely for the purposes stated; they should not be relied upon for any other purpose, and no party other than the Client may rely on them for any purpose whatsoever. Neither the valuation report, its contents nor any reference to the appraiser or CBIZ may be referred to or quoted in any registration statement, prospectus, offering memorandum, sales brochure, other appraisal, loan or other agreement or document given to third parties. In addition, except as set forth in the report, CBIZ's analysis and report are not intended for general circulation or publication, nor are they to be reproduced or distributed to third parties. Notwithstanding the foregoing, if the Client desires to distribute or use the CBIZ Work Product in any way not expressly contemplated by these Terms and Conditions or the Agreement, including, without limitation and by way of example, reference to CBIZ by name or inclusion of any portion of the CBIZ Work Product in any regulatory filing, CBIZ, at CBIZ's sole discretion, may permit Client to do so for a fee commensurate to the additional risk associated with such distribution or use.
3. **Operational Assumptions.** Unless stated otherwise, CBIZ's analysis: (i) assumes that, as of the valuation date, the Client and its assets will continue to operate as configured as a going concern, (ii) is based on the past, present and future projected financial condition of the Client and its assets as of the valuation date and (iii) assumes that the Client has no undisclosed real or contingent assets or liabilities, other than in the ordinary course of business, that would have a material effect on CBIZ's analysis.
4. **Competent Management Assumed.** It should be specifically noted that the valuation assumes the property will be competently managed and maintained over the expected period of ownership. This valuation service does not entail an evaluation of the

management's effectiveness, nor is CBIZ responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.

5. **No Obligation to Provide Services After Completion.** Valuation services are accepted with the understanding that there is no obligation to furnish services after completion of the original assignment. If the need for subsequent services related to a valuation occurs, including updates, conferences, testimony, preparation for testimony, document production, interrogatory response preparation, or reprint and copy services whether by request of the Client or by subpoena or other legal process initiated by a party other than the Client, Client agrees to compensate CBIZ for its time at its standard hourly rates then in effect, plus all expenses incurred in the performance of said services. CBIZ reserves the right to adjust the analysis, opinion and conclusion set forth in the report as CBIZ deems necessary by consideration of additional or more reliable data that may become available.
6. **No Opinion Rendered as to Legal Fee or Property Title.** No opinion is rendered as to legal fee or property title. No opinion is intended in matters that require legal, engineering or other professional advice that has been or will be obtained from professional sources.
7. **Liens and Encumbrances.** CBIZ will give no consideration to liens or encumbrances except as specifically stated. CBIZ will assume that all required licenses and permits are in full force and effect and will make no independent on-site tests to identify the presence of any potential environmental risks. CBIZ assumes no responsibility for the acceptability of the valuation approaches used in CBIZ's report as legal evidence in any court or jurisdiction.
8. **Information Provided by Others.** Information furnished by Client and/or on Client's behalf is presumed reliable and CBIZ assumes no responsibility for its accuracy or guarantying its certainty. All financial data, operating histories and other data relating to income and expenses attributed to the business have been provided by management or its representatives and will be accepted without further verification except as specifically stated in the report.
9. **Prospective Financial Information.** CBIZ's report may contain prospective financial information, estimates or opinions that represent reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as forecasts, prospective financial statements or opinions, predictions or as assurances that a particular level of income or profit will be achieved, that events will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by CBIZ's prospective financial analysis will vary from those described in CBIZ's report, and the variations may be material.

T&Cv011626

Appendix B: Property Schedule

POLICY NUMBER: CPP 5066646

8-D-CIM(S) Ed. 01-92

CONTRACT SUMMARY
Finance Committee / Board Approval

Vendor: McNeese Wallace & Nurick

Contract Title / Service: Legal Services - Contract Negotiations

Department / Program: Business Office

Contract Term: Agreement as of October 1, 2026

1. Purpose of Agreement

This agreement engages McNeese Wallace & Nurick LLC to provide legal representation to the District specifically related to contract negotiations and labor relations matters.

Mark Fitzgerald will serve as the primary attorney responsible for these services.

2. Cost Summary

School Year	Cost
Hourly Rate	\$325/hour (Blended rate)

Dollar Change: n/a

Billing Terms: Monthly

Funding Source: General Fund - Business Office

3. Administration Notes

This agreement provides specialized legal representation to support the District during negotiations for the successor collective bargaining agreement with the New Hope-Solebury Education Association (NHSEA).

