

**2025 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

022764 RESERVE TWP, ALLEGHENY COUNTY



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Reserve Township

Opinions

We have audited the Cash Basis Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statements of Capital Expenditures and Employee Compensation – regulatory basis, as of and for the year ended December 31, 2025, and included in the 2025 Annual Audit and Financial Report (Schedules) of Reserve Township (Township).

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the Schedules referred to above present fairly, in all material respects, the regulatory basis financial position of the Township as of December 31, 2025, and the regulatory results of its operations for the year then ended in accordance with the financial reporting provisions described in the instructions provided by Pennsylvania Department of Community and Economic Development (DCED).

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2025, and the results of its operations for the year then ended.

Basis for Adverse and Unmodified Opinion

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 (GAS), 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 Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

To meet the financial reporting requirements of the Commonwealth of Pennsylvania, the Schedules are prepared by the Township on the basis of the instructions provided by the DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America. These requirements permit the Schedules to be prepared without financial statement disclosures, without cash flows, without component unit financial information, without government-wide financial statements, without footnotes to the financial statements, without Management's Discussion and Analysis, without budgetary comparisons, and without historical pension and post-employment benefit liability information and require all funds to be aggregated by fund type on the Schedules.



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The effects on the Schedules of the variance between the regulatory basis of accounting described above and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these Schedules in accordance with the financial reporting provisions as described in the instructions provided by the DCED to meet filing requirements in Pennsylvania, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility 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 GAS] will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

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



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Pittsburgh, Pennsylvania
March 13, 2026

RESERVE TWP, ALLEGHENY County

BALANCE SHEET

December 31, 2025

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									2,010,688	2,010,688
240-259	Current Portion of Long-Term Debt and Other Credits									123,676	123,676
Total Liabilities and Other Credits		10,720				978				2,134,364	2,146,062

Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	1,303,682	14,213	10,651		1,798,818		6,226,725			9,354,089
291-299	Other Equity										
Total Fund and Account Group Equity		1,303,682	14,213	10,651		1,798,818		6,226,725			9,354,089

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											11,500,151
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RESERVE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Taxes

301.00	Real Estate Taxes	1,014,927						1,014,927
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)	113,312						113,312
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	59,096						59,096
310.20	Earned Income Taxes / Wage Taxes	569,412						569,412
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	14,440						14,440
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: Landfill (percent)	14,484						14,484
	Other: _____							
Total Taxes		1,785,671						1,785,671

Licenses and Permits

320-322	All Other Licenses and Permits	26,218						26,218
321.80	Cable Television Franchise Fees	57,197						57,197
Total Licenses and Permits		83,415						83,415

Fines and Forfeits

330-332	Fines and Forfeits	13,549						13,549
Total Fines and Forfeits		13,549						13,549

RESERVE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Interest, Rents and Royalties									
341.00	Interest Earnings	77,235	2,279	367		77,334		835,060	992,275
342.00	Rents and Royalties								
Total Interest, Rents and Royalties		77,235	2,279	367		77,334		835,060	992,275

Federal									
351.03	Highways and Streets								
351.09	Community Development								
351.00	All Other Federal Capital and Operating Grants	15,000							15,000
352.01	National Forest								
352.00	All Other Federal Shared Revenue and Entitlements								
353.00	Federal Payments in Lieu of Taxes								
Total Federal		15,000							15,000

State									
354.03	Highways and Streets								
354.09	Community Development								
354.15	Recycling / Act 101								
354.00	All Other State Capital and Operating Grants	304,050							304,050
355.01	Public Utility Realty Tax (PURTA)	1,527							1,527
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		88,224						88,224
355.04	Alcoholic Beverage Licenses	650							650
355.05	General Municipal Pension System State Aid	86,654							86,654
355.07	Foreign Fire Insurance Tax Distribution	19,357							19,357
355.08	Local Share Assessment/Gaming Proceeds								
355.09	Marcellus Shale Impact Fee Distribution	408							408

RESERVE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

State								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
Total State		412,646	88,224					500,870

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants							
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units								

Charges for Service								
361.00	General Government	250,215						250,215
362.00	Public Safety	21,595						21,595
363.20	Parking	29,748						29,748
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				1,006,186			1,006,186
364.30	Solid Waste Collection and Disposal Charge (trash)							
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	4,886						4,886
368.00	Airports							

RESERVE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System				852,258			852,258
379.00	All Other Charges for Service	9,080						9,080
Total Charges for Service		315,524			1,858,444			2,173,968

Unclassified Operating Revenues								
383.00	Special Assessments				112,076			112,076
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	31,575						31,575
388.00	Fiduciary Fund Pension Contributions					155,172		155,172
389.00	All Other Unclassified Operating Revenues	21,847						21,847
Total Unclassified Operating Revenues		53,422			112,076		155,172	320,670

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers		14,689					14,689
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

RESERVE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	34,455						34,455
Total Other Financing Sources		34,455		14,689				49,144

