

**TOWNSHIP OF BENSLEM  
BUCKS COUNTY, PENNSYLVANIA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

*Year Ended December 31, 2021*

## **INTRODUCTORY SECTION**

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2021

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	<b>Page</b>
<b>Introductory Section</b>	
Table of Contents	1
<b>Financial Section</b>	
Independent Auditors' Report	3
Management's Discussion and Analysis (Unaudited)	6
Basic Financial Statements	
<b><i>Government-Wide Financial Statements</i></b>	
Statement of Net Position	20
Statement of Activities	21
<b><i>Fund Financial Statements</i></b>	
<b><i>Governmental Funds</i></b>	
Balance Sheet	22
Reconciliation of Total Governmental Funds Balances to Net Position of Governmental Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balances	24
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	25
<b><i>Proprietary Fund</i></b>	
Statement of Net Position - Bensalem Township Country Club	26
Statement of Revenues, Expenses and Changes in Net Position - Bensalem Township Country Club	27
Statement of Cash Flows - Bensalem Township Country Club	28

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2021

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	<b>Page</b>
<i>Fiduciary Funds</i>	
Statement of Net Position	29
Statement of Changes in Net Position	30
Notes to Financial Statements	31
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule - General Fund	80
Schedule of Changes in Net Pension Liability and Related Ratios - Police Pension Plan	81
Schedule of Changes in Net Pension Liability and Related Ratios - Non-Uniformed Pension Plan	82
Schedule of Pension Contributions - Police Pension Plan	83
Schedule of Pension Contributions - Non-Uniformed Pension Plan	84
Schedule of Pension Plan Investment Returns - Police Pension Plan	85
Schedule of Pension Plan Investment Returns - Non-Uniformed Pension Plan	86
Schedule of Changes in Total Other Postemployment Benefit Plan Liability and Related Ratios	87

## **FINANCIAL SECTION**

## ***Independent Auditors' Report***

To the Honorable Township Mayor  
and Members of Council  
Township of Bensalem  
Bucks County, Pennsylvania

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Bensalem, Bucks County, Pennsylvania, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township of Bensalem, Bucks County, Pennsylvania'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 Township of Bensalem, Bucks County, Pennsylvania, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

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

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Township of Bensalem, Bucks County, Pennsylvania's ability to continue as a going concern for one year after the financial statement date.

To the Honorable Township Mayor  
and Members of Council  
Township of Bensalem  
Bucks County, Pennsylvania

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

To the Honorable Township Mayor  
and Members of Council  
Township of Bensalem  
Bucks County, Pennsylvania

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 19, budgetary comparison information on page 80, pension plan information on pages 81 through 86 and post-employment benefits other than pension plan information on page 87 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Limerick, Pennsylvania  
June 2, 2022



**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

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**OVERVIEW**

The Township of Bensalem (hereinafter referred to as "Township") was incorporated in 1692. The Township is located in Bucks County, Pennsylvania, along the Delaware River and is bordered by Lower Southampton Township on the northwest, Middletown Township and Hulmeville Borough on the northeast, Bristol Township on the east, by the Delaware River on the south and the City of Philadelphia on the southwest. The Township of Bensalem is a township of the second class, operating under the Executive (Mayor) – Council Plan B optional form of government effective January 1, 1990. The Township covers approximately 21 square miles. The population in the year 2020 census was 62,707.

The Township continues to provide a high level of service to its residents. Bensalem was able to continue the Homeowners Assistance Grant Program that provided \$300 to all Homeowners and gave an additional \$150 to qualifying senior citizens and to qualifying disabled homeowners.

Budgets are a financial strength of the Township. Our budget process is an everyday program. All department heads are involved. After the Mayor presents the budget to the Township Council and the budget is adopted, it is continually reviewed throughout the year by the administration and the department heads. Budget compliance is strictly enforced. We collect all revenues that are due and are equally incisive in keeping expenditures under control. The Township continually looks at all expenses in an attempt to save money.

It is the Mayor's responsibility to make sure that the adopted budget is managed. In each of the past twenty-eight (28) years, the Mayor has brought in actual year-end results better than the approved appropriations (budget). All costs are reviewed before purchases are made to make sure they are in keeping with the budget as well as adhering to Township policy. Bensalem Township conforms to the Pennsylvania State Second Class Township Code.

We are regulated by the State of Pennsylvania on accounting and financial activities as well as purchasing. We also act in accordance with the principals of the Governmental Accounting Standards Board (GASB), which is the ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. GASB issues statements that require state and local governments to abide by for financial reporting purposes.

Management's Discussion and Analysis, which is required by GASB Statement No. 34, will give you an understanding of the Township's annual financial statements, which are reported on an accrual basis. Our discussion will focus on the reporting, analysis and performance of the financial activities of the Township for the calendar year ended December 31, 2021. Included in our financial statements are: 1) government-wide financial statements, 2) fund financial statements, 3) notes that accompany the financial statements and 4) supplementary information.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

*Government-wide financial statements:* "Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic government-wide financial statements: the statement of net position and the statement of activities. Both basic government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting."

*Fund financial statements:* "Basic financial statements presented on the basis of funds." A fund is an accounting term with a set of accounts that the government establishes for reporting purposes.

**GOVERNMENT-WIDE STATEMENT ANALYSIS**

**Township of Bensalem  
Statements of Net Position**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash, cash equivalents, and investments	\$ 82,110,536	\$ 76,448,337	\$ 1,941,982	\$ 1,347,821	\$ 84,052,518	\$ 77,796,158
Receivables	9,106,879	7,653,110	-	-	9,106,879	7,653,110
Other	1,395,955	708,847	97,718	108,698	1,493,673	817,545
<b>TOTAL CURRENT ASSETS</b>	<b>92,613,370</b>	<b>84,810,294</b>	<b>2,039,700</b>	<b>1,456,519</b>	<b>94,653,070</b>	<b>86,266,813</b>
<b>FIXED ASSETS</b>						
Net capital assets	60,338,909	60,151,880	14,535,148	14,122,463	74,874,057	74,274,343
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	9,019,537	3,256,983	-	-	9,019,537	3,256,983
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 161,971,816</b>	<b>\$ 148,219,157</b>	<b>\$ 16,574,848</b>	<b>\$ 15,578,982</b>	<b>\$ 178,546,664</b>	<b>\$ 163,798,139</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 2,081,882	\$ 2,166,685	\$ 32,556	\$ 48,387	\$ 2,114,438	\$ 2,215,072
Unearned revenue	4,748,882	-	-	-	4,748,882	-
Bonds and notes payable	3,115,650	3,178,191	1,169,652	1,052,029	4,285,302	4,230,220
Other	189,865	190,261	175,187	169,528	365,052	359,789
<b>TOTAL CURRENT LIABILITIES</b>	<b>10,136,279</b>	<b>5,535,137</b>	<b>1,377,395</b>	<b>1,269,944</b>	<b>11,513,674</b>	<b>6,805,081</b>
<b>NONCURRENT LIABILITIES</b>						
Compensated balances	4,751,412	4,428,548	63,347	69,969	4,814,759	4,498,517
Bonds and notes payable	25,987,662	29,103,321	7,849,709	8,608,200	33,837,371	37,711,521
Unfunded other post-employment benefits	13,786,000	12,863,432	-	-	13,786,000	12,863,432
Net pension liability	13,054,241	13,486,589	-	-	13,054,241	13,486,589
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>57,579,315</b>	<b>59,881,890</b>	<b>7,913,056</b>	<b>8,678,169</b>	<b>65,492,371</b>	<b>68,560,059</b>
<b>TOTAL LIABILITIES</b>	<b>67,715,594</b>	<b>65,417,027</b>	<b>9,290,451</b>	<b>9,948,113</b>	<b>77,006,045</b>	<b>75,365,140</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	13,561,919	11,136,409	-	-	13,561,919	11,136,409
<b>NET POSITION (DEFICIT)</b>						
Invested in capital assets, net of related debt	32,281,855	29,047,410	5,515,787	4,462,234	37,797,642	33,509,644
Restricted	5,416,119	5,730,641	-	-	5,416,119	5,730,641
Unrestricted	42,996,329	36,887,670	1,768,610	1,168,635	44,764,939	38,056,305
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>80,694,303</b>	<b>71,665,721</b>	<b>7,284,397</b>	<b>5,630,869</b>	<b>87,978,700</b>	<b>77,296,590</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 161,971,816</b>	<b>\$ 148,219,157</b>	<b>\$ 16,574,848</b>	<b>\$ 15,578,982</b>	<b>\$ 178,546,664</b>	<b>\$ 163,798,139</b>

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**

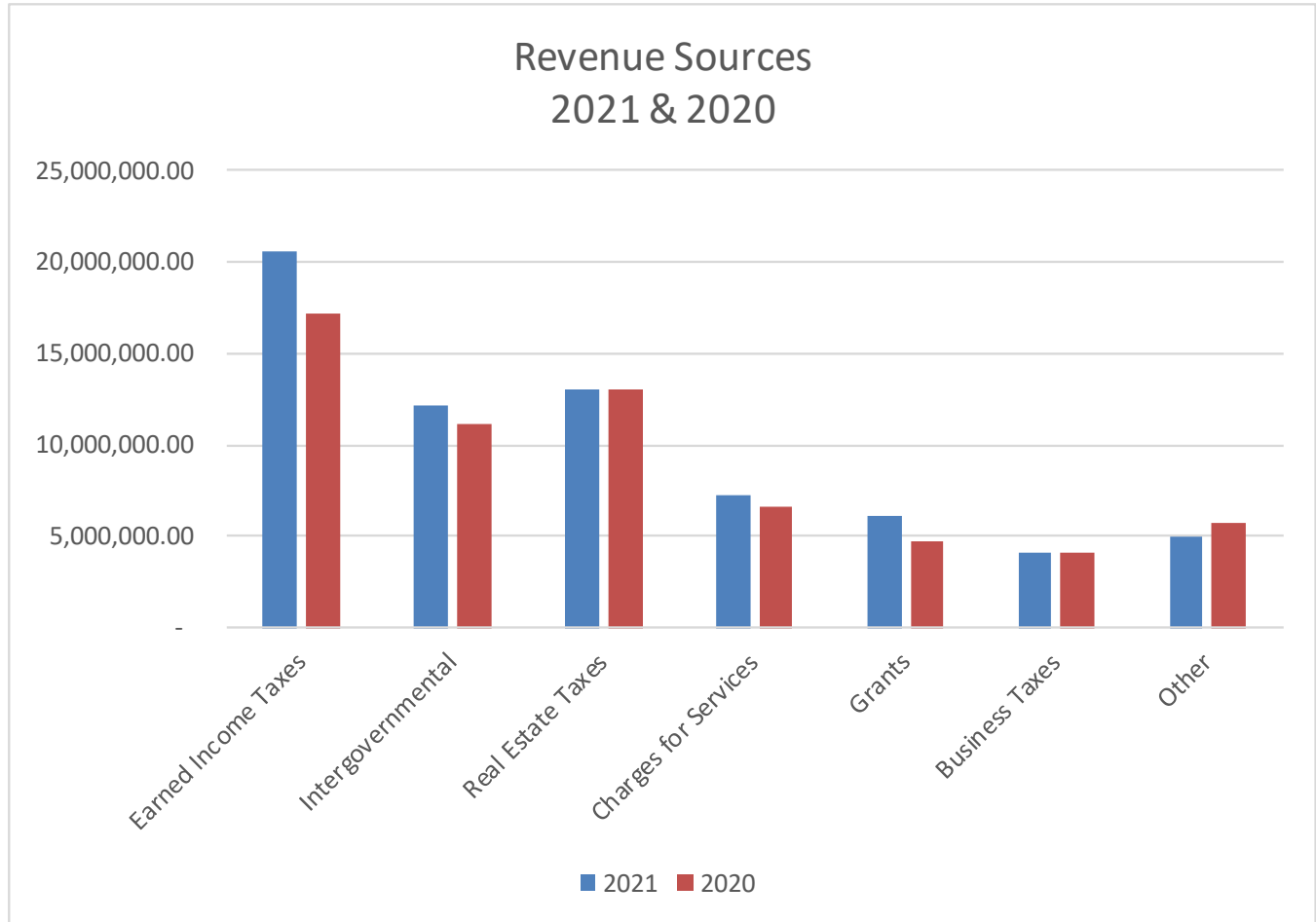
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

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- The Township had a very strong government-wide cash, cash equivalents and investments balance at December 31, 2021, of \$84,052,518. A substantial part of the cash is in a Trust Fund that was established by Township Resolution #99-34. All Township cash funds are subject to Pennsylvania Act 72 regulations. The Township policy for the Trust Fund is more restricted than the state regulations, specifically the funds must be invested in obligations of the United States of America or its agencies or instrumentalities backed by the full faith and credit of the United States of America.
- Receivables have increased by \$1,453,769
- Capital Assets, which consist of land, buildings, equipment, construction in progress, and other capital assets, net of accumulated depreciation, total \$74,874,057 and our debt associated with these assets is \$38,122,673.
- A comparison of the Government-Wide Statement of Net Position from 2020 to 2021 shows the current assets of cash, cash equivalents, and investments increased by \$6,256,360.
- Cash continues to increase due to the implementation of the earned income tax in 2016. As well as, the Township saw an increase in real estate transfer tax collections from sales within the Township.
- The Township's total assets were \$178,546,664; 47% of the total assets were cash, cash equivalents and investments of \$84,052,518. The remaining assets are made up of receivables and other assets totaling \$10,600,552, capital assets such as buildings, infrastructure, and equipment of \$74,874,057, and deferred outflows of resources related to pensions of \$9,019,537.
- Government wide capital assets, net of accumulated depreciation is \$74,874,057. The makeup of capital assets is land and construction in progress of \$32,401,258, infrastructure of \$107,365,188, buildings and improvements of \$24,801,083, vehicles, machinery and equipment of \$17,392,223 and land improvements of \$11,734,614, less accumulated depreciation of \$118,820,309.
- Capital assets increased \$599,714 from the previous year. This is a combination of \$5,124,557 of additions, \$2,057,097 of disposals, and \$2,467,746 of depreciation expense. The Township purchased police vehicles and equipment, heavy duty public works vehicles, country club equipment and continued road improvement projects.
- The Township's total liabilities were \$77,006,045. Of this amount, long-term liabilities were \$65,492,371. Fifty-five percent (52%) of the long-term liabilities was debt, twenty-five percent (28%) was compensated balances and unfunded postemployment benefits, and twenty percent (20%) was the net pension liability recorded as a requirement of GASB Statement No. 75. The Township's long-term liabilities decreased by \$3,067,688 during the year 2021 due to a reduction in debt and the pension liability.

**TOWNSHIP OF BENSALAM**  
**BUCKS COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

**Government-wide Analysis: Income Statement**



Total revenues for the year ended December 31, 2021, were \$68,408,137 which was an increase of \$5,847,812 from 2020. The increases occurred in almost every type due to the economy opening and the workforces returning after the governmental shutdown and the pandemic.

The total revenue is made up of earned income taxes of \$20,607,982, real estate taxes of \$13,025,140, intergovernmental revenue of \$12,198,295, charges for services of \$7,290,765(a), grants of \$6,137,035, business taxes of \$4,107,597, and other revenue of \$5,041,323

- (a) The four (4) major components of charges for services are \$3,113,529 country club, \$1,645,444 police, \$1,368,399 planning and development and \$811,441 fire and rescue.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

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Total expenditures for the Township for the year ended December 31, 2021 were \$57,726,027.

Police protection, which is the largest expense of the Township, totals \$28,097,240 or 49% of the Township's total expenditures. The police department consists of 105 full-time sworn officers plus administrative and support personnel. Public Works' expense totals \$7,218,459 or 13%. These expenses represent the cost for road repaving, street maintenance and snow removal. The Homeowners assistance program expense totals \$4,405,575 or 8%. Fire and Rescue expense totals \$4,754,569 or 8%. Country Club expense totals \$2,541,397 or 4% for the golf course and banquet facility. Parks and Recreation expense totals \$2,177,542 or 4% for the upkeep of the Township parks and providing recreational programs for children. The Country Club operation is funded by the fees charged to its patrons.