Administration recommends approval of the agreement to provide specialized legal representation during the District's upcoming labor negotiations.



McNees Wallace & Nurick LLC
401 Plymouth Rd, Ste. 620
Plymouth Meeting, PA 19462

Mark Fitzgerald
Direct Dial: 484-533.0163
Mark.fitzgerald@mcneeslaw.com

October 1, 2026

Dr. Charles Lentz, Superintendent of Schools
New Hope-Solebury School District
180 West Bridge Street
New Hope, PA 18938

RE: New Hope-Solebury School District Engagement Letter

Dear Dr. Charles Lentz,

Thank you for selecting McNees Wallace & Nurick LLC to provide legal services to the New Hope-Solebury School District. We appreciate the confidence you have shown in our Firm.

This letter sets forth the scope and terms of our engagement as well as our expectations of you regarding billing, payment, cooperation, and communication during our representation. These terms will also apply to additional legal services that we may agree to provide beyond those described in this letter.

You have asked our Firm to represent the New Hope-Solebury School District in contract negotiations and labor relations issues. Our client in this engagement is the New Hope-Solebury School District only, and no one else. We will not be representing any of New Hope-Solebury School District's affiliated or associated entities or any of its individual owners, officers, directors, shareholders, investors, agents, partners, members, or employees. These non-represented affiliated or associated entities and individuals should consider whether they should engage counsel to represent their personal interests.

Our fees will be based primarily upon hourly rates the firm sets for each person who provides legal services in this matter. For the matter herein, the rate will be a blended hourly rate of \$325 per hour for individuals working on this matter. Mark Fitzgerald will be the primary individual working on this matter. These rates are subject to periodic adjustment by the Firm, based on increased costs affecting our practice and enhanced experience of particular personnel working on the matter.

Any estimate we furnish of the amount of fees and costs likely to be incurred in this matter will be based on our professional judgment, taking into account the variety of factors that affect the scope, complexity and duration of any matter. That estimate is not a maximum or fixed-fee quotation. The payment of our fee is not contingent on outcome or success.

The enclosed document titled "Financial Arrangements with Clients" describes the billing policies and procedures that will apply in this engagement. Please read it carefully and retain it with this engagement letter. You agree to pay our statements for services and expenses within thirty (30) days. If our statements are not paid when due, you agree that we may withdraw as your counsel, consistent with our professional responsibilities, and you will be responsible for engaging other counsel in this matter, should you choose to do so.

We need your cooperation and support during this engagement, which includes informing us of relevant facts and circumstances that may bear on this matter. Any and all privileged and confidential information you provide

October 1, 2026

Page 2

to us will be held as such. Please keep in mind that attorney-client privilege can be lost by disclosures of privileged or confidential information to third parties. For that reason, your communications to us or to any third parties involved in this matter should be made with appropriate care to ensure their confidentiality.

If the above terms do not reflect your understanding of our engagement, or if there are any questions, I encourage you to discuss these concerns with me or other counsel of your choosing promptly. If the above terms meet with your approval, please sign this letter in the space below and return so that we may begin work.

We look forward to this opportunity to be of service to you.