TOTAL REVENUES

2,790,917	90,503	15,056		2,047,854		990,232	5,934,562
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	27,884						27,884
401.00	Executive (Manager or Mayor)	123,129						123,129
402.00	Auditing Services / Financial Administration	10,542						10,542
403.00	Tax Collection	47,063						47,063
404.00	Solicitor / Legal Services	14,299						14,299
405.00	Secretary / Clerk	81,631						81,631
406.00	Other General Government Administration	19,689					21,330	41,019
407.00	IT-Networking Services-Data Processing	66,756						66,756
408.00	Engineering Services							
409.00	General Government Buildings and Plant	45,840						45,840
Total General Government		436,833					21,330	458,163

Public Safety

410.00	Police	861,810					34,170	895,980
411.00	Fire	72,286						72,286
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	23,967						23,967

RESERVE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Safety

414.00	Planning and Zoning	3,529						3,529
415.00	Emergency Management and Communications							
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety	19,054						19,054
Total Public Safety		980,646					34,170	1,014,816

Health and Human Services

420.00-425.00	Health and Human Services	3,290						3,290
Total Health and Human Services		3,290						3,290

Public Works - Sanitation

426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				1,066,720			1,066,720
Total Public Works - Sanitation					1,066,720			1,066,720

Public Works - Highways and Streets

430.00	General Services - Administration	326,493						326,493
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		54,642					54,642
433.00	Traffic Control Devices							
434.00	Street Lighting		44,577					44,577

RESERVE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Works - Highways and Streets								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	431,338						431,338
437.00	Repairs of Tools and Machinery		2,974					2,974
438.00	Maintenance and Repairs of Roads and Bridges	1,767						1,767
439.00	Highway Construction and Rebuilding Projects	31,239						31,239
Total Public Works - Highways and Streets		790,837	102,193					893,030

Other Public Works Enterprises								
440.00	Airports							
441.00	Cemeteries							
442.00	Electric System							
443.00	Gas System							
444.00	Markets							
445.00	Parking							
446.00	Storm Water and Flood Control							
447.00	Transit System							
448.00	Water System				706,125			706,125
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises					706,125			706,125

Culture and Recreation								
451.00	Culture-Recreation Administration	6,940						6,940
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	60						60

RESERVE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries							
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		7,000						7,000

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development								

Debt Service								
471.00	Debt Principal (short-term and long-term)	106,685		14,030				120,715
472.00	Debt Interest (short-term and long-term)	57,130		660				57,790
475.00	Fiscal Agent Fees							
Total Debt Service		163,815		14,690				178,505

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	198,798						198,798
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions							

RESERVE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items		198,798						198,798

Insurance								
486.00	Insurance, Casualty, and Surety	59,647						59,647
Total Insurance		59,647						59,647

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						251,379	251,379
489.00	All Other Unclassified Expenditures	1,030						1,030
Total Unclassified Operating Expenditures		1,030					251,379	252,409

Other Financing Uses								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers				14,689			14,689
493.00	All Other Financing Uses							
Total Other Financing Uses					14,689			14,689

TOTAL EXPENDITURES	2,641,896	102,193	14,690		1,787,534		306,879	4,853,192
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	149,021	-11,690	366		260,320		683,353	1,081,370
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RESERVE TWP
December 31, 2025

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
General Obligation Note	Note	2021	2041	2,545,000	2,218,971		106,685		2,112,286		2,112,286
Revenue Bonds and Notes											
PennVest Guaranteed Revenue Note	Note	2006	2027	246,084	36,108		14,030		22,078		22,078
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	2,134,364
Capitalized lease obligations	0
Net debt	2,134,364

RESERVE TWP, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2025

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer		11,621	11,621
Solid Waste			
Streets / Highways			
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES		11,621	11,621

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

959,529

ELECTED CONTROLLER'S/AUDITOR'S CERTIFIED OPINION

To the: Governing Body of the Municipality
 President Judge of the Court of Common Pleas
 Secretary of the Department of Community & Economic Development

I/We, the undersigned, the duly elected (or appointed replacement), qualified, and Acting Controller/Auditors of the RESERVE TWP have audited, adjusted and settled the various funds and account groups of the RESERVE TWP for the year ended December 31, 2025. My/Our audit, adjustment and settlement was made in accordance with law rather than with generally accepted auditing standards

(PLEASE CROSS OUT ONLY IF ON MODIFIED ACCRUAL/ACCRUAL BASIS)

This municipality's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations of this municipality in conformity with generally accepted accounting principles.

These financial statements do not include all of the disclosures required by generally accepted accounting principles.

In my/our opinion, the aforementioned financial statements present the financial position of the various funds and account groups of the municipality of RESERVE TWP for the year ended December 31, 2025, and the results of operations of such funds in accordance with the law.

SIGNATURE AND VERIFICATION

Signed:

Subscribed and sworn to before me this 1 day of January, 1.



Signed: _____

Witness (Controller)/Auditor (Auditors)

December 31, 2025

NOTES / COMMENTS