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

**Statement of Activities**

For the year ended December 31, 2021 and 2020, net position of the Township changed as follows:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 4,177,236	\$ 4,229,384	\$ 3,113,529	\$ 2,383,909	\$ 7,290,765	\$ 6,613,293
Operating grants and contributions	6,137,035	4,682,862	-	-	6,137,035	4,682,862
Capital grants and contributions	-	-	-	-	-	-
General revenues						
Real estate taxes	13,025,140	13,022,451	-	-	13,025,140	13,022,451
Other taxes	27,471,878	23,311,442	-	-	27,471,878	23,311,442
Investment and rental earnings	306,854	2,264,553	16,842	11,820	323,696	2,276,373
Gain on sale of assets	117,752	-	125,554	-	243,306	-
Other	13,916,317	12,653,904	-	-	13,916,317	12,653,904
<b>TOTAL REVENUES</b>	<b>65,152,212</b>	<b>60,164,596</b>	<b>3,255,925</b>	<b>2,395,729</b>	<b>68,408,137</b>	<b>62,560,325</b>
<b>EXPENSES</b>						
General government	1,430,145	1,706,534	-	-	1,430,145	1,706,534
Finance	674,797	750,909	-	-	674,797	750,909
Tax Collection	867,434	593,659	-	-	867,434	593,659
Community and economic development	487,272	492,755	-	-	487,272	492,755
Fire and rescue	4,754,569	4,752,163	-	-	4,754,569	4,752,163
Parks and recreation	2,177,542	1,284,763	-	-	2,177,542	1,284,763
Planning and development	1,698,217	1,590,699	-	-	1,698,217	1,590,699
Police	28,097,240	28,325,139	-	-	28,097,240	28,325,139
Public works - buildings	621,897	677,940	-	-	621,897	677,940
Public works - highway	6,596,562	5,334,051	-	-	6,596,562	5,334,051
Street lighting	702,627	625,731	-	-	702,627	625,731
Debt service	1,142,841	1,094,830	-	-	1,142,841	1,094,830
Judgments and losses	40,177	13,204	-	-	40,177	13,204
Homeowners' assistance program	4,405,575	4,169,963	-	-	4,405,575	4,169,963
Other postemployment benefits	1,022,983	908,170	-	-	1,022,983	908,170
Other	464,752	343,749	-	-	464,752	343,749
Country club	-	-	2,541,397	2,298,394	2,541,397	2,298,394
<b>TOTAL EXPENSES</b>	<b>55,184,630</b>	<b>52,664,259</b>	<b>2,541,397</b>	<b>2,298,394</b>	<b>57,726,027</b>	<b>54,962,653</b>
<b>CHANGE IN NET POSITION BEFORE TRANSFERS</b>	<b>9,967,582</b>	<b>7,500,337</b>	<b>714,528</b>	<b>97,335</b>	<b>10,682,110</b>	<b>7,597,672</b>
<b>TRANSFERS</b>	<b>(939,000)</b>	<b>(918,000)</b>	<b>939,000</b>	<b>918,000</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>	<b>9,028,582</b>	<b>6,582,337</b>	<b>1,653,528</b>	<b>1,015,335</b>	<b>10,682,110</b>	<b>7,597,672</b>
<b>BEGINNING NET POSITION</b>	<b>71,665,721</b>	<b>65,083,384</b>	<b>5,630,869</b>	<b>4,615,534</b>	<b>77,296,590</b>	<b>69,698,918</b>
<b>ENDING NET POSITION</b>	<b>\$ 80,694,303</b>	<b>\$ 71,665,721</b>	<b>\$ 7,284,397</b>	<b>\$ 5,630,869</b>	<b>\$ 87,978,700</b>	<b>\$ 77,296,590</b>

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

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**FUND STATEMENT ANALYSIS**

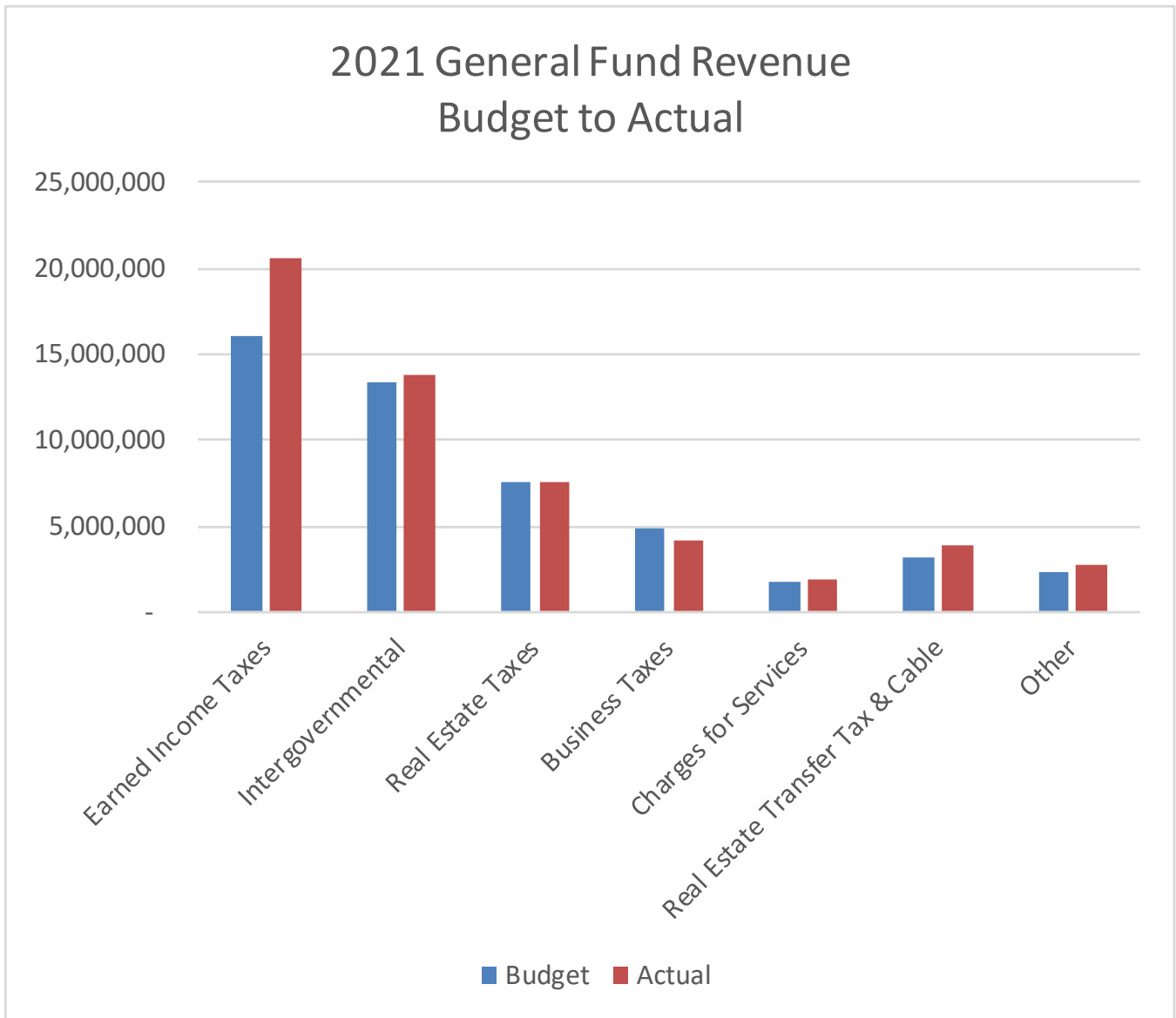
**General Fund**

**2021 Summary of Statement of Revenue, Expenditures and Changes in Fund Balances -  
Budget and Actual (Budgetary Basis)**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget
TOTAL REVENUES	\$ 49,008,400	\$ 54,529,190	\$ 5,520,790
TOTAL EXPENDITURES	<u>47,137,300</u>	<u>40,853,911</u>	<u>(6,283,389)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,871,100</u>	<u>13,675,279</u>	<u>11,804,179</u>
OTHER NONOPERATING EXPENSES			
Homeowners' assistance program	<u>4,500,000</u>	<u>4,405,575</u>	<u>(94,425)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	892,500	991,725	99,225
Operating transfers out	(7,340,000)	(5,340,000)	2,000,000
Proceeds from sale of capital assets	-	65,272	65,272
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,447,500)</u>	<u>(4,283,003)</u>	<u>2,164,497</u>
NET CHANGE IN FUND BALANCE	(9,076,400)	4,986,701	14,063,101
FUND BALANCES AT JANUARY 1, 2021	<u>19,098,182</u>	<u>19,098,182</u>	<u>-</u>
FUND BALANCES AT DECEMBER 31, 2021	<u>\$ 10,021,782</u>	<u>\$ 24,084,883</u>	<u>\$ 14,063,101</u>

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
 YEAR ENDED DECEMBER 31, 2021

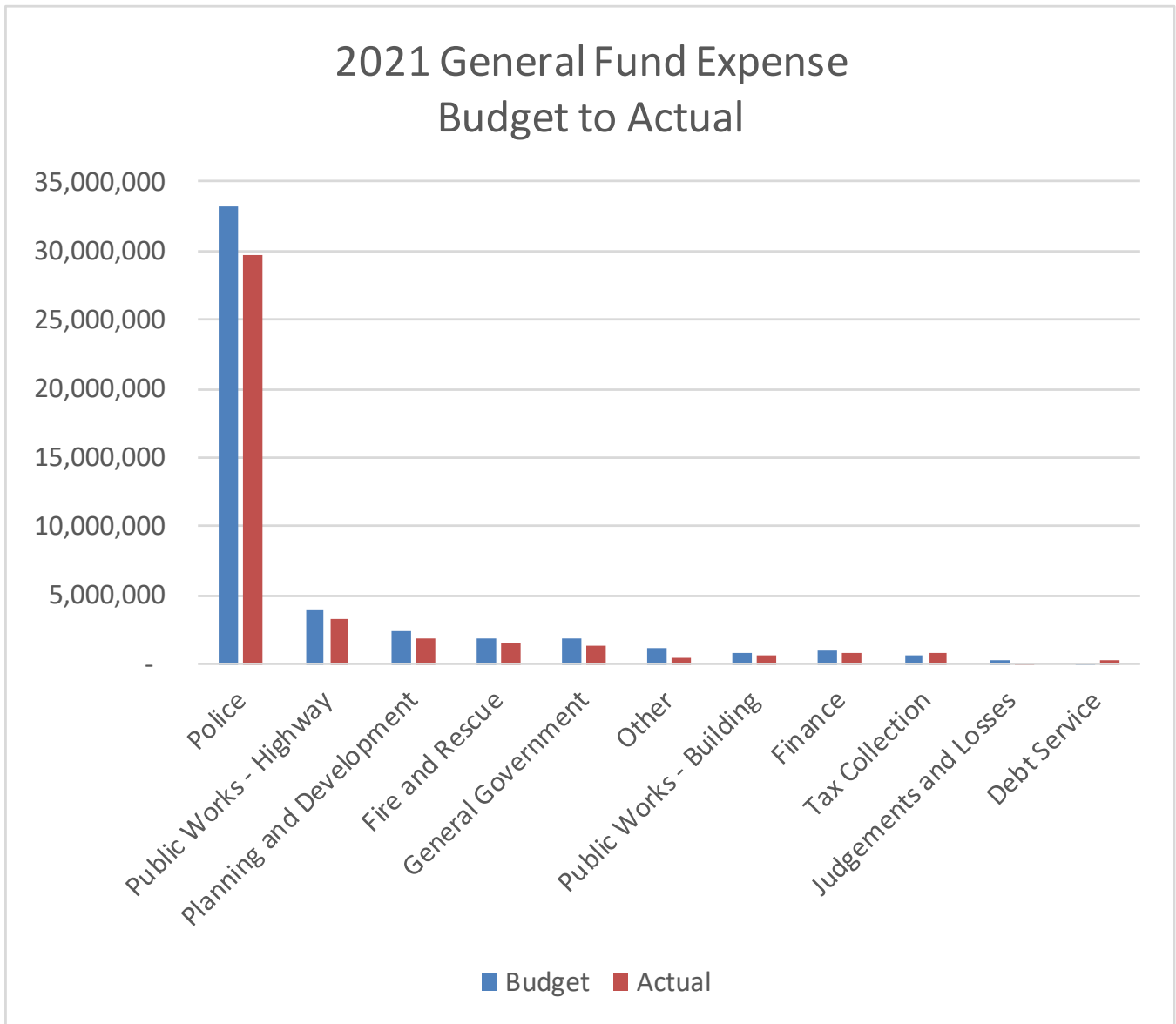


Actual revenue in the general fund was more than budgeted by \$5,520,790 or 10% for the year ended December 31, 2021. The increase in actual revenues can be related to the budgeting of the earned income tax since its implementation in 2016. The process of estimating what our actual collections will be has been difficult due to pandemic and the governmental shut down.



**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**

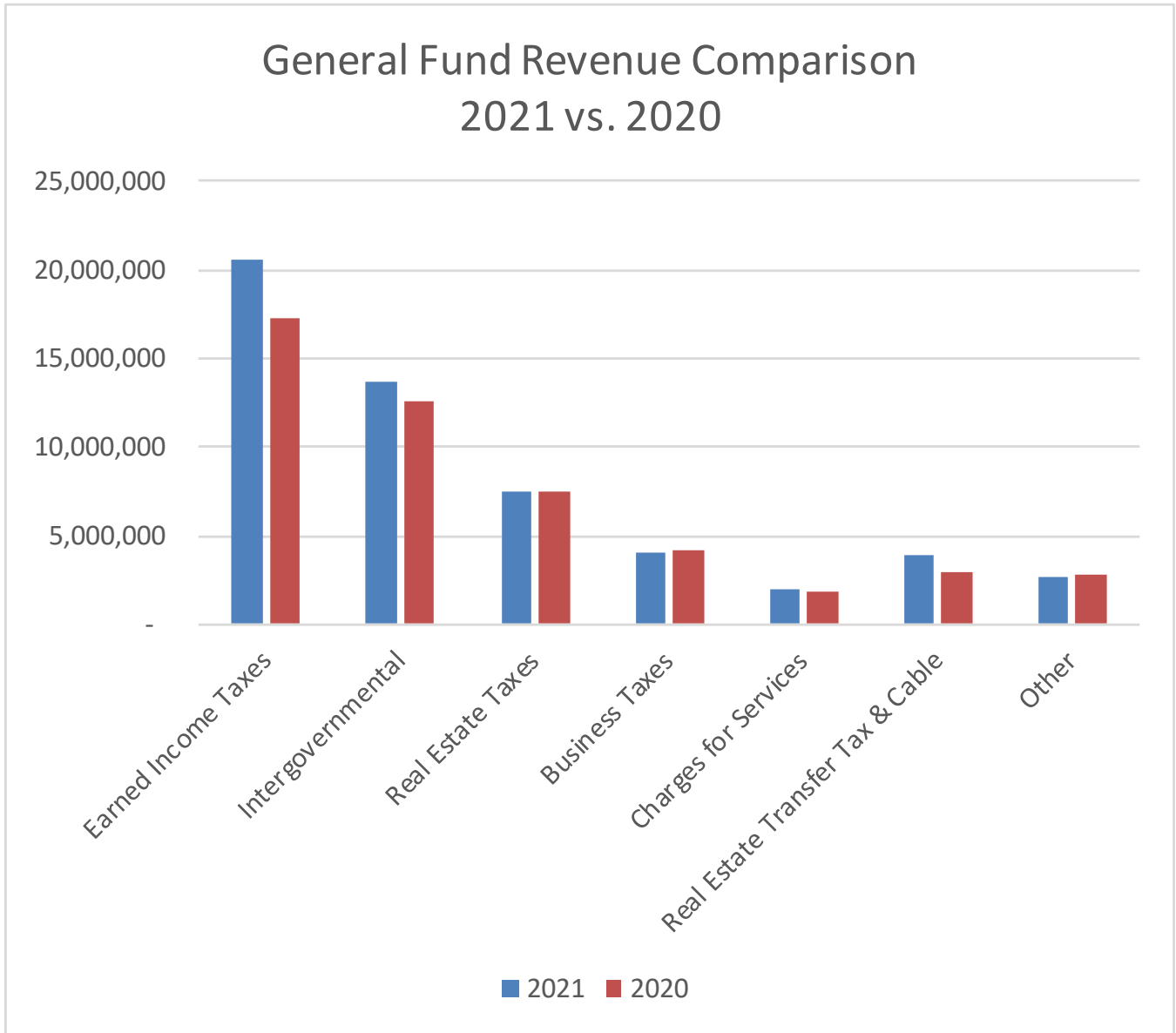
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)  
 YEAR ENDED DECEMBER 31, 2021



Total general fund expense was less than budget by \$6,283,389 or 15% for the year ended December 31, 2021. The Township continually strives to obtain the lowest price possible for our expenditures. This is done by obtaining annual bids for services and taking advantage of state contract pricing.

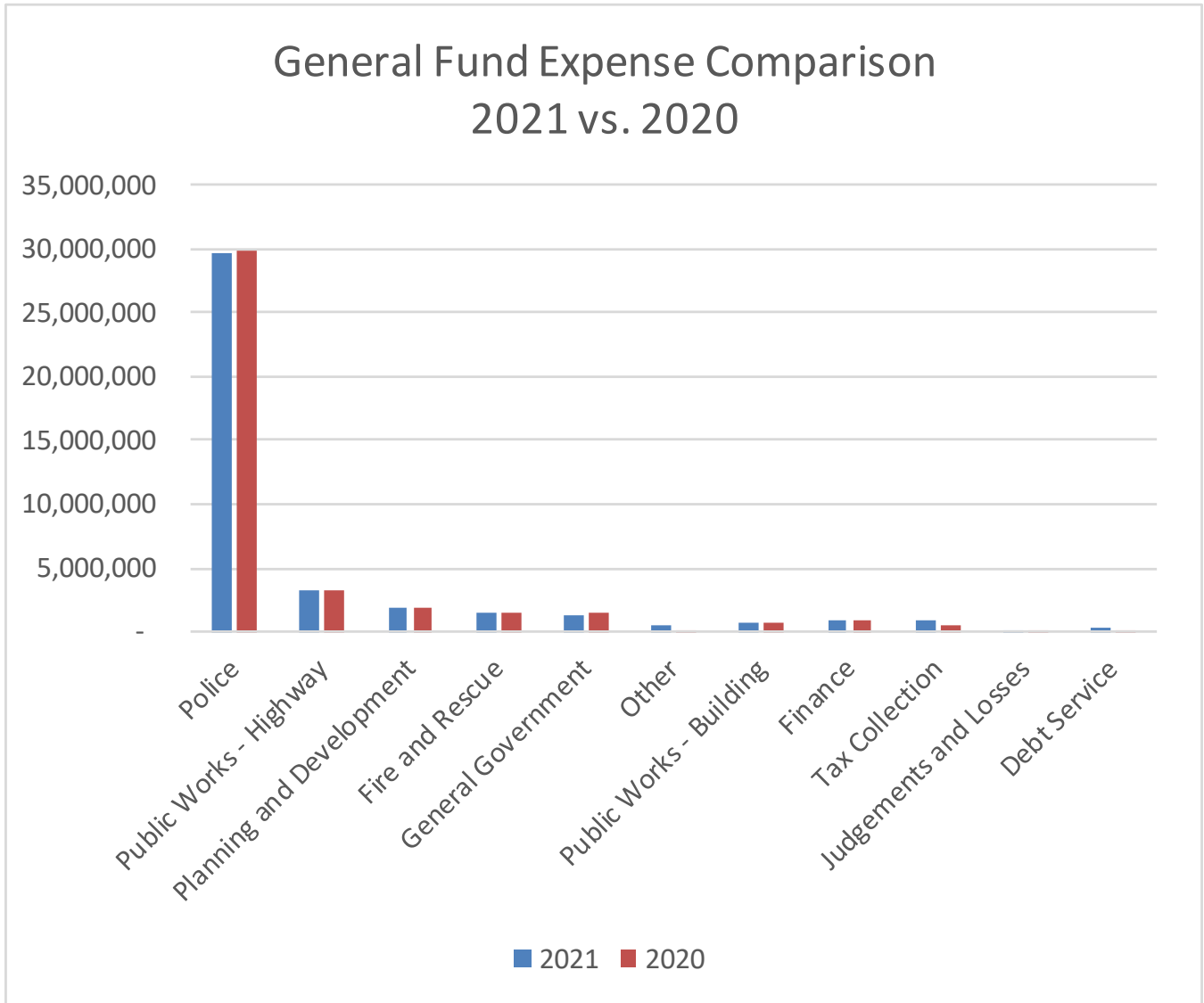
Even though we endeavor to conserve costs the services to the residents of the Township have not been adversely affected. The \$6,283,389 savings from 2021 helps fund next year’s budget.