Sincerely,



Mark Fitzgerald
MCNEES WALLACE & NURICK LLC

Client Signature/DocuSign

Enclosure

Financial Arrangements with Clients

1. **Fees.** Many factors are considered in billing for our services, including the hourly billing rates of the lawyers and paralegals who work on the matter, the novelty and complexity of the issues involved, the urgency with which the services must be performed, the extent to which an undertaking precludes us from representing other clients and the results achieved. In most instances, the number of hours spent by professional personnel is the principal basis for our fees.
2. **Hourly Billing Rates.** Generally, these rates vary from attorney to attorney depending on expertise, area of practice and experience. Hourly rates are reviewed annually and may increase during our engagement on your behalf.
3. **Disbursements.** Most engagements require that certain advances be made on your behalf by the firm from time to time. Out-of-pocket expenses for travel, toll-calls, filing fees, postage, overnight delivery and similar items, and charges for certain administrative services such as photocopying, document scanning, computer-assisted research and secretarial overtime specifically related to this matter will be separately billed and identified on our invoices. Certain disbursements may not be billed by us on the invoices on which related services are billed or may be passed on to the client for payment.
4. **E-discovery charges.** Unless we have made other arrangements, the following e-discovery charges will be charged. These amounts may be adjusted from time-to-time.
 - Processing and preparation of client data - \$60/ GB of data
 - Cloud storage for active matters - \$20/month/GB of data
 - Cloud storage for inactive/archived projects - \$15/month/GB of data
5. **Periodic Billings.** Unless we have made other arrangements, it is our policy to render monthly invoices for professional services. Usually, we prepare and mail invoices during the month following any month in which substantial services have been rendered and/or disbursements have been incurred. We expect that our invoices will be paid upon presentation, but, in any event, within 30 days after you receive the invoice.
6. **Administrative Charge.** In the event our invoices for fees and disbursements are not paid within thirty days after you receive them, we reserve the right to impose a charge at the rate of twelve percent (12%) per annum on the balance due to help defray the additional cost of carrying and administering delinquent accounts.
7. **Funds Held in Escrow.** During our engagement, we may have occasion to hold funds in escrow on your behalf. If pursuant to the terms of the escrow we are permitted to return the escrowed funds to you, we reserve the right to apply funds held in escrow to pay outstanding invoices for services and disbursements before remitting the balance to you.
8. **Termination of Representation for Failure to Fulfill Financial Obligations.** If you fail substantially to fulfill your financial obligation to pay for services rendered, and such failure continues after reasonable warning, we have the right to withdraw from the representation.
9. **Client files.** Client files at McNees are maintained in the firm's electronic document management system. McNees does not maintain a paper client file or an electronic client file outside its electronic document management system. Client files generally are stored for seven years after the file is closed. McNees has the right to charge reasonable costs for storing, handling, and copying client documents and files.

Any questions you may have regarding the firm's billing procedures or the nature and extent of our undertaking on your behalf should be directed to the attorney who is your primary contact in the engagement.

CONTRACT SUMMARY
Finance Committee / Board Approval

Vendor: BCIU

Contract Title / Service: School-Based ACCESS Program (SBAP) – Direct Service Billing Support

Department / Program: Special Education

Contract Term: October 1, 2026 – June 30, 2027

1. Purpose of Agreement

This agreement provides for the continued use of Bucks IU personnel to assist the District with SBAP direct service billing, including processing eligible related-service claims for Medicaid reimbursement.

The Bucks IU will provide a qualified individual to perform billing support services under the direction of the District's Director of Pupil Services.

2. Cost Summary

School Year	Cost
Daily Rate	\$540 per day
Maximum Days	50 days (Max cost \$27,000)

Service Schedule: Up to 2 days per week, remotely

Billing Terms: Monthly, based on actual services provided

Funding Source: General Fund - Special Education

3. Administration Notes

The Bucks IU has transitioned its SBAP direct service billing assistance to a contracted service model for the 2026–27 school year.

This agreement allows the District to continue utilizing IU support for Medicaid direct service billing while maintaining responsibility for the remaining SBAP reporting and compliance requirements.

*The District may use SBAP reimbursement funds to cover the cost of these services.

**BUCKS COUNTY INTERMEDIATE UNIT #22
SERVICE AGREEMENT**

THIS AGREEMENT, entered into on, by and between the **New Hope- Solebury School District** (hereinafter referred to as “**District**”) located at **180 West Bridge street, New Hope, PA 18938**, and the **Bucks County Intermediate Unit #22** (hereinafter referred to as “**Bucks IU**” and/or “**Contractor**”), located at **705 North Shady Retreat Road, Doylestown, PA 18901**.

WITNESSETH

WHEREAS, the District has a need for the following services:

- **School Based Access Program (SBAP) Support Services- Direct Service Billing**

WHEREAS, Bucks IU has offered to provide the District with a qualified individual to provide SBAP Support Services, to process eligible related service claims submitted by the district for reimbursement; and

WHEREAS, it is understood by both parties that the services provided by the Bucks IU does not include other aspects of the SBAP program such as Random Moment Time Study, IEP Ratio, Quarterly or Annual expense reports, program re-validation or any other aspects of SBAP that are required for the District’s participation; and

WHEREAS, the District and Bucks IU mutually agree that the Bucks IU will provide the District with SBAP Support Services for a period of time as needed by the District under the terms and conditions set forth in this Agreement;

THEREFORE, INTENDING TO BE LEGALLY BOUND HEREBY, the parties agree as follows:

1. This Agreement shall commence on **October 1, 2026** and shall terminate no later than **June 30, 2027**, provided that both parties to this Agreement may extend this Agreement by mutual consent by providing written notice by **April 30, 2027**. In addition, either party may also terminate this Agreement or any extension at any time by providing fifteen (15) days written notice.