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
 YEAR ENDED DECEMBER 31, 2021



In comparing the year 2021 to 2020 there was a 11% increase in revenue, largely due to the pandemic and the governmental shutdown in 2020 and people returning to the workforce in 2021.

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
 YEAR ENDED DECEMBER 31, 2021



The 2021 operating expenses increased slightly from the previous year due to contractual wage increases and inflationary costs.

**TOWNSHIP OF BENSALAM**  
**BUCKS COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

**Other Funds**

In total for the year ended December 31, 2021, the Township's overall net capital assets increased by \$599,714. Construction in progress was the main reasons for the increase. We had \$5,124,557 in additions, \$2,057,097 in deletions and \$3,935,964 in depreciation Township-wide

	Balance December 2020	Additions	Deletions	Balance December 2021
<b>GOVERNMENTAL ACTIVITIES</b>				
Land	\$ 15,014,121	\$ 406,400	\$ -	\$ 15,420,521
Construction in progress	2,859,840	2,905,201	(560,473)	5,204,568
Buildings and improvements	21,374,765	454,093	(26,500)	21,802,358
Land improvements	10,152,466	46,767	-	10,199,233
Vehicles, machinery and equipment	16,223,804	631,989	(1,060,943)	15,794,850
Infrastructure	107,365,188	-	-	107,365,188
	<u>172,990,184</u>	<u>4,444,450</u>	<u>(1,647,916)</u>	<u>175,786,718</u>
Total accumulated depreciation	<u>(112,838,304)</u>	<u>(3,691,896)</u>	<u>1,082,391</u>	<u>(115,447,809)</u>
 GOVERNMENTAL CAPITAL ASSETS, net	 <u>\$ 60,151,880</u>	 <u>\$ 752,554</u>	 <u>\$ (565,525)</u>	 <u>\$ 60,338,909</u>
	Balance December 2020	Additions	Deletions	Balance December 2021
<b>BUSINESS-TYPE ACTIVITIES</b>				
Land	\$ 11,537,195	\$ -	\$ -	\$ 11,537,195
Construction in progress	6,000	232,974	-	238,974
Buildings and improvements	2,998,725	-	-	2,998,725
Land improvements	1,515,081	20,300	-	1,535,381
Vehicle, machinery and equipment	1,579,721	426,833	(409,181)	1,597,373
	<u>17,636,722</u>	<u>680,107</u>	<u>(409,181)</u>	<u>17,907,648</u>
Total accumulated depreciation	<u>(3,514,259)</u>	<u>(244,068)</u>	<u>385,827</u>	<u>(3,372,500)</u>
 BUSINESS-TYPE CAPITAL ASSETS, net	 <u>\$ 14,122,463</u>	 <u>\$ 436,039</u>	 <u>\$ (23,354)</u>	 <u>\$ 14,535,148</u>
 TOTAL CAPITAL ASSETS	 <u>\$ 74,274,343</u>	 <u>\$ 1,188,593</u>	 <u>\$ (588,879)</u>	 <u>\$ 74,874,057</u>

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

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The Township's total gross debt outstanding was \$35,866,000 as of December 31, 2021. We do have room to borrow for future capital improvements if the need arises. Long-term debt activity for the year ended December 31, 2021, was as follows:

	Balance December 2020	Increase	Decrease	Balance December 2021	Amount Due Within One Year
General Obligation Bonds	\$ 16,930,000	\$ -	\$ (1,720,000)	\$ 15,210,000	\$ 1,760,000
General Obligation and Revenue Notes	<u>22,866,000</u>	<u>-</u>	<u>(2,210,000)</u>	<u>20,656,000</u>	<u>2,260,000</u>
	<u>\$ 39,796,000</u>	<u>\$ -</u>	<u>\$ (3,930,000)</u>	<u>\$ 35,866,000</u>	<u>\$ 4,020,000</u>

**LONG-TERM OUTLOOK - TOWNSHIP FINANCIAL CONDITION**

Looking to the future, we have large government-wide net position of \$87,996,165. We have a revenue stream and prudent budgetary expense controls that should allow the Township to continue to provide high quality services to its citizens. The Township continues to make capital improvements and enhance the quality of life for its residents.

Looking to the future, we have large government-wide net position of \$87,996,165. We have a revenue stream and prudent budgetary expense controls that should allow the Township to continue to provide high quality services to its citizens. The Township continues to make capital improvements and enhance the quality of life for its residents.

The housing market has continued to increase within the Township. Due to the reductions made to the federal fund rate by the Federal Reserve throughout 2021, residents were able to benefit from the historic low mortgage rates. There continues to be challenging economic conditions that we are meeting with strong fiscal policies that the Mayor and Council have implemented.

Challenges continue for the not only the Township but the nation since the pandemic. Even though workforces were able to return to their places of employment supply chain issues and inflation now became a factor that we faced in 2021. The increase in costs of goods being sold is becoming a factor in planning for capital projects, as well as, the Township's daily expenses.

Going forward, the Township will continue to explore different avenues to limit the rise in expenditures due to contractual wage increases and annual increases in health, property, and workers' compensation insurance. The Township has many capital projects planned for the future, in particular the Eddington Drainage project, additional paving, and road improvement projects. Unfunded mandates by the federal government regarding storm water management, that are now the Township's responsibility, are also being addressed. Finally, the Mayor and Council are committed to replenishing the Capital Trust Fund. All of these projects and goals require funding which, that in the past, would have required the Township taking on additional debt. However, these projects can now be funded without debt with the help of the implementation of the earned income tax.

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

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In the 2022 budget, the Mayor and Council have again committed to the Homeowners Assistance Grant Program. The budgeted funding for this program is \$4,500,000. This program provides homeowners with a check for \$300 as well as an additional \$150 for qualified low-income senior citizens and disabled homeowners.

Through the hard work and commitment to the Township and the residents, the achievements listed above have been able to be accomplished. The Mayor, his Administration and Council are dedicated and remain focused on delivering high quality services for the residents of Bensalem Township.

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 37,762,108	\$ 1,941,982	\$ 39,704,090
Investments	44,186,394	-	44,186,394
Receivables			
Real estate taxes	380,067	-	380,067
Earned income taxes	4,466,708	-	4,466,708
Interest	178,205	-	178,205
Casino - local share assessment	3,034,963	-	3,034,963
Other	1,046,936	-	1,046,936
Inventories	-	68,591	68,591
Restricted cash	162,034	-	162,034
Other assets	457,037	29,127	486,164
Net pension asset	938,918	-	938,918
Capital assets			
Non depreciable capital assets	20,625,089	11,776,169	32,401,258
Depreciable capital assets	39,713,820	2,758,979	42,472,799
<b>TOTAL ASSETS</b>	<b>152,952,279</b>	<b>16,574,848</b>	<b>169,527,127</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	1,046,258	-	1,046,258
Related to pensions	6,571,199	-	6,571,199
Related to OPEB	1,402,080	-	1,402,080
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>9,019,537</b>	<b>-</b>	<b>9,019,537</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	2,081,882	32,556	2,114,438
Accrued interest	26,186	-	26,186
Deposits and advances	-	175,187	175,187
Other liabilities	163,679	-	163,679
Unearned revenue	4,748,882	-	4,748,882
Long-term liabilities			
Portion due or payable within one year			
Bonds and notes payable	2,958,600	1,116,060	4,074,660
Capital leases	157,050	53,592	210,642
Portion due or payable after one year			
Bonds and notes payable, non-current	24,299,200	7,770,984	32,070,184
Capital leases	1,688,462	78,725	1,767,187
Compensated absences	4,751,412	63,347	4,814,759
Total OPEB liability	13,786,000	-	13,786,000
Net pension liability	13,054,241	-	13,054,241
<b>TOTAL LIABILITIES</b>	<b>67,715,594</b>	<b>9,290,451</b>	<b>77,006,045</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	12,941,123	-	12,941,123
Related to OPEB	620,796	-	620,796
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>13,561,919</b>	<b>-</b>	<b>13,561,919</b>
<b>NET POSITION</b>			
Net investment in capital assets	32,281,855	5,515,787	37,797,642
Restricted	5,416,119	-	5,416,119
Unrestricted	42,996,329	1,768,610	44,764,939
<b>TOTAL NET POSITION</b>	<b>\$ 80,694,303</b>	<b>\$ 7,284,397</b>	<b>\$ 87,978,700</b>

See accompanying notes to the basic financial statements.

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**TOWNSHIP OF BENSLEM  
BUCKS COUNTY, PENNSYLVANIA**

**STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ 1,430,145	\$ -	\$ -	\$ -
Finance	674,797	-	-	-
Tax collection	867,434	-	-	-
Community and economic development	487,272	25,300	482,518	-
Fire and rescue	4,754,569	811,441	359,781	-
Parks and recreation	2,177,542	264,908	320,049	-
Planning and development	1,698,217	1,368,399	173,170	-
Police	28,097,240	1,645,444	3,275,191	-
Public works - buildings	621,897	-	-	-
Public works - highway	6,596,562	-	1,526,326	-
Street lighting	702,627	-	-	-
Debt service	1,142,841	-	-	-
Judgments and losses	40,177	61,744	-	-
Homeowners' assistance program	4,405,575	-	-	-
Other post employment benefits	1,022,983	-	-	-
Other	464,752	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>55,184,630</b>	<b>4,177,236</b>	<b>6,137,035</b>	<b>-</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Country Club	2,541,397	3,113,529	-	-
	<u>\$ 57,726,027</u>	<u>\$ 7,290,765</u>	<u>\$ 6,137,035</u>	<u>\$ -</u>

**GENERAL REVENUES**

Taxes

Real estate taxes

Real estate transfer

Business

Earned income

Cable television franchise fees

Intergovernmental revenue not restricted to specific program

Interest

Rents

Gain on disposition of fixed assets

Miscellaneous

**TRANSFERS**

**TOTAL GENERAL REVENUES AND TRANSFERS**

**CHANGE IN NET POSITION**

**NET POSITION AT BEGINNING OF YEAR**

**NET POSITION AT END OF YEAR**

*See accompanying notes to the basic financial statements.*

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
\$ (1,430,145)	\$ -	\$ (1,430,145)
(674,797)	-	(674,797)
(867,434)	-	(867,434)
20,546	-	20,546
(3,583,347)	-	(3,583,347)
(1,592,585)	-	(1,592,585)
(156,648)	-	(156,648)
(23,176,605)	-	(23,176,605)
(621,897)	-	(621,897)
(5,070,236)	-	(5,070,236)
(702,627)	-	(702,627)
(1,142,841)	-	(1,142,841)
21,567	-	21,567
(4,405,575)	-	(4,405,575)
(1,022,983)	-	(1,022,983)
(464,752)	-	(464,752)
<u>(44,870,359)</u>	<u>-</u>	<u>(44,870,359)</u>
<u>-</u>	<u>572,132</u>	<u>572,132</u>
<u>(44,870,359)</u>	<u>572,132</u>	<u>(44,298,227)</u>
13,025,140	-	13,025,140
2,756,299	-	2,756,299
4,107,597	-	4,107,597
20,607,982	-	20,607,982
1,193,975	-	1,193,975
12,198,295	-	12,198,295
96,193	16,842	113,035
210,661	-	210,661
117,752	125,554	243,306
524,047	-	524,047
<u>(939,000)</u>	<u>939,000</u>	<u>-</u>
<u>53,898,941</u>	<u>1,081,396</u>	<u>54,980,337</u>
9,028,582	1,653,528	10,682,110
<u>71,665,721</u>	<u>5,630,869</u>	<u>77,296,590</u>
<u>\$ 80,694,303</u>	<u>\$ 7,284,397</u>	<u>\$ 87,978,700</u>

**TOWNSHIP OF BENSLEM  
BUCKS COUNTY, PENNSYLVANIA**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	<u>General Fund</u>	<u>Capital Trust Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 24,137,247	\$ 1,831,414
Investments	-	44,186,394
Receivables		
Real estate taxes	351,759	-
Earned income taxes	4,466,708	-
Interest	-	178,205
Casino - local share assessment	3,034,963	-
Other	886,638	-
Due from other funds	296,898	3,200,200
Restricted cash	162,034	-
Other assets	426,512	-
	<u>                    </u>	<u>                    </u>
TOTAL ASSETS	<u>\$ 33,762,759</u>	<u>\$ 49,396,213</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 1,253,063	\$ -
Other liabilities	162,034	-
Due to other funds	3,200,200	248,812
Unearned revenue	4,748,882	-
	<u>                    </u>	<u>                    </u>
TOTAL LIABILITIES	<u>9,364,179</u>	<u>248,812</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred taxes and other receipts	<u>313,697</u>	<u>-</u>
 <b>FUND BALANCES</b>		
Nonspendable	426,512	-
Restricted	-	-
Committed	-	-
Assigned	-	49,147,401
Unassigned	23,658,371	-
	<u>                    </u>	<u>                    </u>
TOTAL FUND BALANCES	<u>24,084,883</u>	<u>49,147,401</u>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
	<u>\$ 33,762,759</u>	<u>\$ 49,396,213</u>

*See accompanying notes to the basic financial statements.*

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 46,816	\$ 4,178,281	\$ 7,568,350	\$ 37,762,108
-	-	-	44,186,394
-	-	28,308	380,067
-	-	-	4,466,708
-	-	-	178,205
-	-	-	3,034,963
-	49,118	111,180	1,046,936
-	3,200,200	25,595	6,722,893
-	-	-	162,034
-	-	30,525	457,037
<u>\$ 46,816</u>	<u>\$ 7,427,599</u>	<u>\$ 7,763,958</u>	<u>\$ 98,397,345</u>
\$ -	\$ 606,431	\$ 222,388	\$ 2,081,882
-	-	1,645	163,679
-	3,200,200	73,681	6,722,893
-	-	-	4,748,882
<u>-</u>	<u>3,806,631</u>	<u>297,714</u>	<u>13,717,336</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>313,697</u>
-	-	30,525	457,037
-	-	5,416,119	5,416,119
-	3,620,968	2,019,600	5,640,568
46,816	-	-	49,194,217
-	-	-	23,658,371
<u>46,816</u>	<u>3,620,968</u>	<u>7,466,244</u>	<u>84,366,312</u>
<u>\$ 46,816</u>	<u>\$ 7,427,599</u>	<u>\$ 7,763,958</u>	<u>\$ 98,397,345</u>

**TOWNSHIP OF BENSLEM  
BUCKS COUNTY, PENNSYLVANIA**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2021**

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TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 84,366,312
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resource and, therefore, are not reported in the funds.</p>	60,338,909
<p>Taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred inflows of resources in the funds.</p>	313,697
<p>Deferred outflows and inflows of resources related to the pension and OPEB plans will not be paid or received in the current period and, therefore, are not reported in the funds.</p>	(5,588,640)
<p>Governmental funds report the effect of the deferred amount on refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	1,046,258
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in as liabilities in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances at December 31, 2021 are as follows:</p>	
Bonds and notes payable	(27,257,800)
Capital leases	(1,845,512)
Accrued interest payable	(26,186)
Net pension liability and asset	(12,115,323)
OPEB liability	(13,786,000)
Compensated absences payable	(4,751,412)
	<hr/>
TOTAL NET POSITION, GOVERNMENTAL ACTIVITIES	\$ <u><u>80,694,303</u></u>

*See accompanying notes to the basic financial statements.*

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**TOWNSHIP OF BENSLEM  
BUCKS COUNTY, PENNSYLVANIA**  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2021

	General Fund	Capital Trust Fund
REVENUES		
Intergovernmental	\$ 13,745,636	\$ -
Real estate taxes	7,527,204	-
Business taxes	4,107,597	-
Earned income taxes	20,607,982	-
Real estate transfer tax	2,756,299	-
Investment earnings - trust	-	(438,888)
Departmental charges	1,945,260	-
Cable fees	1,157,187	-
Licenses and permits	1,324,141	-
Fines	350,036	-
Interest - other	353,358	-
Other	654,490	-
TOTAL REVENUES	<u>54,529,190</u>	<u>(438,888)</u>
EXPENDITURES		
General government	1,332,799	-
Finance	844,601	30,343
Tax collection	867,434	-
Community and economic development	-	-
Fire and rescue	1,523,416	-
Parks and recreation	-	-
Planning and development	1,947,070	-
Police	29,633,237	-
Public works - building	705,498	-
Public works - highway	3,257,111	-
Street lighting	-	-
Judgements and losses	40,177	-
Debt service		
Principal	171,647	-
Interest	66,169	-
Other	464,752	-
TOTAL EXPENDITURES	<u>40,853,911</u>	<u>30,343</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>13,675,279</u>	<u>(469,231)</u>
OTHER NONOPERATING EXPENDITURES		
Homeowners' assistance program	4,405,575	-
OTHER FINANCING SOURCES (USES)		
Transfers in	991,725	500,000
Transfers out	(5,340,000)	-
Proceeds from sale of capital assets	65,272	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,283,003)</u>	<u>500,000</u>
NET CHANGE IN FUND BALANCES	4,986,701	30,769
FUND BALANCES AT BEGINNING OF YEAR	<u>19,098,182</u>	<u>49,116,632</u>
FUND BALANCES AT END OF YEAR	<u>\$ 24,084,883</u>	<u>\$ 49,147,401</u>

*See accompanying notes to the basic financial statements.*

Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 404,219	\$ 3,702,108	\$ 17,851,963
-	-	5,540,370	13,067,574
-	-	-	4,107,597
-	-	-	20,607,982
-	-	-	2,756,299
-	-	-	(438,888)
-	-	449,205	2,394,465
-	-	-	1,157,187
-	-	-	1,324,141
-	-	-	350,036
15,385	68,066	98,272	535,081
-	55,301	653,666	1,363,457
<u>15,385</u>	<u>527,586</u>	<u>10,443,621</u>	<u>65,076,894</u>
-	55,963	-	1,388,762
-	-	-	874,944
-	-	-	867,434
-	-	489,969	489,969
-	-	3,287,579	4,810,995
-	491,702	2,077,122	2,568,824
-	-	-	1,947,070
-	239,058	757,981	30,630,276
-	-	-	705,498
-	3,257,831	1,192,736	7,707,678
-	-	658,860	658,860
-	-	-	40,177
2,891,000	-	115,553	3,178,200
891,666	-	54,618	1,012,453
-	-	-	464,752
<u>3,782,666</u>	<u>4,044,554</u>	<u>8,634,418</u>	<u>57,345,892</u>
<u>(3,767,281)</u>	<u>(3,516,968)</u>	<u>1,809,203</u>	<u>7,731,002</u>
-	-	-	4,405,575
4,840,000	-	-	6,331,725
(1,039,000)	-	(891,725)	(7,270,725)
-	57,532	-	122,804
<u>3,801,000</u>	<u>57,532</u>	<u>(891,725)</u>	<u>(816,196)</u>
33,719	(3,459,436)	917,478	2,509,231
13,097	7,080,404	6,548,766	81,857,081
<u>\$ 46,816</u>	<u>\$ 3,620,968</u>	<u>\$ 7,466,244</u>	<u>\$ 84,366,312</u>



**TOWNSHIP OF BENSLEM  
BUCKS COUNTY, PENNSYLVANIA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 2,509,231

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period. 192,081

The net effect of various miscellaneous transactions involving capital (5,052)

Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (42,434)

Governmental funds report interest paid on bonds payable as expenditures. However, in the statement of activities, interest is matched to the period in which it was incurred. This amount is the net effect of matching interest expense to the proper period. 396

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt uses current financial resources. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal paid on bonds and notes	3,025,960	
Principal paid on capital leases	152,240	
	3,178,200	3,178,200

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(322,864)	
Amortization of deferred amounts on refunding	(130,784)	
Changes in pension liabilities and related deferred outflows and inflows of resources	4,672,791	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(1,022,983)	
	3,196,160	3,196,160

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 9,028,582

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
STATEMENT OF NET POSITION  
PROPRIETARY FUND - BENSLEM TOWNSHIP COUNTRY CLUB  
DECEMBER 31, 2021

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ASSETS

CURRENT ASSETS

Cash	\$ 1,941,982
Inventories	68,591
Prepaid expenses	29,127
TOTAL CURRENT ASSETS	<u>2,039,700</u>

CAPITAL ASSETS

Land	11,537,195
Construction in progress	238,974
Buildings	2,998,725
Improvements	1,535,381
Furniture, machinery and equipment	1,597,373
	<u>17,907,648</u>
Less accumulated depreciation	(3,372,500)
TOTAL CAPITAL ASSETS	<u>14,535,148</u>

TOTAL ASSETS	<u>16,574,848</u>
--------------	-------------------

LIABILITIES

Accounts payable and accrued expenses	32,556
Notes and loan payable, current portion	1,116,060
Capital lease obligation, current portion	53,592
Deposits and advances	175,187
TOTAL CURRENT LIABILITIES	<u>1,377,395</u>
Capital lease obligation, net of current portion	78,725
Notes and loan payable, net of current portion	7,770,984
Compensated absences	63,347
	<u>7,913,056</u>

TOTAL LIABILITIES	<u>9,290,451</u>
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NET POSITION

Net investment in capital assets	5,515,787
Unrestricted	1,768,610
	<u>7,284,397</u>

TOTAL NET POSITION	<u>\$ 7,284,397</u>
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*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUND - BENSLEM TOWNSHIP COUNTRY CLUB  
YEAR ENDED DECEMBER 31, 2021

OPERATING REVENUES	
Charges for services	
Golf course revenue	\$ 2,131,261
Food and banquet revenue	982,268
TOTAL OPERATING REVENUES	<u>3,113,529</u>
OPERATING EXPENSES	
Golf course	1,141,360
Banquet	809,843
General administrative	341,683
Depreciation	244,068
TOTAL OPERATING EXPENSES	<u>2,536,954</u>
OPERATING INCOME	<u>576,575</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	16,842
Interest expense	(4,443)
Gain on disposal of capital asset	125,554
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>137,953</u>
INCOME/(LOSS) BEFORE OTHER FINANCING SOURCES (USES)	<u>714,528</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	1,039,000
Transfers out	(100,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>939,000</u>
CHANGE IN NET POSITION	1,653,528
NET POSITION AT BEGINNING OF YEAR	<u>5,630,869</u>
NET POSITION AT END OF YEAR	<u>\$ 7,284,397</u>

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND - BENSLEM TOWNSHIP COUNTRY CLUB  
YEAR ENDED DECEMBER 31, 2021

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CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 3,113,529
Payments to suppliers for goods and services	(1,085,878)
Payments to employees and professional contractors	(1,212,822)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>814,829</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	<u>939,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest paid	(4,443)
Principal paid on notes and loans	(1,047,981)
Principal paid on capital leases	(43,556)
Purchases of capital assets	(229,437)
Proceeds from the sale of assets	148,907
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,176,510)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>16,842</u>
NET INCREASE IN CASH	594,161
CASH AT BEGINNING OF YEAR	<u>1,347,821</u>
CASH AT END OF YEAR	<u>\$ 1,941,982</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 576,575
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	244,068
(Increase) decrease in assets	
Prepays	2,593
Inventory	8,387
Increase (decrease) in liabilities	
Accounts payable	(15,831)
Deposits and advances	5,659
Compensated absences payable	(6,622)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 814,829</u>

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2021

	<u>Pension Trust Funds</u>	<u>Custodial Funds</u>
<b>ASSETS</b>		
Cash	\$ 2,118,404	\$ 7,741,379
Investments	113,477,561	-
Receivables	<u>76,265</u>	<u>160,546</u>
TOTAL ASSETS	<u>\$ 115,672,230</u>	<u>\$ 7,901,925</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES</b>		
Employee contributions due to plan	\$ <u>1,816</u>	\$ <u>-</u>
<b>NET POSITION</b>		
Restricted for pension benefits	115,670,414	-
Restricted for developers	<u>-</u>	<u>7,901,925</u>
TOTAL NET POSITION	<u>115,670,414</u>	<u>7,901,925</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 115,672,230</u>	<u>\$ 7,901,925</u>

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2021

	<u>Pension Trust Funds</u>	<u>Custodial Funds</u>
ADDITIONS		
Contributions		
Employer	\$ 5,189,733	\$ -
Employee	821,524	-
Developers	-	7,332,298
TOTAL CONTRIBUTIONS	<u>6,011,257</u>	<u>7,332,298</u>
Investment income		
Realized and unrealized gains on investments	11,895,681	-
Interest and dividends	1,701,389	-
Other income	159	-
TOTAL INVESTMENT EARNINGS	<u>13,597,229</u>	<u>-</u>
Less investment expense	(102,279)	-
NET INVESTMENT EARNINGS	<u>13,494,950</u>	<u>-</u>
 TOTAL ADDITIONS	 <u>19,506,207</u>	 <u>7,332,298</u>
DEDUCTIONS		
Benefit payments	5,974,460	-
Administrative expenses	113,333	-
Payments to developers	-	7,380,090
TOTAL DEDUCTIONS	<u>6,087,793</u>	<u>7,380,090</u>
 CHANGE IN NET POSITION	 13,418,414	 (47,792)
 NET POSITION AT BEGINNING OF YEAR	 <u>102,252,000</u>	 <u>7,949,717</u>
 NET POSITION AT END OF YEAR	 <u>\$ 115,670,414</u>	 <u>\$ 7,901,925</u>

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting principles and practices followed by the Township of Bensalem, Bucks County, Pennsylvania (the "Township") are presented below to assist the reader in understanding the financial statements and the accompanying notes. Accounting principles and practices are presented in conformity with generally accepted accounting principles (GAAP). The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**Financial Reporting Entity**

The financial statements include all funds of the Township. The criteria used in determining whether an agency, board, commission, department, or other organizational entity are included in the financial statements are (1) financial interdependency, (2) selection of governing authority, (3) designation of management, (4) ability to significantly influence operations, (5) accountability for fiscal matters, and (6) scope of service.

**Pension Plans**

The Pension Plans are single employer defined benefit and defined contribution pension plans that provides pensions for all full-time employees and police officers. Although the plans are separate legal entities they are reported as if they are part of the government as they are governed by a board comprised of members appointed by the Board of the Township and the Township is responsible for funding the plan. The plans are reported as a fiduciary fund and issue separate financial statements.

Excluded from the reporting entity:

**Economic Development Corporation** - The basic financial statements exclude the accounts of the Economic Development Corporation, which is a separate non-profit organization. The Township is not financially accountable to the Economic Development Corporation and does not meet the definition of a component unit.

**Basis of Presentation**

**Government-Wide Financial Statements**

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are primarily general government services. Program revenues include (1) charges for services to those who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and certain other charges between various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

***Fund Financial Statements***

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses.



**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Funds are organized as major funds or non-major funds within the governmental, proprietary, and fiduciary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent (10%) of the corresponding total for all funds of that category or type and;
- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent (5%) of the corresponding total for all governmental and enterprise funds combined.

***Governmental Funds***

Governmental funds are identified as either general, special revenue, debt service, capital projects, or permanent funds based upon the following guidelines.

**The General Fund** is the primary operating fund of the Township and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** are utilized to account for proceeds of specific revenue sources used to finance specific activities as required by law or administrative regulation. The following funds are accounted for as Special Revenue Funds: Community Development, Fire, Parks and Recreation, Highway Aid (Liquid Fuels), Rescue Squad, Road Machinery, Community Spirit, Street Light, Highway Improvement (Impact Fees), Recreation Improvement, Towns Against Graffiti, Federal Forfeitures, Building a Better Bensalem, and Police Activities League.

**Debt Service Funds** are utilized to account for the accumulation of funds to be utilized for certain debt service payments. The Sinking Fund is accounted for as a Debt Service Fund.

**Capital Projects Funds** are used to account for the proceeds of bond issues that will be used for capital projects. The Township's Capital Improvement Fund is accounted for as a Capital Project Fund.

**Permanent Funds** are used to account for resources held in a trust. All resources of the fund, including any earnings on invested resources, may be used to support the organization. The Capital Trust Fund is accounted for as a Permanent fund.

***Proprietary Fund***

The Township reports the following enterprise fund:

**Bensalem Township Country Club** - This fund is used to account for the operations of the Golf Course and banquet facility. Funds are accounted for on a cost of services or "capital maintenance" measurement focus.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Other Fund Types***

The Township also reports the following fund types:

**Pension Trust Funds** provide pension benefits upon permanent disability or normal retirement age to municipal employees covered under the plan, as administered by the Township of Bensalem, and sponsored by the Pennsylvania Retirement System. The Township maintains three (3) pension plans, the Police Pension Plan, the Non-Uniformed Union Employee Defined Benefit Pension Plan, and the Defined Contribution Pension Plan for Non-Uniformed Employees.

**Custodial Funds** are used for fiduciary assets held by the Township in a custodial capacity as an agent on behalf of others. The Township's custodial funds are used to account for various deposits, performance bonds, and escrow monies. The Township maintains two custodial funds, the Developers Escrow and the Revolving Fund.

***Major Funds***

The Township reports the following major governmental and enterprise funds:

- General
- Debt Service
- Capital Projects
- Capital Trust
- Bensalem Country Club

***Non-Major Funds***

The Township reports the following non-major funds:

Special Revenue Funds:

- Community Development
- Fire
- Parks and Recreation
- Highway Aid (Liquid Fuels)
- Rescue Squad
- Road Machinery
- Community Spirit
- Street Light
- Highway Improvement (Impact Fees)
- Recreation Improvement
- Towns Against Graffiti
- Federal Forfeitures
- Building a Better Bensalem
- Police Activities League

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting**

The governmental-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Township considers revenues to be available if they are collected within 60 days of the end of the year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue susceptible to accrual include: real estate taxes, cable television franchise fee, Act 511 taxes, police services, intergovernmental revenues and the casino local share assessment.

Operating income reported in proprietary fund financial statements includes revenue and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

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

**Pension Trust Funds**

Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due in accordance with Pennsylvania Act 205, as amended by Act 189. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates in the Wall Street Journal.

The pension plan financial statements for the plans administered by the Township and required disclosures under applicable accounting policy guidelines are combined and separately disclosed in the financial statements. Separate plan financial statements have been prepared by pension consultants (unaudited) and are available upon request by Plan participants. These separate financial statements were used as the basis for our statements and adjusted as necessary.

Investment expenses consist of investment management, custodial fees, and other significant investment related costs. Administrative expenses consist of consulting, actuarial, legal and accounting services, along with other significant administrative costs. The above expenditures are considered allowable pension plan expenditures and are charged to the plans specifically and funded with plan assets.

Post-employment benefits including health care and other benefits during normal employment are not funded by the plans. Accordingly, any reserve or the accounting for these types of costs has not been made to the Plans' financial statements.

**Accounting and Financial Reporting for Postemployment Benefits Plans Other Than Pensions**

The Township follows Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. GASB Statement No. 75 requires employers that participate in single-employer or agent multiple-employer defined benefit plans other postemployment benefits (OPEB) plans, to measure and disclose the total OPEB liability of the plan and related deferred inflows and deferred outflows on the accrual basis of accounting. See Notes P and Q for full disclosures.

**Budgetary Data**

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described above.

The budgetary comparison schedule - general fund, is reported in accordance with accounting principles generally accepted in the United States of America.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

During November, the Township holds a proposed use hearing for the purpose of receiving oral and written comments from interested parties in regard to the possible use of funds expected to be received by the Township for the fiscal year commencing the following January 1.

During November, the Township makes available to the public, its proposed operating budget for all funds. The operating budget includes proposed expenditures and the means of financing them.

Prior to December 31, the Township holds a second public hearing to obtain taxpayer comments after which the budget is legally adopted through passage of an ordinance.

**Encumbrances**

Encumbrance accounting is used for the general fund, special revenue funds, and capital projects funds in the governmental fund financial statements. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances are reported as a reservation of fund balance on the balance sheet, unless services have already been rendered, in which case they are recorded as an accrued liability. Encumbrances do not lapse at the close of the fiscal year but are carried forward as reserved fund balance until liquidated.

**Use of Estimates**

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

**Cash and Investments**

The Township maintains separate money market accounts for each fund. The Township's investments are made in accordance with the collateralization policies set forth in the Pennsylvania second-class township code.

The Township's investment policy in regard to the allocation of invested assets is established any may be amended by the Township Council and Pension Board. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expenses obligations when due. The Township and the Plan's formal Investment Policy Statements are revised periodically and provide more comprehensive details on investment strategy and authorized investments.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Method Used to Value Investments**

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The Township follows GASB Statement No. 40, Deposit and Investment Risk Disclosures, and bases its fair value accounting and reporting on ASC Section 820, Fair Value Measurements which establishes a framework for measuring fair value and expands disclosure about fair value measurement. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities;

*Level 2* - Inputs to the valuation methodology are inputs other than quoted market prices that are observable for the asset or liability;

*Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Township believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The inputs or methods used to value investments are not necessarily an indication of the risk associated with investing in those securities.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Inventories and Prepaid Expenses**

Inventories in the funds consist of expendable supplies held for consumption and merchandise held for sale. Inventories and prepaid expenses, which benefit future periods, other than those reported in the proprietary funds are recorded as expenditures during the year of purchase.

Inventory in proprietary funds are valued at the lower of cost or market, using the first-in-first-out (FIFO) method.

**Property, Plant and Equipment and Depreciation**

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Through implementation of GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but not required. For the year ended December 31, 2021, the Township has reported all infrastructure acquired by its governmental fund types since January 1, 1980.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Buildings and improvements	40 years	20 years
Land improvements	15-20 years	8-10 years
Machinery and equipment	5-10 years	3-5 years
Street and traffic lights	15-20 years	N/A
Roadways	20 years	N/A
Drainage systems	40 years	N/A

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the various funds upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

**Equity Classification**

***Government-Wide Statements***

Equity is classified as net position and displayed in three components:

- a. Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted - Consists of balances with constraints placed on the use whether by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted - All other balances that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

***Fund Statements***

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned as defined by Governmental Accounting Standards Board (GASB Statement No. 54., *Fund Balance Reporting and Governmental Fund Type Definitions*.) (See Note R).

- a. Nonspendable - amounts that cannot be spent because they are either (1) not in spendable form, or (2) legally or contractually required to be maintained intact.
- b. Restricted - amounts that have constraints placed on the use of resources either externally such as by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- c. Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of governments highest level of decision making authority, normally the Township Council and the Mayor.



**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- d. Assigned - amounts that we constrained by the government's intent, to be used for specific purposes, but are neither restricted nor committed. Authorization may be made by budgetary appropriation but are normally determined by Township Administration. The authority to assign fund balance has not been delegated.
- e. Unassigned - fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

**Property Taxes**

Property taxes paid on or before May 1, are subject to a discount while payments received after July 1, are subject to penalty. The property tax levy is to be made by the fourth Monday of March.