Bucks County Intermediate Unit

2. For valuable consideration as expressed herein, Contractor shall provide a qualified individual to provide SBAP Support Services to the district:

- A. It is understood that under the terms of this agreement the Bucks IU will provide SBAP Support Billing Services with specific duties and workload managed under the direction of **the District Executive Director of Student Services**.
- B. Through **June 30, 2027** the rate for these services will be as follows:
 - **SBAP Support Services: Direct Service Billing**
 - **District Rate: \$540 per day, not to exceed 50 days without pre-approval in the contract period.**
- C. Services will be provided up to two full days per week, remotely at another location.
- D. Each week's schedule will be mutually agreed to by the **Executive Director of Student Services from the District and the Supervisor of Student Data from the Bucks IU or their designees.**
- E. **The District agrees to pay to the Bucks IU the rate for services as outlined above based on actual services provided. The Bucks IU shall submit one invoice at the conclusion of each calendar month. The District agrees to pay approved invoices within thirty (30) days from the receipt of each approved invoice.**

3. If required as part of the job responsibilities, the District agrees to provide financial reimbursement to the Contractor in excess of the compensation stated hereinabove, in order to reimburse the Contractor for any travel, tolls, parking or other out-of-pocket expenses incurred incident to providing services as required by this contract. Requests for such reimbursement will be accompanied by appropriate supporting documentation.

4. The individual(s) serving in this position shall not be responsible for providing printing, and other administrative services, including postage, required by the District for the performance of the duties assigned under this agreement.

5. It is understood and agreed by the parties hereto that the individual serving in this position while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and is not an officer, agent, or employee of the District. As such, the individual serving in this position is not entitled to any of the benefits provided by the District to its employees, including, but not limited to, group insurance, state pension plan enrollment, and vacation, leaves of absence, workers' compensation insurance or unemployment compensation insurance. The District may, during the term of this Agreement, engage other independent contractors to perform the same work that is performed through the SBAP billing reimbursement Services performed under this agreement.

Bucks County Intermediate Unit

6. Contractor agrees to comply with all Commonwealth of Pennsylvania and federal laws and regulations which apply to the District or to the services to be performed by Contractor, and any internal policies or procedures of the District enacted to comply with said state and federal laws and regulations. Contractor shall ensure that any person assigned to the District has all required federal and state criminal background and child abuse clearances, as well as the required health forms, PDE Form 6004, and Act 168 Employment History Review Form as provided for by the Pennsylvania School Code.

7. It is understood that the rights and responsibilities of this Agreement may be transferred or assigned by Contractor to Educational Staffing Services and/or other contractors/subcontractors; and the District through this agreement provides express written permission to Contractor to subcontract or delegate obligations under this contract to Educational Staffing Services or other contractors/subcontractors who work with the Contractor.

8. It is understood and agreed that during the course of work under this Agreement, District may become aware of confidential information about the Bucks IU, including but not limited to information regarding a Bucks IU employee, information about a Bucks IU student, information from a student's educational or medical records, software and computer programs, and knowledge, skills, and abilities of personnel. It is understood that District may also become aware of similar confidential information belonging to Bucks IU and/or Bucks IU clients. It is understood and agreed that all such information is considered to be confidential and privileged under the terms and conditions of this Agreement and cannot be disclosed for any reason. If District uses, discloses, copies, removes, shares (either verbally, physically, or electronically) confidential information in any way that is determined by the Bucks IU to be improper or non-work related in any manner, District will be held liable. It is agreed by both parties that any such disclosure is grounds for immediate termination of this Agreement.

9. Contractor represents and warrants to the District that the individual providing SBAP Support Direct Service Billing to the District is experienced and competent to provide the Services, and is familiar with all federal, state, or regulatory laws, ordinances and regulations which may affect the services provided. If Contractor should violate any terms or conditions of this Agreement or should otherwise fail to perform in accordance with this Agreement, the District may without prejudice to any other right or remedy, terminate the Agreement and make other appropriate arrangements for the Services to be provided hereunder.

10. This Agreement shall be binding upon the District and Bucks IU, and their successors and assigns.

11. The District and Bucks IU agree to indemnify and hold harmless each other and each other's employees, officers, agents, contractors, subcontractors, attorneys and representatives from and against any and all claims, demands, costs, including attorneys' fees, suits and damages for any reason including bodily injury and property damage for which either one of them become liable that arise out of or result from negligent or intentional acts or omissions of the other, or the

Bucks County Intermediate Unit

other's employees, agents, contractors, subcontractors, and/or representatives.

12. This Agreement constitutes the entire understanding and agreement between the parties. Any modifications or amendments to this Agreement must be in writing and signed by a duly authorized agent or representative of both parties.

(Signatures are on a separate page)

Bucks County Intermediate Unit

IN WITNESS WHEREOF, the District and Bucks IU have executed and delivered this Agreement as of the day and year written on the first page hereof.

NEW HOPE-SOLEBURY SCHOOL DISTRICT

BUCKS COUNTY INTERMEDIATE UNIT #22

By:

By:

Judeth Finn, Board President
School District

John D'Angelo, President
Bucks IU Board of School Directors

Attest:

Attest:

Board Secretary
New Hope-Solebury School District

Michele Ruggiero, Secretary
Bucks IU Board of School Directors

Date: _____

Date: _____

Food Service Program Improvements

Consultant Initial Visit & Proposed MS/HS Cafeteria Refresh | October 2026

Consultant Initial Visit Recommendations

- **Menu Improvements:** Introduce weekly pizza and salad specials to increase variety and student participation.
- **Food Presentation:** Serve selected entrées fresh on the serving line rather than plating ahead.
- **Toppings Bar:** Improve lighting and expand the condiment station into a more appealing toppings bar.
- **Student Engagement:** Add a student suggestion box to collect feedback and menu ideas.
- **Staffing Efficiencies:** Clarify task assignments and expectations and use downtime between lunch periods more effectively.
- **Employee Training:** Strengthen cashier training on reimbursable meals and accurate à la carte transactions.
- **Food Packaging:** Seal bags for in-house baked cookies to help maintain freshness and food safety.
- **Cafeteria Marketing:** Improve signage, menu displays and the overall cafeteria appearance.

Proposed MS/HS Cafeteria Rebranding Improvements (Revisiting)

- **Painting:** Refresh the cafeteria using district colors and coordinated accent areas.
- **In-House Branding:** Add Lions-themed signage, logos and lettering using district resources, including the new 3D printer.
- **Digital Menu Displays:** Install two TVs to promote daily menus, specials and other Food Service information.
- **Cost Savings:** Complete painting, signage and branding in-house where practical to limit outside costs. (Prior Quote was \$113,415 just for graphics and painting)

Preliminary Project Budget

\$25,000 estimated planning amount

Actual costs are expected to be lower as available equipment and in-house options are evaluated. This is a preliminary estimate, not a committed expenditure.

Overall Goal

Many of the recommendations from the consultant's initial visit are already being addressed by Food Service leadership. The District would like to focus on enhancing cafeteria marketing and branding to create a more inviting environment, increase student engagement and meal participation, and support the long-term financial sustainability of the Food Service program.





Lion's
CAFE



Snapple





September 30, 2026

Re: 2027-28 Act 1 Index and Budget-Related Timelines

Dear Superintendent:

I am writing to inform you that the Pennsylvania Department of Education's (PDE) website has been updated with important information pertaining to Special Session Act 1 of 2006 (53 PS 6926).

PDE has calculated the base index for the 2027-28 fiscal year as 3.6 percent.

As defined in Section 302 of Act 1, for school districts with a market value/personal income aid ratio greater than 0.4000, an adjusted index has been calculated and posted on PDE's website at www.pa.gov/education. Select Programs and Services, Schools, Budget and Finance, then Property Tax Relief. This page can also be visited directly at www.education.pa.gov/PropertyTax.

In addition, a timeline of events relating to the 2027-28 budget process has been created and is also available on PDE's website. This document lists both important dates and required events occurring between September 2026 and December 2027.