**Accrued Sick and Vacation**

***Governmental Funds***

The Township's employees earn sick and vacation leave which may either be taken or accumulated, up to certain amounts, until paid upon retirement or termination. For all funds, this liability reflects amounts attributable to employee services already rendered, payable to currently terminating employees only.

***Government-Wide Statements***

Compensated absences for fully vested employees are accrued when incurred in the government-wide financial statements. The Township reports the liability as current or non-current, based on expected termination date.

**Long-Term Obligations**

In the government-wide and proprietary fund financial statements, outstanding debt is reported as liabilities. Bond discounts or premiums are capitalized, shown net of related debt, and amortized over the term of the respective bonds using a method that approximates the effective interest method. Amortization is included as part of interest expense.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as revenue and payment of principal and interest reported as expenditures. The accounting in proprietary funds is the same in the fund statements as it is in the government-wide statements.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has three items that qualify for reporting in this category. The deferred charge on refunding reported in the government-wide statement of net position resulted from the difference between the carrying value of refunded debt and its reacquisition price. The deferred outflow of resources for pension activities is reported in the government-wide statement of net position. The deferred outflow related to pension activity results from changes in plan assumptions. The deferred outflow of resources for OPEB activities is reported in the government-wide statement of net position. The deferred outflow related to OPEB activity results from changes in plan assumptions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has three types of items that qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the Governmental Funds balance sheet. The Governmental Funds report unavailable revenues from taxes and other receipts. The deferred inflow of resources for pension activities is reported in the government-wide statement of net position. The deferred inflow related to pension activity results from differences between expected and actual experience, and the differences between projected and actual earnings. The deferred inflow of resources for OPEB activities is reported in the government-wide statement of net position. The deferred inflow related to OPEB activity results from differences between expected and actual experience.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

---

**NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Deposits**

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that in the event of a bank failure the Township’s deposits may not be returned or the Township will not be able to recover collateral securities in the possession of an outside party. The Township’s policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation (FDIC). The Township Council approves and designates the authorized depository institution based on evaluation of solicited responses and certifications provided by financial institutions and recommendations of the Director of Administration. Custodial credit risk for deposits is not formally addressed by pension trust policy, however, the Plan held no deposits that were exposed to custodial credit risk as of December 31, 2021. Pension trust deposits are governed by Title 20 of the Pennsylvania Consolidated Statutes, Chapter 73 Municipalities Investments, Section 7302.

***Primary Government***

As of December 31, 2021, the carrying amount of the Township’s bank balance was \$41,228,981. Accounts are insured by the Federal Deposit Insurance Corporation up to the limit of \$250,000. The bank balance is categorized as follows:

<u>Description</u>	<u>Amount</u>
Amount insured by Federal Deposit Insurance Corporation (FDIC)	\$ 954,006
Uninsured and collateral held by pledging bank's trust department not in the Township's name	39,929,110
Uninsured and uncollateralized deposits in state investment pools	<u>345,865</u>
	<u>\$ 41,228,981</u>

Deposits in state investment pools are in the PLGIT program, which are funds similar to mutual funds. GASB Statement No. 3, Paragraph 69, provides that certain types of cash and investments, such as cash investments in a State Treasurer’s investment pool or mutual fund, cannot be assigned a credit risk category because the government does not own specific securities. Therefore, the PLGIT cash deposits included in these statements will not be assigned a credit risk category. These assets maintain a stable net asset value of \$1 per share. At December 31, 2021, the Township’s deposits in the state investment pool was rated AAAM by Standard & Poor’s.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**Pension Trust Funds**

As of December 31, 2021, the carrying amount of the Trust Fund's bank balances was \$2,118,404, of which \$250,000 was insured by the Federal Depository Insurance Corporation. The remaining bank balance of \$1,868,404 was exposed to credit risk because it was uninsured and collateralized in accordance with Act 72.

**Custodial Funds**

As of December 31, 2021, the carrying amount of the Custodial Fund bank balances was \$7,748,746, all of which was exposed to credit risk because it was uninsured and collateralized in accordance with Act 72.

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Township formal investment policy states that there should be no direct investments in foreign securities, however, the manager may invest in companies with extensive global or U.S. operations which happen to be domiciled or maintain a legal residence outside the United States. The securities of such issuers included in the portfolio will be freely in U.S. markets. Therefore, there will not be a foreign currency risk included in the valuation of the securities of issues held with the portfolio.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**Investments**

As of December 31, 2021, the Township had the following investments:

	Carrying Amount	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	11-15
<b>Primary government</b>					
Certificates of deposit	\$ 4,948,366	\$ 3,569,170	\$ 1,226,304	\$ 152,892	\$ -
U.S. Treasury notes	17,321,925	887,014	13,933,730	2,501,181	-
Federal agency notes	21,916,103	1,814,012	7,891,153	11,467,363	743,575
<b>Total primary government</b>	<b>\$ 44,186,394</b>	<b>\$ 6,270,196</b>	<b>\$ 23,051,187</b>	<b>\$ 14,121,436</b>	<b>\$ 743,575</b>
<b>Fiduciary funds</b>					
Domestic equity mutual funds	\$ 71,926,206	\$ 71,926,206	\$ -	\$ -	\$ -
Fixed income mutual funds	28,850,309	28,850,309	-	-	-
Domestic stocks	12,414,942	12,414,942	-	-	-
Private equity funds	286,104	286,104	-	-	-
<b>Total fiduciary funds</b>	<b>\$ 113,477,561</b>	<b>\$ 113,477,561</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Fair Value Measurement** - The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Township has the following recurring fair value measurements as of December 31, 2021:

Investments in U.S. Treasury notes of \$17,231,925, federal agency notes of \$21,916,103, domestic equity mutual funds of \$71,926,206, fixed income mutual funds of \$28,850,309, and domestic stocks of \$12,414,942 are valued using quoted market prices (Level 1 inputs). Investments in private equity funds of \$286,104 are valued using assumptions made by the investment managers to determine the fair value of the investments at year end (Level 2 inputs).

Investments in certificates of deposit of \$4,948,366 are stated at cost plus interest earned.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**Private equity funds** - The Bensalem Pension Plans held assets with Casla Partners, L.P. As the result of a Limited Partnership Interest Purchase Agreement dated January 24, 2014, the Plan was to receive \$2,315,564 subject to the terms of the Agreement. Installment payment of \$1,972,807 were made in 2016 and 2017 and a payment of \$33,124 and \$23,529 were made in 2019 and 2020, respectively, leaving a remaining balance of \$286,104.

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. The Township formal investment policy states the manager will extend maturities at times when a shift to lower interest rates is expected and conversely shorten maturities in periods when higher interest rates are anticipated.

**Credit Risk** - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the investment of government funds as described in Note A. The Township's investment policy does not further limit its investment choices.

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributable to the magnitude of the Township's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The Plan has a formal investment policy that addresses concentration of credit risk. This policy states that no more than 5% of the total stock portfolio valued at market may be invested in the common stock of any one corporation. Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. This does not apply to issues of the U.S. Treasury or other Federal Agencies.

As of December 31, 2021, the Township did not have more than 5% of the Township's investments are in any one single issuer.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE C - INTERFUND RECEIVABLES/PAYABLES**

The following is a schedule of interfund receivables and payables:

<u>Receivables</u> Fund	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Community Development Fund	\$ 10,000 (a)
General Fund	Capital Trust Fund	248,812 (b)
Road Machinery	Parks & Recreation	25,595 (a)
General Fund	Community Spirit	38,086 (a)
Capital Trust Fund	Capital Project Fund	3,200,200 (a)
Capital Project Fund	General Fund	<u>3,200,200 (a)</u>
		<u>\$ 6,722,893</u>

- (a) Loan to cover expenses before transfers can be made.
- (b) Investment income to be transferred.

**NOTE D - INTERFUND OPERATING TRANSFERS**

The following is a schedule of interfund operating transfers:

<u>Fund</u> <u>Transfer To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	Parks and Recreation	\$ 100,000 (a)
General Fund	Country Club Fund	100,000 (b)
General Fund	Highway Aid	791,725 (c)
Capital Trust Fund	General Fund	500,000 (d)
Debt Service Fund	General Fund	4,840,000 (e)
Country Club Fund	Debt Service Fund	<u>1,039,000 (f)</u>
		<u>\$ 7,370,725</u>

- (a) Transfer of funds from the Parks and Recreation Fund as per the 2021 Budget.
- (b) Transfer of funds from the County Club Fund as per the 2021 Budget.
- (c) Transfer of funds from Liquid Fuels to the General Fund to reimburse for expenses that would have normally been paid from the Liquid Fuels Fund.
- (d) Transfer of funds from the General Fund as per the 2021 Budget.
- (e) Transfer of funds from the General Fund as per the 2021 Budget.
- (f) Transfer of funds from the Debt Service Fund to the Country Club Fund for debt service expenses.

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE E - PROPERTY, PLANT AND EQUIPMENT**

The following is a summary of capital asset activity:

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 15,014,121	\$ 406,400	\$ -	\$ 15,420,521
Construction in progress	2,859,840	2,905,201	(560,473)	5,204,568
<b>TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED</b>	<b>17,873,961</b>	<b>3,311,601</b>	<b>(560,473)</b>	<b>20,625,089</b>
Capital assets being depreciated				
Buildings and improvements	21,374,765	454,093	(26,500)	21,802,358
Land improvements	10,152,466	46,767	-	10,199,233
Vehicles, machinery and equipment	16,223,804	631,989	(1,060,943)	15,794,850
Infrastructure	107,365,188	-	-	107,365,188
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED</b>	<b>155,116,223</b>	<b>1,132,849</b>	<b>(1,087,443)</b>	<b>155,161,629</b>
Less accumulated depreciation for				
Building and improvements	(7,287,789)	(483,459)	24,469	(7,746,779)
Land improvements	(7,570,863)	(301,541)	-	(7,872,404)
Vehicles, machinery and equipment	(13,236,734)	(1,289,340)	1,057,922	(13,468,152)
Infrastructure	(84,742,918)	(1,617,556)	-	(86,360,474)
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<b>(112,838,304)</b>	<b>(3,691,896)</b>	<b>1,082,391</b>	<b>(115,447,809)</b>
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net</b>	<b>\$ 60,151,880</b>	<b>\$ 752,554</b>	<b>\$ (565,525)</b>	<b>\$ 60,338,909</b>



**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE E - PROPERTY, PLANT AND EQUIPMENT (Continued)**

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 11,537,195	\$ -	\$ -	\$ 11,537,195
Construction in progress	6,000	232,974	-	238,974
TOTAL CAPITAL ASSETS				
NOTE BEING DEPRECIATED	11,543,195	232,974	-	11,776,169
Other capital assets				
Buildings and improvements	2,998,725	-	-	2,998,725
Land improvements	1,515,081	20,300	-	1,535,381
Vehicles, machinery and equipment	1,579,721	426,833	(409,181)	1,597,373
TOTAL CAPITAL ASSETS BEING DEPRECIATED	6,093,527	447,133	(409,181)	6,131,479
Less accumulated depreciation for				
Building and improvements	(1,203,510)	(111,020)	-	(1,314,530)
Land improvements	(1,170,999)	(20,347)	-	(1,191,346)
Vehicles, machinery and equipment	(1,139,750)	(112,701)	385,827	(866,624)
TOTAL ACCUMULATED DEPRECIATION	(3,514,259)	(244,068)	385,827	(3,372,500)
 BUSINESS-TYPE CAPITAL ASSETS, net	 \$ 14,122,463	 \$ 436,039	 \$ (23,354)	 \$ 14,535,148

Depreciation expense was charged to functions as follows:

General government	\$ 238,178
Community and economic development	9,178
Fire and rescue	194,436
Parks and recreation	381,427
Police	841,721
Public works - highway	1,580,855
Public works - storm sewers	226,972
Street lighting	50,732
Traffic signals	150,762
Planning and development	17,634
	<u>\$ 3,691,896</u>
 BUSINESS-TYPE ACTIVITIES	
Bensalem Township Country Club	<u>\$ 244,068</u>

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE F - GENERAL OBLIGATION AND REVENUE DEBT**

The Township’s liability under general obligation bonds, supported by its full faith and credit which matures through 2032, is as follows:

<u>Date of Issue</u>	<u>Type</u>	<u>Interest Rate</u>	<u>Amount</u>
March 27, 2015	General Obligation	0.5-5.25%	\$ 2,750,000 (a)
January 15, 2020	General Obligation	1.94-2.69%	<u>12,460,000 (b)</u>
			<u>\$ 15,210,000</u>

The Township’s liability under guaranteed and general obligation and revenue notes, supported by its full faith and credit, is as follows:

<u>Date of Issue</u>	<u>Type</u>	<u>Interest Rate</u>	<u>Amount</u>
March 2004	Guaranteed Revenue	1.623%	\$ 2,057,000 (c)
February 2007	General Obligation	1.623-4.270%	6,645,000 (d)
February 2007	Guaranteed Revenue	1.623-4.272%	4,744,000 (e)
January 2012	General Obligation	1.740%	3,012,000 (f)
February 2017	General Obligation	2.695%	4,198,000 (g)
September 2021	Loan	2.750%	<u>278,844 (h)</u>
			<u>\$ 20,934,844</u>

The general purpose for the above borrowings is as follows:

- (a) \$22,135,000 GOB was issued to refinance 2006 bonds and finance the Township’s future capital projects.
- (b) \$12,705,000 GOB was issued to partially refinance the 2015 bonds.
- (c) \$5,500,000 GON was issued to acquire open space and finance capital projects related to the activities of the Enterprise Fund.
- (d) \$10,967,000 GON was issued to finance the Township’s capital projects related to the Police Department, EMS facility and community center.
- (e) \$7,833,000 GRN was issued to finance the capital construction and improvements related to the Bensalem Township Country Club.
- (f) \$5,000,000 GON was issued to acquire open space and finance capital projects.
- (g) \$5,000,000 GON was issued to finance capital projects including repairing and repaving streets and improving storm water drainage facilities.
- (h) \$287,825 loan payable issued to finance golf carts.

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE F - GENERAL OBLIGATION AND REVENUE DEBT (Continued)**

Long-term liability activity is as follows

	Balance December 31, 2020	Increase	Decrease	Balance December 31, 2021	Amount Due Within One Year
<b>Governmental activities</b>					
General obligation bonds	\$ 16,930,000	\$ -	\$ (1,720,000)	\$ 15,210,000	\$ 1,760,000
General obligation and revenue notes	13,218,800	-	(1,171,000)	12,047,800	1,198,600
Notes payable	134,960	-	(134,960)	-	-
Capital leases	1,997,752	-	(152,240)	1,845,512	157,050
Compensated absences	4,428,548	322,864	-	4,751,412	-
Net pension liability	13,486,589	-	(432,348)	13,054,241	-
Total OPEB liability	<u>12,863,432</u>	<u>922,568</u>	<u>-</u>	<u>13,786,000</u>	<u>-</u>
	<u>\$ 63,060,081</u>	<u>\$ 1,245,432</u>	<u>\$ (3,610,548)</u>	<u>\$ 60,694,965</u>	<u>\$ 3,115,650</u>
<b>Business-type activities</b>					
General obligation and revenue notes	\$ 9,647,200	\$ -	\$ (1,039,000)	\$ 8,608,200	\$ 1,061,400
Loan Payable	-	287,825	(8,981)	278,844	54,660
Capital leases	13,029	162,845	(43,557)	132,317	53,592
Compensated absences	<u>69,969</u>	<u>-</u>	<u>(6,622)</u>	<u>63,347</u>	<u>-</u>
	<u>\$ 9,730,198</u>	<u>\$ 450,670</u>	<u>\$ (1,098,160)</u>	<u>\$ 9,082,708</u>	<u>\$ 1,169,652</u>

The Township's total scheduled annual debt service on the general obligation bonds and notes is as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 2,958,600	\$ 643,416	\$ 3,602,016
2023	2,716,600	568,248	3,284,848
2024	2,786,600	494,795	3,281,395
2025	2,839,600	429,459	3,269,059
2026	2,914,200	360,471	3,274,671
2027-2031	11,139,200	739,104	11,878,304
2032-2036	1,586,000	131,289	1,717,289
2037	<u>317,000</u>	<u>1,424</u>	<u>318,424</u>
	<u>\$ 27,257,800</u>	<u>\$ 3,368,206</u>	<u>\$ 30,626,006</u>

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE F - GENERAL OBLIGATION AND REVENUE DEBT (Continued)**

Year Ending December 31,	Business-Type Activities		
	Principal	Interest	Total
2022	\$ 1,116,060	\$ 164,409	\$ 1,280,469
2023	1,139,605	140,907	1,280,512
2024	1,163,180	116,832	1,280,012
2025	1,188,824	92,114	1,280,938
2026	1,203,575	66,780	1,270,355
2027-2031	2,895,800	81,288	2,977,088
2032-2036	180,000	1,304	181,304
	<u>\$ 8,887,044</u>	<u>\$ 663,634</u>	<u>\$ 9,550,678</u>

**NOTE G - CAPITAL LEASES**

The Township is the lessee of vehicles, machinery and equipment under capital leases expiring in 2021 through 2034. The assets and liabilities under capital leases are recorded at the lower of present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of their related lease terms or their productive lives and are included in depreciation expense.