By the end of October 2026, the Consolidated Financial Reporting System (CFRS) will be opened for reporting of either the 2027-28 'Preliminary General Fund Budget' or 'Resolution Not to Exceed Index.' A separate notification e-mail will be sent following the opening of CFRS-GFB.

Questions should be directed to ra-PropertyTax@pa.gov.

Sincerely,

A handwritten signature in black ink that reads "Benjamin T. Hanft".

Benjamin T. Hanft, Deputy Director
Bureau of Financial Operations

cc: Chief Business Official

NEW HOPE SOLEBURY SCHOOL DISTRICT

Capital Projects Plan — School Year 2026–2027

FUNDING SUMMARY

Source	Amount	Notes
SY 26-27 Annual Budget	\$1,000,000	Board-approved capital allocation
SY 25-26 Carryover (proj.)	\$0	Projected surplus from 25-26
Donations	\$120,000	Expected \$82,360 for MS STEAM & \$25,500 for LES Playground
Insurance Claim	\$586,553	Reimbursement from Insurance Claim
TOTAL AVAILABLE	\$1,706,553	

IN-PROGRESS PROJECTS (CARRYING INTO 26-27)

Project	Budget	Est. 26-27	Status	Notes
UES HVAC	\$1,059,817	\$158,967	Pending	Phase 1 (\$158,967) to be completed and paid in 26-27. Holding off for Grant opportunity
Theater Lighting & Sound	\$420,000	\$420,000	In Progress	Full budget anticipated in 26-27.
MS Library STEM Lab	\$250,000	\$131,612	Complete	
Transportation Fuel Tank	\$100,000	\$168,200	In progress	
LES Playground	\$50,000	\$67,850	In progress	
Tree Planting		\$18,760	Complete	
Fire Alarm Upgrade		\$141,045	In progress	
LES Shed	\$50,000	\$50,562	Complete	
HS/MS Cafeteria Refresh/Rebrand	\$25,000	\$25,000	New	Likely to come in less.
Subtotal — est. 26-27 commitment		\$1,181,996		

SY 2026–2027 BUDGET RECONCILIATION

Total available funds	\$1,706,553
Less: 26-27 Planned Projects	(\$1,181,996)
Available for new projects or carryover 27-28	\$524,557

ParkMobile Collections – Quarterly Report

July – September 2026

Month	Transactions	Gross Payments	ParkMobile Fees	Credit Card Fees	Total Deposited	Boosters Claimed	Net to District
July 2026	630	\$3,192.35	\$251.35	\$221.77	\$2,719.23	(\$1,149.00)	\$1,570.23
August 2026	466	\$3,049.00	\$186.00	\$184.67	\$2,678.33	(\$1,594.00)	\$1,084.33
September 2026	144	\$1,447.20	\$57.20	\$72.22	\$1,317.78	(\$800.00)	\$517.78
Quarter Total	1,240	\$7,688.55	\$494.55	\$478.66	\$6,715.34	(\$3,543.00)	\$3,172.34
<i>% of Gross</i>		<i>100.0%</i>	<i>6.4%</i>	<i>6.2%</i>	<i>87.3%</i>	<i>46.1%</i>	<i>41.3%</i>

Year-over-Year Comparison: August – September

Metric	Aug–Sep 2025	Aug–Sep 2026	Change (\$)	Change (%)
Transactions	914	610	(304)	(33.3%)
Gross Payments	\$5,972.45	\$4,496.20	(\$1,476.25)	(24.7%)
ParkMobile Fees	\$365.45	\$243.20	(\$122.25)	(33.5%)
Credit Card Fees	\$361.97	\$256.89	(\$105.09)	(29.0%)
Total Deposited	\$5,245.03	\$3,996.11	(\$1,248.91)	(23.8%)
Boosters Claimed	(\$3,113.00)	(\$2,394.00)	\$719.00	23.1%
Net to District	\$2,132.03	\$1,602.11	(\$529.91)	(24.9%)

Notes

- ParkMobile Fees are per-transaction fees deducted by ParkMobile before payout.
- Credit Card Fees = \$0.20 per transaction + 3% of gross payments.
- ParkMobile went live in August 2025, so there were no July 2025 collections. The year-over-year comparison covers August–September