Original cost and accumulated depreciation of vehicles, machinery and equipment held under capital lease consist of the following:

	Governmental Activities	Business-Type Activities	Total
Vehicles, machinery and equipment	\$ 415,292	\$ 111,243	\$ 526,535
LED street lights	2,255,149	-	2,255,149
Golf Equipment	-	162,845	162,845
Less accumulated depreciation	<u>(791,150)</u>	<u>(60,782)</u>	<u>(851,932)</u>
	<u>\$ 1,879,291</u>	<u>\$ 213,306</u>	<u>\$ 2,092,597</u>

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE G - CAPITAL LEASES (Continued)**

Minimum future lease payments under capital leases are as follows:

Year Ending December 31,	Governmental Activities	Business-Type Activities	Total
2022	\$ 212,070	\$ 56,829	\$ 268,899
2023	212,070	56,829	268,899
2024	212,061	23,680	235,741
2025	170,170	-	170,170
2026	170,170	-	170,170
Thereafter	<u>1,219,552</u>	<u>-</u>	<u>1,219,552</u>
Total minimum lease payments	2,196,093	137,338	2,333,431
Less amount representing interest	<u>(350,581)</u>	<u>(5,021)</u>	<u>(355,602)</u>
Present value of net minimum lease payments	1,845,512	132,317	1,977,829
Less current portion	<u>(157,050)</u>	<u>(53,592)</u>	<u>(210,642)</u>
Long-term portion	<u>\$ 1,688,462</u>	<u>\$ 78,725</u>	<u>\$ 1,767,187</u>

**NOTE H - NOTE PAYABLE, OTHER**

On February 28, 2014, the Township entered into a long-term debt agreement with the County of Bucks in the amount of \$1,109,854, with interest of 1.5% per annum. Repayments are in annual installments of \$168,205, beginning July 1, 2015, with the final payment due on July 1, 2021. An initial down payment of \$97,826 was made at signing. Proceeds from this loan were used to purchase radio equipment. The loan was paid off during the year.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE I - RISK MANAGEMENT**

The Township is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the township carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**Health Care Coverage**

The Township contracts with a commercial insurance company to provide health care coverage to their employees. These contracts carry various co-pay amounts based on various union contracts or employee agreements and at employee's option, authorized payroll withholding to pay contributions for dependents or increased coverage.

**Workers' Compensation Coverage**

The Township contracts with a commercial insurance company to provide workers' compensation benefits their employees. There have been no significant reductions in coverage from prior year and settlements have not exceeded coverage in the past three years.

**Insurance Coverage**

The Township covers transportation equipment used and owned by the Bensalem Rescue Squad and the local fire companies under their automobile insurance policy. Premiums paid by the Township during 2021 on behalf of these entities was approximately \$70,016.

**NOTE J - COMMITMENTS AND CONTINGENT LIABILITY**

The Township is a defendant in numerous legal proceedings pertaining to matters normally incidental to routine operations. Such litigation includes, but is not limited to, claims asserted against the Township arising from alleged torts, alleged breaches of contracts, assessment and zoning appeals, and other alleged violations of Pennsylvania and federal laws.

The Township has been involved in a legal action regarding a zoning dispute where the Plaintiff was denied a variance by the Zoning Hearing Board. The original claim was dismissed, and an amended claim was filed. The Township has filed a motion to dismiss the Amended Claim. Extensive settlement negotiations have been conducted by the Court and the parties have reached an agreement in principle; however, final terms need to be approved by the Court. The parties have endeavored to finalize said Agreement as to various specific timeframes and responsibilities of parties as to land use as well as resolution of all related claims.

The Township has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

---

**NOTE K - COMPENSATORY ABSENCES COMMITMENT**

The following is a summary of compensatory absences as of December 31, 2021:

	<u>Vacation</u>	<u>Sick Leave</u>	<u>Comp Time</u>	<u>Total</u>
Compensated absences	\$ <u>1,238,057</u>	\$ <u>1,993,006</u>	\$ <u>1,583,696</u>	\$ <u>4,814,759</u>

**NOTE L - CAPITAL TRUST FUND**

During 1999, the Township had sold its sewer collection system and its water distribution system. A resolution was passed by the Township Council, which created a new, distinct fund called the Capital Trust Fund. In 2011, an additional resolution amended the allowable use of proceeds. This fund's purpose is as follows:

- To segregate the sale proceeds of the water and sewer systems for the purposes of investment and financial reporting;
- To assure that the sale proceeds continue to provide benefits to Bensalem taxpayers for years into the future;
- To preserve the proceeds of funds received from the sale of the water and sewer systems, and allow for an annual transfer of funds to balance the Township's budget of principle and investment income generated from the prudent use of this asset; and
- To maximize the investment income on these funds as allowable by Pennsylvania Act 72.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

---

**NOTE M - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN)**

**Summary of Significant Accounting Policies** - Non-Uniformed Pension Plan investments are carried at fair value as reported by the investment managers. Financial information of the Township's Non-Uniformed Pension Plan is presented on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due as required by the Act. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

**Plan Description**

**Plan Administration** - The Bensalem Township Non-Uniformed Union Employees' Pension Plan is a single-employer defined benefit pension plan covering full time employees. This Plan was closed to participation for non-uniformed employees hired on or after January 1, 2009. All full time non-uniformed employees hired on or after January 1, 2009, are required to participate in the defined contribution plan. The Plan is controlled by the provisions of Ordinance 2004-06, as amended. The Plan is governed by the Council of the Township of Bensalem, which may amend Plan provisions, and which is responsible for the management of Plan assets. The Council has delegated the authority to manage Plan assets to PFM Asset Management, LLC. The plan does not issue separate, stand-alone financial statements.

**Plan Membership** - As of December 31, 2021, the Non-Uniformed Pension Plan consisted of the following:

Inactive plan members currently receiving benefits	42
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>38</u>
	<u>83</u>

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

**Eligibility Requirements:**

- Normal retirement: Non-management and management employees who were not 100% vested on November 25, 2002, age 60; all other Management employees, age 50.
- Early Retirement: 20 years of service if termination is voluntary, 8 years if termination is involuntary.
- Vesting: Non-Management employees - 100% after 10 years of service; Management employees: 50% vested after 4 years, 100% vested after 5 years of service.



**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE M - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)**

Retirement Benefit: A monthly benefit, payable for life, equal to 2.5% (3.5% for management employees vested as of November 25, 2002) of average applicable compensation multiplied by years of service. Average applicable compensation is total pay averaged over the last 60 months of employment. For management employees, average applicable compensation is total pay averaged over the last 36 months of employment. Maximum benefit is 100% of average monthly compensation.

Survivor Benefit: Before retirement eligibility - Refund of contributions with interest; After retirement eligibility - The normal form of benefit payment is a life annuity. Optional forms of benefit payment may be elected by the participant at retirement and are actuarial equivalent of the normal form.

Disability Benefit Service Related: For total and permanent disability which occurs while performing the duties of an employee for the Township of Bensalem, a monthly benefit equal to 50% of average applicable compensation. May not exceed 100% of annual compensation when combined with workers compensation and social security disability.

Disability Benefit Non-Service Related: Total and permanent disability after 10 years of service, a monthly benefit equal to 30% of average applicable compensation. May not exceed 100% of annual compensation when combined with workers compensation and social security disability.

**Contributions** - Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the minimum municipal obligation (MMO), which is based on the plan's actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The Commonwealth provides an allocation of funds, which must be used for pension funding. A financial requirement established by the MMO, which exceeds state and member contributions, must be funded by the employer.

In 2021, the MMO obligation for the Non-Uniformed Pension Plan was \$429,258. For the year 2021, contributions of \$867,039 were made by the Township.

As a condition of participation, full-time management/confidential employees are required to contribute 3% and all other employees are required to contribute 5% of compensation to the Plan. This contribution is governed by the Plan's ordinances and collective bargaining agreement.

Administrative costs, which may include, but are not limited to, investment management fees and actuarial services, are charged to the appropriate plan and funded through the MMO and/or plan earnings. On-behalf payments of fringe benefits and salaries for the Township's employees were recognized as revenues and expenditures during the year.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

---

**NOTE M - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)**

**Investments**

**Investment Policy** - The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Supervisors and Pension Board. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The Plan's formal Investment Policy Statement which is revised periodically provides more comprehensive details on investment strategy and authorized investments.

The following was the Committee's adopted asset allocation policy as of December 31, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>
US Equity	42.00%
International equity	16.00%
Emerging equity	7.00%
Core fixed income	17.50%
Intermediate Inv. Grade Corp.	8.75%
High Yield	4.38%
Emerging debt	4.38%
Cash	0.00%
	<u>100.00%</u>

**Concentrations** - The Township does not have more than 5% of the Township's investments are in any one single issuer.

**Rate of Return** - For the year ended December 31, 2021, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 13.15%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability (Asset) of the Township** - The components of the net pension liability (asset) of the Township at December 31, 2021, were as follows:

Total pension liability	\$ 24,581,508
Plan fiduciary net position	<u>(25,520,426)</u>
Net pension liability (asset)	\$ <u>(938,918)</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>103.8%</u>

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE M - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)**

**Actuarial Assumptions** - An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2021. Update procedures were used to roll forward to the plan’s fiscal plan year ending December 31, 2021. This report was based upon the Plan’s actuarial assumptions, asset valuation method, and cost method as described below:

Inflation	2.25%
Salary increases	5.0% annual increase
Investment rate of return	7.0%

Mortality rates were based on the PUBS-2010 Mortality.

Due to the size of the plan, there have been no experience studies used to determine plan assumptions.

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. Best estimates of arithmetic real rates of return for each major asset class included in the plan’s target asset allocation as of December 31, 2021 (see the plan’s investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	5.10%
International equity	4.80%
Emerging equity	5.20%
Core fixed income	1.40%
Intermediate Inv. Grade Corp.	1.40%
High Yield	2.50%
Emerging debt	2.40%
Cash	-0.30%
Total net blended return, excluding 2.5% inflation assumption	<u>3.86%</u>
Long-term expected rate of return, including inflation	<u>6.36%</u>

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE M - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based upon the Plan's current target investment allocation and the associated long-term expected investment returns for its asset classes, the Plan's long-term returns may be less than its actuarial discount rate assumption used to determine its pension liability. This may result in future increased total and net pension liability. The actuary recommends that the governing body explore the costs of lowering the actuarial assumed investment rate of return going forward to be more consistent with the Plan's anticipated investment returns.

**Changes in Assumptions** - In 2021, the interest rate assumption was lowered from 7.5% to 7.0% per annum and the mortality assumption was changed from the RP-2000 Table projected to 2017 using Scale AA to the PubS-2010.

**Changes in the Net Pension Liability (Asset)**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at December 31, 2020	\$ 22,988,647	\$ 23,255,365	\$ (266,718)
Changes for the year			
Service cost	396,332	-	396,332
Interest	1,666,960	-	1,666,960
Differences between expected and actual experience	16,012	-	16,012
Changes of assumptions	1,311,900	-	1,311,900
Contributions			
Employer	-	867,039	(867,039)
Member	-	139,364	(139,364)
Net investment income	-	3,057,001	(3,057,001)
Benefit payments	(1,798,343)	(1,798,343)	-
Net changes	<u>1,592,861</u>	<u>2,265,061</u>	<u>(672,200)</u>
Balances at December 31, 2021	\$ <u>24,581,508</u>	\$ <u>25,520,426</u>	\$ <u>(938,918)</u>

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE M - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN) (Continued)**

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability (asset)	\$ 1,156,567	\$ (938,918)	\$ (2,759,515)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - For the year ended December 31, 2021, the Township recognized pension expense of (\$608,362). At December 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 397,154
Changes in assumptions	1,090,960	-
Net difference between projected and actual earnings on pension plan investments	-	2,785,142
	<u>\$ 1,090,960</u>	<u>\$ 3,182,296</u>

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

Year Ending <u>December 31,</u>	
2022	\$ (651,590)
2023	(1,044,763)
2024	(384,942)
2025	(33,518)
2026	23,477
Thereafter	-

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

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**NOTE N - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)**

**Summary of Significant Accounting Policies** - Police Pension Plan investments are carried at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value. Financial information of the Township’s Police Pension Plan is presented on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due as required by the Act. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

**Plan Description**

**Plan Administration** - The Township of Bensalem Police Pension Plan is a single-employer defined benefit pension plan covering the full-time police officers. The Plan was established January 1, 1971 and restated by Ordinance No. 2004-07, as amended effective July 27, 2004. The Plan is governed by the Council of the Township of Bensalem, which may amend Plan provisions, and which is responsible for the management of Plan assets. The Council has delegated the authority to manage certain Plan assets to PFM Asset Management, LLC.

**Plan Membership** - As of January 1, 2021, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	100
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	<u>96</u>
	<u><u>203</u></u>

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

**Eligibility Requirements:**

- Normal retirement: If hired before January 1, 1999, age 50 and 25 years of service; if hired on or after January 1, 1999, age 55 and 25 years of service.
- Early Retirement: 20 years of service (Act 24)
- Vesting: 100% after the completion of 12 years of vesting service

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE N - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

Retirement Benefit: Monthly benefit equal to 50% of gross pay averaged over the final 36 months of employment, plus an additional \$25 per year of service over 25 years up to a maximum of \$100 per month.

Survivor Benefit: Post-retirement - 50% of retirement benefit; Vested - refund of contributions with interest or 50% of vested benefit payable beginning at officer's super-annuation retirement date.

Disability Benefit Service Related: For total and permanent disablement - If hired before January 1, 1994, a monthly benefit equal to 80% of average monthly compensation. If hired on or after January 1, 1994, a monthly benefit equal to 50% of average monthly compensation. The benefit is offset by workers compensation and social security benefits.

Post Retirement Adjustments: Cost of Living Adjustment - Each January, a retiree will receive an increase in the monthly benefit equal to the percentage change in the CPI for the Philadelphia region. The total of all increases may not exceed 30% of the original benefit or 75% of compensation.

Act 44 Deferred Retirement Option Program: An active member who has met the eligibility requirements for normal retirement may elect to participate in the DROP for a period of up to 36 months.

**Contributions** - Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the minimum municipal obligation (MMO), which is based on the plan's actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The Commonwealth provides an allocation of funds, which must be used for pension funding. A financial requirement established by the MMO, which exceeds state and member contributions, must be funded by the employer.

As a condition of participation, participants are required to make contributions to the plan. Covered employees are required by statute to contribute 3.5% of their compensation to the plan. The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the plan.

In 2021, the MMO obligation for the Police Pension Plan was \$3,539,478. For the year 2021, contributions of \$4,139,478 were made by the Township.

Administrative costs, which may include, but are not limited to, investment management fees and actuarial services, are charged to the appropriate plan and funded through the MMO and/or plan earnings. On-behalf payments of fringe benefits and salaries for the Township's employees were recognized as revenues and expenditures during the year.

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE N - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

**Investments**

**Investment Policy** - The Plan’s investment policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Supervisors and Pension Board. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The Plan’s formal Investment Policy Statement which is revised periodically provides more comprehensive details on investment strategy and authorized investments. The following was the Board’s adopted asset allocation policy as of December 31, 2021:

Asset Class	Target Allocation
US Equity	42.00%
International equity	16.00%
Emerging equity	7.00%
Core fixed income	17.50%
Intermediate Inv. Grade Corp.	8.75%
High Yield	4.38%
Emerging debt	4.38%
Cash	0.00%
	100.00%

**Concentrations** - The Township does not have more than 5% of the Plan’s investments in any one single issuer.

**Rate of Return** - For the year ended December 31, 2021, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 13.19%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability of the Township** - The components of the net pension liability of the Township at December 31, 2021, were as follows:

Total pension liability	\$ 100,512,619
Plan fiduciary net position	(87,458,378)
Net pension liability	\$ 13,054,241
Plan fiduciary net position as a percentage of the total pension liability	87.0%



**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

---

**NOTE N - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

**Actuarial Assumptions** - An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2021. Update procedures were used to roll forward to the plan's fiscal plan year ending December 31, 2021. This report was based upon the Plan's actuarial assumptions, asset valuation method, and cost method as described below:

Inflation	2.25%
Salary increases	5.0% annual increase
Investment rate of return	7.0%

Mortality rates were based on the PUBS-2010 Mortality.

Due to the size of the plan, there have been no experience studies used to determine plan assumptions.

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2021, (see the plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
US Equity	5.10%
International equity	4.80%
Emerging equity	5.20%
Core fixed income	1.40%
Intermediate Inv. Grade Corp.	1.40%
High Yield	2.50%
Emerging debt	2.40%
Cash	-0.30%
 Total net blended return, excluding 2.5% inflation assumption	 <u>3.86%</u>
 Long-term expected rate of return, including inflation	 <u>6.36%</u>

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE N - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based upon the Plan's current target investment allocation and the associated long-term expected investment returns for its asset classes, the Plan's long-term returns may be less than its actuarial discount rate assumption used to determine its pension liability. This may result in future increased total and net pension liability. The actuary recommends that the governing body explore the costs of lowering the actuarial assumed investment rate of return going forward to be more consistent with the Plan's anticipated investment returns.

**Changes in Assumptions** - In 2021, the interest rate assumption was lowered from 7.5% to 7.0% per annum and the mortality assumption was changed from the RP-2000 Table projected to 2017 using Scale AA to the PubS-2010.

**Changes in the Net Pension Liability**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balances at December 31, 2020	\$ 90,364,360	\$ 76,877,771	\$ 13,486,589
Changes for the year			
Service cost	2,321,247	-	2,321,247
Interest	6,710,857	-	6,710,857
Differences between expected and actual experience	(904,495)	-	(904,495)
Changes of assumptions	6,155,910	-	6,155,910
Contributions			
Employer	-	2,767,455	(2,767,455)
State Aid	-	1,372,023	(1,372,023)
Member	-	491,698	(491,698)
Net investment income	-	10,084,691	(10,084,691)
Benefit payments	(4,135,260)	(4,135,260)	-
Net changes	<u>10,148,259</u>	<u>10,580,607</u>	<u>(432,348)</u>
Balances at December 31, 2021	\$ <u>100,512,619</u>	\$ <u>87,458,378</u>	\$ <u>13,054,241</u>

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE N - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 25,838,162	\$ 13,054,241	\$ 2,377,298

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - For the year ended December 31, 2021, the Township recognized a pension expense of \$942,088 for the Police Pension Plan. At December 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 790,280
Changes in assumptions	5,480,239	-
Net difference between projected and actual earnings on pension plan investments	-	8,968,547
	<u>\$ 5,480,239</u>	<u>\$ 9,758,827</u>

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

<u>Year Ending</u> <u>December 31,</u>	
2022	\$ (1,322,780)
2023	(2,891,233)
2024	(1,328,023)
2025	(167,369)
2026	765,790
Thereafter	665,027

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

---

**NOTE N - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

**Act 44 Deferred Retirement Option Program**

An active member who has met the eligibility requirements for normal retirement may elect to participate in the deferred retirement option program for a period of up to 36 months. The monthly pension shall be calculated as of the date of participation in the deferred retirement option program. The deferred retirement option program plan account balance is distributed to the member in a lump sum at the termination of deferred retirement option program. For the year ended December 31, 2021, there were four (4) members participating in the deferred retirement option program. The balance of the amount held by the Plan pursuant to the deferred retirement option program was \$680,279.

**NOTE O - DEFINED CONTRIBUTION PENSION PLAN (NON-UNIFORMED PENSION PLAN)**

The Bensalem Township Non-Uniformed Defined Contribution Pension Plan is a single-employer defined contribution plan covering the full time non-uniformed employees who were hired on or after January 1, 2009. The Plan is controlled by the provisions of Ordinance No. 2009-08. The Plan is governed by the Council of the Township which may amend Plan provisions, and which is responsible for the management of Plan assets. The Council has delegated authority to manage Plan assets to ICMA Retirement Corporation.

The Township will contribute into the Plan, for each eligible participant, an amount equal to 5.0% of their total compensation. Participants are required to contribute 5.0% of their compensation. In addition to the Township contribution made to Participant's account, their account will be credited annually with the pro rata share of the investment earnings or losses of the Plan. Participants who terminate for reasons other than death, disability, or retirement would not share in the allocations of contributions, earnings, or losses of the Plan. The Township, if eligible, may allocate State Aid received from the Commonwealth of Pennsylvania to the Plan. Forfeitures due to non-vested terminations are to be used to reduce the Township's contribution to the Plan. To the extent that these fundings are not adequate to cover the Township's obligation to the Plan, the Township would then be required to contribute. The Township's contributions to the Plan were \$183,219 for the year ended December 31, 2021.

For the year ending December 31, 2021, the Non-Uniformed Defined Contribution Pension Plan consisted of the following:

Inactive plan members currently receiving benefits	-
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	52
	<hr style="width: 100%;"/>
	52
	<hr style="width: 100%;"/>

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

---

**NOTE O - DEFINED CONTRIBUTION PENSION PLAN (NON-UNIFORMED PENSION PLAN)**  
**(Continued)**

Participants have a nonforfeitable right to all of the portion of their account attributable to their contributions. Employer contributions vest in accordance with the following schedule based on years of service with the Township:

<u>Full Years of Service</u>	<u>% Vested</u>
Less than five (5) years	0%
5 or more	100%

Reconciliation of members' contributions is as follows:

Members' contributions deposited for 2021	\$ 190,462
Less members' contributions deducted from members' salaries	<u>(190,462)</u>
	<u>\$ -</u>

**NOTE P - POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS (POLICE OPEB PLAN)**

**Plan Descriptions and Benefits Provided**

**Police OPEB Plan** - Bensalem Township's Other Post-Employment Benefits offered to Police employees and retirees is a single-employer defined benefit plan for benefits other than pension which is controlled by a collective bargaining agreement between Bensalem Township and Bensalem Township Police Benevolent Association most recently updated January 1, 2020.

**Benefit Provisions**

*Retirement Eligibility*

There are varying eligibility requirements, as follows:

- Minimum of 10 years of service and 20 years of service with no minimum age requirement.
- Minimum of 25 years of service and hired prior to 1/1/1999, minimum age of 50.
- Minimum of 25 years of service and hired on or after 1/1/1999, minimum of age 55.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE P - POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS (POLICE OPEB PLAN) (Continued)**

*Benefits*

- Coverage includes the same medical, drug, dental and vision coverages as active employees.
- Between 10 and 20 years of service, coverage is paid for 2 months at the Township's expense and 15 months at 50%.
- Between 20 and 25 years of service, coverage is paid for 16 months at the Township's expense and 20 months at 50%.
- If retire prior to 1/1/2018 with a minimum of 25 years of service and the appropriate minimum age based upon date of hire, coverage is paid for 42 months at the Township's expense and 42 months at 50%.
- If retire on or after 1/1/2018 with a minimum of 25 years of service and the appropriate minimum age based upon
- date of hire, coverage is paid for 84 months at the Township's expense.
- If the retiree has access to other coverage, the retiree is required to take it.
- If the retiree enrolls in other coverage, the Township will pay the retiree a bonus equal to 20% of the cost of Township coverage during the period in which the Township would pay 100% of the cost and 10% of the cost during the period in which the Township would pay 50% of the cost.
- After all coverage has been exhausted, retiree may continue on COBRA for 18 months at the retiree's expense.

*Spousal Coverage - Yes*

*Dependent Child Coverage - Yes, until age 26*

*Survivor Benefits - Yes*

*Permanent Disability Retirement*

- Minimum of 10 years of service. No minimum age requirement.
- If non-service related, coverage is 18 months at the Township's expense and 15 months at 50%. Retiree may then continue on COBRA for 18 months at retiree's expense.
- If service related, coverage is 36 months at the Township's expense and 20 months at 50%.
- Retiree may then continue coverage for life by paying 100% of the cost of coverage.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

---

**NOTE P - POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS (POLICE OPEB PLAN) (Continued)**

**Plan Membership**

At January 1, 2020, plan membership consisted of the following:

Inactive plan members currently receiving benefits	43
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	95
	144

**Funding Policy**

Retirees are not required to make contributions to the plan. The contribution requirements of plan members have been established and may be amended through Police Labor Contracts. The Township is accounting for these expenditures on a “pay-as-you-go” basis. The costs of administering the plans are paid by the Township.

**Assumptions**

An actuarial valuation of the total OPEB liability is performed biennially. The total OPEB liability was determined as part of an actuarial valuation at January 1, 2020. Update procedures were used to roll forward to the municipality's fiscal years ending December 31, 2021.

**Interest Rate** - 2.15%, based on S&P Municipal Bond 20 Year AA municipal bond rate.

**Salary** - 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 5% increase.

**Health Care Cost Trend Rate** - Medical costs are assumed to remain level during 2021, increase by 6.5% in 2022 and 7% in 2023 decreasing by 0.25% per year thereafter to an ultimate level of 5% per year.

**Mortality** - RP-2000 Combined Mortality Tables for Males and Females projected 17 years using Scale AA.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

---

**NOTE P - POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS (POLICE OPEB PLAN) (Continued)**

**Retirement** - Assumed to occur at normal retirement eligibility for full OPEB benefits.

**Percent of Eligible Retirees Electing Coverage in Plan** - 50% of retirees are assumed to participate in Township coverage with the other 50% assumed to have other coverage and receiving the bonus.

**Spouse Participation and Age** - 70% of all future retirees are assumed to have a spouse participating in coverage. Female spouses of future retirees are assumed to be 3 years younger than male spouses.

**Children** - 50% of retirees are assumed to have 1 child participating in coverage. It is assumed that the retiree is 35 years older than the child.

**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.

**Changes in Assumptions** - In 2021, the discount rate changed from 3.5% to 2.15%.

**Changes in the Total OPEB Liability**

	Total OPEB Liability (a)-(b)
	<u>                    </u>
Balance at December 31, 2020	\$ 11,176,661
Changes for the year	
Service cost	904,182
Interest	256,143
Benefit payments	<u>(334,397)</u>
Net changes	<u>825,928</u>
Balance at December 31, 2021	\$ <u>12,002,589</u>



**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

---

**NOTE P - POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS (POLICE OPEB PLAN) (Continued)**

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.15 percent) or 1-percentage point higher (3.15 percent) than the current discount rate:

	1% Decrease (1.15%)	Current Discount Rate (2.15%)	1% Increase (3.15%)
Total OPEB liability	\$ <u>12,876,110</u>	\$ <u>12,002,589</u>	\$ <u>11,199,493</u>

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	\$ <u>10,577,398</u>	\$ <u>12,002,589</u>	\$ <u>13,696,452</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended December 31, 2021, the Township recognized OPEB expense of \$1,255,738. At December 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 593,020
Changes in assumptions	<u>1,331,017</u>	<u>-</u>
	\$ <u>1,331,017</u>	\$ <u>593,020</u>

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

---

**NOTE P - POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS (POLICE OPEB PLAN) (Continued)**

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

<u>Year Ending</u> <u>December 31,</u>		
2022	\$	95,413
2023		95,413
2024		95,413
2025		95,413
2026		95,413
Thereafter		260,932

**NOTE Q - POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS (NON-UNIFORMED OPEB PLAN)**

**Plan Descriptions and Benefits Provided**

**Non-Uniformed OPEB Plan** - Bensalem Township's Other Post-Employment Benefits offered to Non-Uniformed employees and retirees is a single-employer defined benefit plan for benefits other than pension which is controlled by the Township of Bensalem.

**Benefit Provisions**

*Retirement Eligibility*

There are varying eligibility requirements, as follows:

- Management employees that were 100% vested as of November 25, 2002, minimum of age 50 with 10 years of service
- Non-Management employees and Management employees that were not 100% vested on November 25, 2002, minimum of age 60 with 10 years of service.

*Benefits Coverage* - Includes the same medical, drug, dental and vision coverages as active employees.

*Retirement Contribution* - Retiree must pay 100% of the premium to continue in coverage.

*Spousal Coverage* - Yes, provided 100% of the premium is paid by the retiree. Coverage ends for the spouse when the retiree becomes eligible for Medicare.

*Dependent Child Coverage* - Yes, provided 100% of the premium is paid by the retiree

*Survivor Benefits* - No

Permanent Disability Retirement - No

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

---

**NOTE Q - POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS (NON-UNIFORMED OPEB PLAN) (Continued)**

**Plan Membership**

At January 1, 2020, plan membership consisted of the following:

Inactive plan members currently receiving benefits	9
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	84
	102

**Funding Policy**

Retirees are not required to make contributions to the plan. The Township is accounting for these expenditures on a “pay-as-you-go” basis. The costs of administering the plans are paid by the Township.

**Assumptions**

An actuarial valuation of the total OPEB liability is performed biennially. The total OPEB liability was determined as part of an actuarial valuation at January 1, 2020. Update procedures were used to roll forward to the municipality's fiscal years ending December 31, 2021.

**Interest Rate** - 2.15%, based on S&P Municipal Bond 20 Year AA municipal bond rate.

**Salary** - 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 5% increase.

**Health Care Cost Trend Rate** - Medical costs are assumed to remain level during 2021, increase by 6.5% during 2022, 7% during 2023 reduced by 0.25% per year thereafter to an ultimate level of 5% per year.

**Mortality** - RP-2000 Combined Mortality Tables for Males and Females projected 17 years using Scale AA.

**Retirement** - Assumed to occur at a minimum of age 62 with 10 years of service.

**Percent of Eligible Retirees Electing Coverage in Plan** - 100% of retirees who are eligible to participate are assumed to do so.

**Spouse Participation and Age** - 40% of all future retirees are assumed to have a spouse participating in coverage. Female spouses of future retirees are assumed to be 3 years younger than male spouses.

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

**NOTE Q - POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS (NON-UNIFORMED OPEB PLAN) (Continued)**

**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.

**Changes in Assumptions** - In 2021, the discount rate changed from 3.5% to 2.15%.

**Changes in the Total OPEB Liability**

	Total OPEB Liability (a)-(b)
	<u>                    </u>
Balance at December 31, 2020	\$ 1,686,771
Changes for the year	
Service cost	136,766
Interest	38,362
Benefit payments	<u>(78,488)</u>
Net changes	<u>96,640</u>
Balance at December 31, 2021	\$ <u>1,783,411</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.15 percent) or 1-percentage point higher (3.15 percent) than the current discount rate:

	1% Decrease (1.15%)	Current Discount Rate (2.15%)	1% Increase (3.15%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total OPEB liability	\$ 1,909,815	\$ 1,783,411	\$ 1,662,918

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

---

**NOTE Q - POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS (NON-UNIFORMED OPEB PLAN) (Continued)**

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ <u>1,565,363</u>	\$ <u>1,783,411</u>	\$ <u>2,045,243</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended December 31, 2021, the Township recognized OPEB expense of \$180,130. At December 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 27,775
Changes in assumptions	<u>71,062</u>	<u>-</u>
	\$ <u>71,062</u>	\$ <u>27,775</u>

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

<u>Year Ending December 31,</u>	
2022	\$ 5,002
2023	5,002
2024	5,002
2025	5,002
2026	5,002
Thereafter	18,277

**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE R - NET POSITION/FUND BALANCES**

Net position-net investment in capital assets consists of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Land	\$ 15,420,521	\$ 11,537,195
Construction in progress	5,204,568	-
Other capital assets net of accumulated depreciation	39,713,820	2,997,953
Less related long-term debt outstanding, less unspent portion	<u>(28,057,054)</u>	<u>(9,019,361)</u>
TOTAL INVESTED IN CAPITAL ASSETS	<u>\$ 32,281,855</u>	<u>\$ 5,515,787</u>

Net position of the Bensalem Country Club (Business-Type Activities) includes amounts paid by the Township on behalf of the Country Club for debt service. These amounts are recorded annually as transfers on the statement of revenues, expenses and changes in fund net position as follows:

Principal Debt Payments for the Year Ended <u>December 31,</u>	
2012	\$ 189,000
2013	313,400
2014	323,400
2015	343,400
2016	351,000
2017	959,800
2018	978,200
2019	998,600
2020	1,018,000
2021	<u>1,039,000</u>
	<u>\$ 6,513,800</u>

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE R - NET POSITION/FUND BALANCES (Continued)**

Fund Balance categories and classifications are based on the definitions as determined by GASB 54 as follows:

	General Fund	Capital Trust	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Fund balances						
Nonspendable	\$ 426,512	\$ -	\$ -	\$ -	\$ 30,525	\$ 457,037
Restricted for						
Street lights	-	-	-	-	1,207,276	1,207,276
Fire protection	-	-	-	-	36,792	36,792
Emergency response	-	-	-	-	22,064	22,064
Township road maintenance	-	-	-	-	497,644	497,644
Impact fees	-	-	-	-	666,365	666,365
Parks and recreation	-	-	-	-	2,191,256	2,191,256
Public safety	-	-	-	-	259,925	259,925
Community initiative	-	-	-	-	113,596	113,596
Community, municipal and public safety improvements and projects	-	-	-	-	65,256	65,256
Heavy duty machinery purchases	-	-	-	-	370,410	370,410
Committed to						
Capital projects	-	-	-	3,620,968	-	3,620,968
Community, municipal and public safety improvements and projects	-	-	-	-	2,019,600	2,019,600
Assigned	-	49,147,401	46,816	-	-	49,194,217
Unassigned	23,658,371	-	-	-	-	23,658,371
<b>TOTAL FUND BALANCES</b>	<b>\$ 24,084,883</b>	<b>\$ 49,147,401</b>	<b>\$ 46,816</b>	<b>\$ 3,620,968</b>	<b>\$ 7,480,709</b>	<b>\$ 84,380,777</b>

## **REQUIRED SUPPLEMENTARY INFORMATION**



**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 13,298,900	\$ 13,298,900	\$ 13,745,636	\$ 446,736
Real estate taxes	7,500,000	7,500,000	7,527,204	27,204
Business taxes	4,825,000	4,825,000	4,107,597	(717,403)
Earned income taxes	16,100,000	16,100,000	20,607,982	4,507,982
Real estate transfer tax	2,000,000	2,000,000	2,756,299	756,299
Departmental charges	1,788,000	1,788,000	1,945,260	157,260
Cable fees	1,200,000	1,200,000	1,157,187	(42,813)
Licenses and permits	1,339,500	1,339,500	1,324,141	(15,359)
Fines	374,000	374,000	350,036	(23,964)
Interest - other	205,000	205,000	353,358	148,358
Other	378,000	378,000	654,490	276,490
<b>TOTAL REVENUES</b>	<b>49,008,400</b>	<b>49,008,400</b>	<b>54,529,190</b>	<b>5,520,790</b>
<b>EXPENDITURES</b>				
General government	1,845,200	1,845,200	1,332,799	512,401
Finance	908,700	908,700	844,601	64,099
Tax collection	676,400	676,400	867,434	(191,034)
Fire and rescue	1,827,900	1,827,900	1,523,416	304,484
Planning and development	2,442,200	2,442,200	1,947,070	495,130
Police	33,170,500	33,170,500	29,633,237	3,537,263
Public works - building	867,000	867,000	705,498	161,502
Public works - highway	3,929,300	3,929,300	3,257,111	672,189
Judgements and losses	250,000	250,000	40,177	209,823
Debt service				
Principal	37,000	37,000	171,647	(134,647)
Interest	5,300	5,300	66,169	(60,869)
Other	1,177,800	1,177,800	464,752	713,048
<b>TOTAL EXPENDITURES</b>	<b>47,137,300</b>	<b>47,137,300</b>	<b>40,853,911</b>	<b>6,283,389</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>1,871,100</b>	<b>1,871,100</b>	<b>13,675,279</b>	<b>11,804,179</b>
<b>OTHER NONOPERATING EXPENDITURES</b>				
Homeowners' assistance program	4,500,000	4,500,000	4,405,575	94,425
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	892,500	892,500	991,725	99,225
Transfers out	(7,340,000)	(7,340,000)	(5,340,000)	2,000,000
Proceeds from sale of capital assets	-	-	65,272	65,272
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(6,447,500)</b>	<b>(6,447,500)</b>	<b>(4,283,003)</b>	<b>2,164,497</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(9,076,400)</b>	<b>(9,076,400)</b>	<b>4,986,701</b>	<b>14,063,101</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>19,098,182</b>	<b>19,098,182</b>	<b>19,098,182</b>	<b>-</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 10,021,782</b>	<b>\$ 10,021,782</b>	<b>\$ 24,084,883</b>	<b>\$ 14,063,101</b>

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**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS - POLICE PENSION PLAN**  
**LAST TEN FISCAL YEARS\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 2,321,247	\$ 2,044,241	\$ 1,946,896	\$ 1,935,663
Interest	6,710,857	6,446,914	6,135,301	5,844,481
Changes for experience	(904,495)	-	140,692	-
Changes of assumptions	6,155,910	-	-	-
Benefit payments, including refunds of member contributions	<u>(4,135,260)</u>	<u>(4,082,814)</u>	<u>(3,966,599)</u>	<u>(4,142,340)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	10,148,259	4,408,341	4,256,290	3,637,804
Total pension liability, beginning	<u>90,364,360</u>	<u>85,956,019</u>	<u>81,699,729</u>	<u>78,061,925</u>
TOTAL PENSION LIABILITY, ENDING	<u>\$ 100,512,619</u>	<u>\$ 90,364,360</u>	<u>\$ 85,956,019</u>	<u>\$ 81,699,729</u>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 2,767,455	\$ 2,921,270	\$ 1,885,966	\$ 2,473,670
Contributions - state aid	1,372,023	1,363,902	1,459,342	908,771
Contributions - member	491,698	456,998	449,140	453,673
Net investment income	10,084,691	10,648,672	11,778,703	(2,936,051)
Benefit payments, including refunds of member contributions	<u>(4,135,260)</u>	<u>(4,082,814)</u>	<u>(3,966,599)</u>	<u>(4,142,340)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	10,580,607	11,308,028	11,606,552	(3,242,277)
Plan net position, beginning	<u>76,877,771</u>	<u>65,569,743</u>	<u>53,963,191</u>	<u>57,205,468</u>
PLAN NET POSITION, ENDING	<u>\$ 87,458,378</u>	<u>\$ 76,877,771</u>	<u>\$ 65,569,743</u>	<u>\$ 53,963,191</u>
TOWNSHIP'S NET PENSION LIABILITY	<u>\$ 13,054,241</u>	<u>\$ 13,486,589</u>	<u>\$ 20,386,276</u>	<u>\$ 27,736,538</u>
PLAN NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>87.0%</u>	<u>85.1%</u>	<u>76.3%</u>	<u>66.1%</u>
COVERED PAYROLL	<u>\$ 12,000,000</u>	<u>\$ 13,206,080</u>	<u>\$ 12,864,746</u>	<u>\$ 12,196,264</u>
TOWNSHIP'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>108.8%</u>	<u>102.1%</u>	<u>158.5%</u>	<u>227.4%</u>

**NOTES TO SCHEDULE**

In 2015, the mortality assumption was changed from the RP-2000 Table to the RP-2000 Table projected to 2015 using Scale AA. In 2017, the mortality assumption was changed from the RP-2000 Table projected to 2015 to the RP-2000 Table projected to 2017 using Scale AA. In 2021, the interest rate assumption was lowered from 7.5% to 7.0% per annum and the mortality assumption was changed from the RP-2000 Table projected to 2017 using Scale AA to the PubS-2010.

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	1,843,489	\$ 1,809,420	\$ 1,723,257	\$ 1,588,461
	5,574,411	5,309,824	5,050,203	4,711,748
	(245,317)	-	(148,312)	-
	197,001	-	1,410,863	-
	<u>(3,675,944)</u>	<u>(3,478,377)</u>	<u>(3,317,649)</u>	<u>(3,051,986)</u>
	3,693,640	3,640,867	4,718,362	3,248,223
	<u>74,368,285</u>	<u>70,727,418</u>	<u>66,009,056</u>	<u>62,760,833</u>
\$	<u><u>78,061,925</u></u>	<u><u>74,368,285</u></u>	<u><u>70,727,418</u></u>	<u><u>66,009,056</u></u>
\$	1,750,318	\$ 1,774,973	\$ 1,041,474	\$ 1,048,468
	890,121	860,154	1,140,963	1,126,950
	312,542	292,269	284,708	280,962
	8,489,609	3,012,605	440,522	3,230,372
	<u>(3,675,944)</u>	<u>(3,478,377)</u>	<u>(3,317,649)</u>	<u>(3,051,986)</u>
	7,766,646	2,461,624	(409,982)	2,634,766
	<u>49,438,822</u>	<u>46,977,198</u>	<u>47,387,180</u>	<u>44,752,414</u>
\$	<u><u>57,205,468</u></u>	<u><u>49,438,822</u></u>	<u><u>46,977,198</u></u>	<u><u>47,387,180</u></u>
\$	<u><u>20,856,457</u></u>	<u><u>24,929,463</u></u>	<u><u>23,750,220</u></u>	<u><u>18,621,876</u></u>
	<u>73.3%</u>	<u>66.5%</u>	<u>66.4%</u>	<u>71.8%</u>
\$	<u><u>11,449,882</u></u>	<u><u>11,409,516</u></u>	<u><u>11,243,376</u></u>	<u><u>11,185,130</u></u>
	<u>182.2%</u>	<u>218.5%</u>	<u>211.2%</u>	<u>166.5%</u>

**TOWNSHIP OF BENSLEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS - NON-UNIFORMED PENSION PLAN**  
**LAST TEN FISCAL YEARS\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 396,332	\$ 430,394	\$ 409,899	\$ 484,796
Interest	1,666,960	1,659,792	1,599,707	1,522,155
Changes for experience	16,012	-	5,047	-
Changes of assumptions	1,311,900	-	-	-
Benefit payments, including refunds of member contributions	<u>(1,798,343)</u>	<u>(1,603,411)</u>	<u>(854,531)</u>	<u>(951,623)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	1,592,861	486,775	1,160,122	1,055,328
Total pension liability, beginning	<u>22,988,647</u>	<u>22,501,872</u>	<u>21,341,750</u>	<u>20,286,422</u>
TOTAL PENSION LIABILITY, ENDING	<u>\$ 24,581,508</u>	<u>\$ 22,988,647</u>	<u>\$ 22,501,872</u>	<u>\$ 21,341,750</u>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 867,039	\$ 867,038	\$ 744,580	\$ 309,386
Contributions - state aid	-	-	-	430,964
Contributions - member	139,364	138,993	145,987	151,469
Net investment income	3,057,001	3,266,275	3,793,622	(1,022,354)
Benefit payments, including refunds of member contributions	<u>(1,798,343)</u>	<u>(1,603,411)</u>	<u>(854,531)</u>	<u>(951,623)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	2,265,061	2,668,895	3,829,658	(1,082,158)
Plan net position, beginning	<u>23,255,365</u>	<u>20,586,470</u>	<u>16,756,812</u>	<u>17,838,970</u>
PLAN NET POSITION, ENDING	<u>\$ 25,520,426</u>	<u>\$ 23,255,365</u>	<u>\$ 20,586,470</u>	<u>\$ 16,756,812</u>
TOWNSHIP'S NET PENSION LIABILITY	<u>\$ (938,918)</u>	<u>\$ (266,718)</u>	<u>\$ 1,915,402</u>	<u>\$ 4,584,938</u>
PLAN NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>103.8%</u>	<u>101.2%</u>	<u>91.5%</u>	<u>78.5%</u>
COVERED PAYROLL	<u>\$ 3,273,552</u>	<u>\$ 3,421,150</u>	<u>\$ 3,802,362</u>	<u>\$ 3,768,072</u>
TOWNSHIP'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>-28.7%</u>	<u>-7.8%</u>	<u>50.4%</u>	<u>121.7%</u>

**NOTES TO SCHEDULE**

In 2015, the mortality assumption was changed from the RP-2000 Table to the RP-2000 Table projected to 2015 using Scale AA. In 2017, the mortality assumption was changed from the RP-2000 Table projected to 2015 to the RP-2000 Table projected to 2017 using Scale AA. In 2021, the interest rate assumption was lowered from 7.5% to 7.0% per annum and the mortality assumption was changed from the RP-2000 Table projected to 2017 using Scale AA to the PubG-2010.

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	461,710	\$ 584,305	\$ 556,481	\$ 665,300
	1,459,261	1,524,353	1,457,762	1,366,664
	(1,506,207)	-	(279,340)	-
	32,510	-	237,345	-
	<u>(1,259,294)</u>	<u>(1,501,234)</u>	<u>(807,141)</u>	<u>(525,878)</u>
	(812,020)	607,424	1,165,107	1,506,086
	<u>21,098,442</u>	<u>20,491,018</u>	<u>19,325,911</u>	<u>17,819,825</u>
\$	<u><u>20,286,422</u></u>	<u><u>21,098,442</u></u>	<u><u>20,491,018</u></u>	<u><u>19,325,911</u></u>
\$	442,051	\$ 486,658	\$ 897,482	\$ 905,234
	435,884	373,496	-	-
	161,205	166,133	181,063	189,392
	2,611,388	1,057,890	126,350	941,651
	<u>(1,259,294)</u>	<u>(1,501,234)</u>	<u>(807,141)</u>	<u>(525,878)</u>
	2,391,234	582,943	397,754	1,510,399
	<u>15,447,736</u>	<u>14,864,793</u>	<u>14,467,039</u>	<u>12,956,640</u>
\$	<u><u>17,838,970</u></u>	<u><u>15,447,736</u></u>	<u><u>14,864,793</u></u>	<u><u>14,467,039</u></u>
\$	<u><u>2,447,452</u></u>	<u><u>5,650,706</u></u>	<u><u>5,626,225</u></u>	<u><u>4,858,872</u></u>
	<u>87.9%</u>	<u>73.2%</u>	<u>72.5%</u>	<u>74.9%</u>
\$	<u><u>4,125,594</u></u>	<u><u>4,478,150</u></u>	<u><u>4,586,758</u></u>	<u><u>4,679,320</u></u>
	<u>59.3%</u>	<u>126.2%</u>	<u>122.7%</u>	<u>103.8%</u>

**TOWNSHIP OF BENSLEM  
BUCKS COUNTY, PENNSYLVANIA  
SCHEDULE OF PENSION CONTRIBUTIONS  
POLICE PENSION PLAN  
LAST TEN FISCAL YEARS\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 3,539,478	\$ 3,685,171	\$ 3,345,308	\$ 3,382,441
Contributions made	<u>4,139,478</u>	<u>4,285,172</u>	<u>3,345,308</u>	<u>3,382,441</u>
Contribution deficiency (excess)	<u>\$ (600,000)</u>	<u>\$ (600,001)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 12,000,000</u>	<u>\$ 13,206,080</u>	<u>\$ 12,864,746</u>	<u>\$ 12,196,264</u>
Contributions as a percentage of covered payroll	<u>34.50%</u>	<u>32.45%</u>	<u>26.00%</u>	<u>27.73%</u>

**NOTES TO SCHEDULE**

Actuarially determined contribution rates are calculated based on the plan's most recent available Act 205 actuarial valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial valuation date	1/1/2021	1/1/2019
Actuarial cost method	Entry age	Entry age
Amortization method	Level dollar	Level dollar
Remaining amortization period	11 years	12 years
Asset valuation method	Market Value	Smoothing per Section 210(a) of Act 44
Salary increases	5.00%	5.00%
Investment rate of return	7.00%	7.50%
Mortality	PUBS-2010 Mortality	RP-2000 Table projected to 2017 using Scale AA
inflation	2.25%	2.25%

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 2,640,439	\$ 2,635,127	\$ 2,182,437	\$ 2,175,418
<u>2,640,439</u>	<u>2,635,127</u>	<u>2,182,437</u>	<u>2,175,418</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ <u>11,449,882</u>	\$ <u>11,409,516</u>	\$ <u>11,243,376</u>	\$ <u>11,185,130</u>
<u>23.06%</u>	<u>23.10%</u>	<u>19.41%</u>	<u>19.45%</u>

1/1/2017  
Entry age  
Level dollar  
14 years  
Smoothing per Section  
210(a) of Act 44  
5.00%  
7.50%  
RP-2000 Table projected  
to 2017 using Scale AA  
2.25%

1/1/2015  
Entry age  
Level dollar  
15 years  
Smoothing per Section  
210(a) of Act 44  
5.00%  
7.50%  
RP-2000 Table projected  
to 2015 using Scale AA  
2.25%

1/1/2013  
Entry age  
Level dollar  
16 years  
Smoothing per Section  
210(a) of Act 44  
5.00%  
7.50%  
RP-2000 Table  
2.25%



**TOWNSHIP OF BENSALEM**  
**BUCKS COUNTY, PENNSYLVANIA**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**NON-UNIFORMED PENSION PLAN**  
**LAST TEN FISCAL YEARS\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 429,258	\$ 867,039	\$ 744,580	\$ 740,350
Contributions made	<u>867,039</u>	<u>867,039</u>	<u>744,580</u>	<u>740,350</u>
Contribution deficiency (excess)	<u>\$ (437,781)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 3,273,552</u>	<u>\$ 3,421,150</u>	<u>\$ 3,802,362</u>	<u>\$ 3,768,072</u>
Contributions as a percentage of covered payroll	<u>26.49%</u>	<u>25.34%</u>	<u>19.58%</u>	<u>19.65%</u>

**NOTES TO SCHEDULE**

Actuarially determined contribution rates are calculated based on the plan's most recent available Act 205 actuarial valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial valuation date	1/1/2021	1/1/2019
Actuarial cost method	Entry age	Entry age
Amortization method	Level dollar	Level dollar
Remaining amortization period	11 years	10 years
Asset valuation method	Market Value	Smoothing per Section 210(a) of Act 44
Salary increases	5.00%	5.00%
Investment rate of return	7.00%	7.50%
Mortality	PUBS-2010	RP-2000 Table projected to 2017 using Scale AA
Inflation	2.25%	2.25%

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<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 877,935	\$ 860,156	\$ 897,482	\$ 905,234
<u>877,935</u>	<u>860,156</u>	<u>897,482</u>	<u>905,234</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ <u>4,125,594</u>	\$ <u>4,478,150</u>	\$ <u>4,566,758</u>	\$ <u>4,679,320</u>
<u>21.28%</u>	<u>19.21%</u>	<u>19.65%</u>	<u>19.35%</u>

1/1/2017  
 Entry age  
 Level dollar  
 3 years  
 Smoothing per Section  
 210(a) of Act 44  
 5.00%  
 7.50%  
 RP-2000 Table projected  
 to 2017 using Scale AA  
 2.25%

1/1/2015  
 Entry age  
 Level dollar  
 6 years  
 Smoothing per Section  
 210(a) of Act 44  
 5.00%  
 7.50%  
 RP-2000 Table projected  
 to 2015 using Scale AA  
 2.25%

1/1/2013  
 Entry age  
 Level dollar  
 9 years  
 Smoothing per Section  
 210(a) of Act 44  
 5.00%  
 7.50%  
 RP-2000 Table  
 2.25%

**TOWNSHIP OF BENSALEM  
BUCKS COUNTY, PENNSYLVANIA**

**SCHEDULE OF PENSION PLAN INVESTMENT RETURNS -  
POLICE PENSION PLAN  
LAST TEN FISCAL YEARS\***

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	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	<u>13.19%</u>	<u>15.93%</u>	<u>21.86%</u>	<u>-5.13%</u>

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.

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<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>17.02%</u>	<u>6.41%</u>	<u>0.54%</u>	<u>6.89%</u>

**TOWNSHIP OF BENSLEM  
BUCKS COUNTY, PENNSYLVANIA**

**SCHEDULE OF PENSION PLAN INVESTMENT RETURNS -  
NON-UNIFORMED PENSION PLAN  
LAST TEN FISCAL YEARS\***

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	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	<u>13.15%</u>	<u>15.54%</u>	<u>22.64%</u>	<u>-5.73%</u>

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.

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<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>16.74%</u>	<u>6.58%</u>	<u>0.46%</u>	<u>5.99%</u>

**TOWNSHIP OF BENSLEM  
BUCKS COUNTY, PENNSYLVANIA**

**SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT  
BENEFIT PLAN LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>POLICE OPEB PLAN</u></b>				
TOTAL OPEB LIABILITY				
Service cost	\$ 904,182	\$ 861,126	\$ 637,943	\$ 607,565
Interest	256,143	239,230	327,544	305,279
Changes for experience	-	(746,359)	-	-
Changes of assumptions	-	1,675,182	-	-
Benefit payments, including refunds of member contributions	<u>(334,397)</u>	<u>(379,097)</u>	<u>(318,754)</u>	<u>(295,353)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	825,928	1,650,082	646,733	617,491
Total OPEB liability, beginning	<u>11,176,661</u>	<u>9,526,579</u>	<u>8,879,846</u>	<u>8,262,355</u>
TOTAL OPEB LIABILITY, ENDING	<u>\$ 12,002,589</u>	<u>\$ 11,176,661</u>	<u>\$ 9,526,579</u>	<u>\$ 8,879,846</u>
COVERED PAYROLL	<u>\$ 11,604,014</u>	<u>\$ 11,051,441</u>	<u>\$ 13,593,927</u>	<u>\$ 12,946,597</u>
TOWNSHIP'S TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>103.4%</u>	<u>101.1%</u>	<u>70.1%</u>	<u>68.6%</u>
<b><u>NON-UNIFORMED OPEB PLAN</u></b>				
TOTAL OPEB LIABILITY				
Service cost	\$ 136,766	\$ 130,253	\$ 104,790	\$ 99,800
Interest	38,362	36,345	53,752	51,137
Changes for experience	-	(34,194)	-	-
Changes of assumptions	-	87,485	-	-
Benefit payments, including refunds of member contributions	<u>(78,488)</u>	<u>(80,102)</u>	<u>(85,098)</u>	<u>(77,336)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	96,640	139,787	73,444	73,601
Total OPEB liability, beginning	<u>1,686,771</u>	<u>1,546,984</u>	<u>1,473,540</u>	<u>1,399,939</u>
TOTAL OPEB LIABILITY, ENDING	<u>\$ 1,783,411</u>	<u>\$ 1,686,771</u>	<u>\$ 1,546,984</u>	<u>\$ 1,473,540</u>
COVERED PAYROLL	<u>\$ 6,378,351</u>	<u>\$ 6,074,620</u>	<u>\$ 6,651,176</u>	<u>\$ 6,334,453</u>
TOWNSHIP'S TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>28.0%</u>	<u>27.8%</u>	<u>23.3%</u>	<u>23.3%</u>

\*This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown.