

**UPPER SOUTHAMPTON TOWNSHIP
BUCKS COUNTY, PENNSYLVANIA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Upper Southampton Township
Southampton, Pennsylvania

Opinions

Adverse, Qualified, and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Upper Southampton Township, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Upper Southampton Township's basic financial statements as listed in the table of contents.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of Upper Southampton Township, as of and for the year ended December 31, 2024, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion on Aggregate Remaining Fund Information

In our opinion, except for the matter described in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Upper Southampton Township, as of and for the year ended December 31, 2024, and the 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.

Unmodified Opinions on Governmental Activities and Each Major Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Upper Southampton Township, as of and for the year ended December 31, 2024, 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 Adverse, Qualified, and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Upper Southampton Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, qualified, and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units and Qualified Opinion on the Aggregate Remaining Fund Information.

The financial statements do not include financial data for Upper Southampton Township's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of Upper Southampton Township's primary government unless Upper Southampton Township also issues financial statements for the financial reporting entity that include the financial data for its component units. Upper Southampton Township has not issued such reporting entity financial statements. The effects of not including the Upper Southampton Township's legally separate component units on the aggregate discretely presented component units and the aggregate remaining fund information have not been determined.

Emphasis of Matter-Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Township implemented to the provisions of Governmental Accounting Standards Board Statements No. 100, *Accounting Changes and Error Corrections*, and No. 101, *Compensated Absences*, for the year ended December 31, 2024, which represents changes in accounting principles. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Bee, Bergvall & Co.

Bee, Bergvall and Company, P.C.
Certified Public Accountants

Warrington, PA
January 28, 2026

UPPER SOUTHAMPTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

This is the Management Discussion and Analysis (MDA) section. The objective of the MDA is to “enhance the understandability and usefulness of the general purpose financial reports of state and local governments to the citizenry, legislative and oversight bodies, and investors and creditors.” It is a discussion of the municipality’s financial performance during the year that ended on December 31, 2024.

FINANCIAL HIGHLIGHTS (OVERVIEW):

There are several “Financial Highlights” that can be identified in 2024. Those that are of the greatest significance include:

GOVERNMENT-WIDE STATEMENTS (Full Accrual):

- Total assets have decreased over last year from \$23.8 million in 2023 to \$23.1 million in 2024. This represents a 2.9% decrease during the identified time period.
- Total liabilities have decreased from \$8.4 million in 2023 to \$5.9 million in 2024. This represents a 28.9% decrease during the identified time period.
- Net Position decreased from \$16.3 million in 2023 to \$15.6 million in 2024. The amount represents a 4.5% decrease from the prior year.

FUND FINANCIAL STATEMENTS (Modified Accrual):

- Total revenues (not including other financing sources) decreased from \$15.5 million in 2023 to \$15.2 million in 2024. This amount represents a decrease of 2.0%.
- Total expenditures (not including other financing uses) increased from \$15.7 million in 2023 to \$16.7 million in 2024. This represents an increase of 6.3%.
- The ending fund balance decreased from \$10.5 million in 2023 to \$9.0 million in 2024. This represents a decrease of approximately 14.5%.

UPPER SOUTHAMPTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two kinds of financial statements that present distinctly different views of the Township:

- The first two statements are *Government-Wide Financial Statements* that provide both long-term and short-term information about the municipality's overall financial status.
- The remaining statements are *Fund Financial Statements* that focus on individual parts of the municipality, reporting its operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services like police and parks were financed in the short term as well as what remains for future spending.

Fiduciary fund statements include notes that explain some of the financial statement information and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statement information.

GOVERNMENT-WIDE STATEMENTS (Full Accrual):

The government-wide statements report information about the municipality as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

These two statements report the municipality's net position and how it has changed. Net position, the difference between the municipality's assets and deferred outflows of resources and its liabilities and deferred inflows of resources, is one way to measure the municipality's financial health or position.

- Over time, increases or decreases in the municipality's net position is an indicator of whether its financial health is improving or deteriorating. Recent history has shown that municipal assets are increasing, and there are several reasons that explain this trend including capitalization of expenses, and inflation pressures.

To assess the overall health of the municipality you need to consider additional non-financial factors such as changes in the municipality's property tax base and the condition of the municipality's roads.

UPPER SOUTHAMPTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

FUND FINANCIAL STATEMENTS (Modified Accrual):

The fund financial statements provide detailed information about the municipality's most significant funds - not the municipality as a whole.

- Some funds are required by state law and by bond covenants.
- The Upper Southampton Board of Supervisors establishes other funds to control and manage money for particular purposes (like open space purchases) or to show that it is properly using certain taxes.

The municipality has two kinds of funds:

- Governmental funds - Most of the municipality's basic services are included in governmental funds, which focus on how cash and other financial assets that can readily be converted to cash flow in and out and on the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance municipal programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we describe the relationship (or difference) between them at the bottom of the governmental fund statements.
- Fiduciary funds - The municipality is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The municipality is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the municipality's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the municipalities-wide statements because the municipality cannot use these assets to finance its operations.

UPPER SOUTHAMPTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net Position. The municipality's combined governmental activities net position decreased from a year-ago. It decreased by \$.7 million to \$15.6 million in 2024. This decrease represents a 4.5% decrease from the prior year, and is due to various Township Projects being completed. Note that Upper Southampton Township only reports government-type activities. It does not record business-type activities.

There are two types of asset categories. The two asset categories are "restricted assets" and "unrestricted assets." Restricted assets are limited as to the type of governmental activity they can be used for, or they are invested in capital assets (buildings, roads, bridges, etc.). Unrestricted assets, such as cash and cash equivalents, can readily be converted to services or products.

Changes in Net Position. The municipality's largest decrease in total liabilities. The decrease went from \$8.4 million to \$6.0 million, mainly due to pension market activity. Capital assets also increased slightly as continued improvements are made.

Statement of Activities. The cost of total governmental activity increased from \$14.6 million to \$15.8 million. This represented an increase of approximately 8.4%. Of the six categories identified in the annual audit, the largest increase of \$416,099 was in general government due to increased costs for equipment and supplies needed. This increase was slightly off set by a decrease of \$16,432 in solid was expenditures due to less tonnage.

As for total revenues, about sixty-one cents of every dollar raised comes from some type of tax. Another thirty-four cents of every dollar comes from charges for services and from intergovernmental revenue. Real Estate Taxes remained fairly stable between years.

UPPER SOUTHAMPTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

Government-wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of Upper Southampton Township finances in a manner similar to private-sector reporting.

The Statement of Net Position (on page 15) presents information on all Township assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating. The following table reflects the condensed statement of net position:

Table 1
Statement of Net Position

	<u>2024</u>	<u>2023</u> restated
Current and other assets	\$ 10,421,300	\$ 11,613,426
Capital assets	<u>12,721,187</u>	<u>12,228,082</u>
Total Assets	<u>23,142,487</u>	<u>23,841,508</u>
 Deferred outflows	 <u>1,401,714</u>	 <u>2,447,541</u>
 Long term liabilities	 5,354,449	 7,420,442
Other liabilities	<u>637,015</u>	<u>1,000,826</u>
Total Liabilities	<u>5,991,464</u>	<u>8,421,268</u>
 Deferred inflows	 <u>2,995,586</u>	 <u>1,581,295</u>
 Net investment in capital assets	 12,076,187	 10,995,082
Restricted	161,489	379,843
Unrestricted	<u>3,319,475</u>	<u>4,911,561</u>
Total Net Position	<u>\$ 15,557,151</u>	<u>\$ 16,286,486</u>

It should be noted that the chart shows that “current and other assets” decreased by approximately \$1,192,000 from the prior year. This decrease comes from various projects completed such as Tamanend Park MS4 Project, new roofs on the Police Department and Community Center, as well as the purchasing of new vehicles Police Department and a backhoe for Public Works. Also, a second item the chart shows is that “capital assets” increased by approximately \$493 thousand for reasons previously in capital section.

The Statement of Activities (on pages 16 and 17) presents information showing how the municipality’s net position changed during the most recent fiscal year. All changes in net position are reported on the accrual basis of accounting. This accounting method records revenues and expenses as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., uncollected taxes and earned but unused sick leave).

UPPER SOUTHAMPTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

The following chart shows the revenues and expenses of the governmental activities for 2024 and 2023.

Table 2
Statements of Activities

	<u>2024</u>	<u>2023</u>
Revenues		
Program Revenues:		
Charges for services	\$ 4,079,005	\$ 4,292,210
Operating grants and contributions	1,099,622	1,106,614
Capital grants and contributions	-	481,348
General Revenues:		
Real estate	5,398,532	5,434,553
Earned income and local service tax	3,106,738	3,337,208
Other taxes	662,165	614,949
Investment earnings	467,654	245,054
Miscellaneous	253,588	170,988
Proceeds from sale of capital assets	3,145	24,165
Total Revenues	<u>15,070,449</u>	<u>15,707,089</u>
Expenses		
General government	3,935,310	3,519,211
Codes and planning	370,699	326,128
Police and emergency services	4,597,780	4,353,633
Public works	2,276,164	2,039,646
Solid waste	2,830,768	2,847,200
Park and recreation	1,789,063	1,490,637
Total Expenses	<u>15,799,784</u>	<u>14,576,455</u>
Changes in Net Position	(729,335)	1,130,634
Net Position - Beginning, restated	<u>16,286,486</u>	<u>15,155,852</u>
Net Position - Ending	<u>\$ 15,557,151</u>	<u>\$ 16,286,486</u>

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Upper Southampton Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Upper Southampton Township can be divided into two categories: governmental funds and fiduciary funds.

Government Funds - Government funds are used to account for essentially the same functions reported as government activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

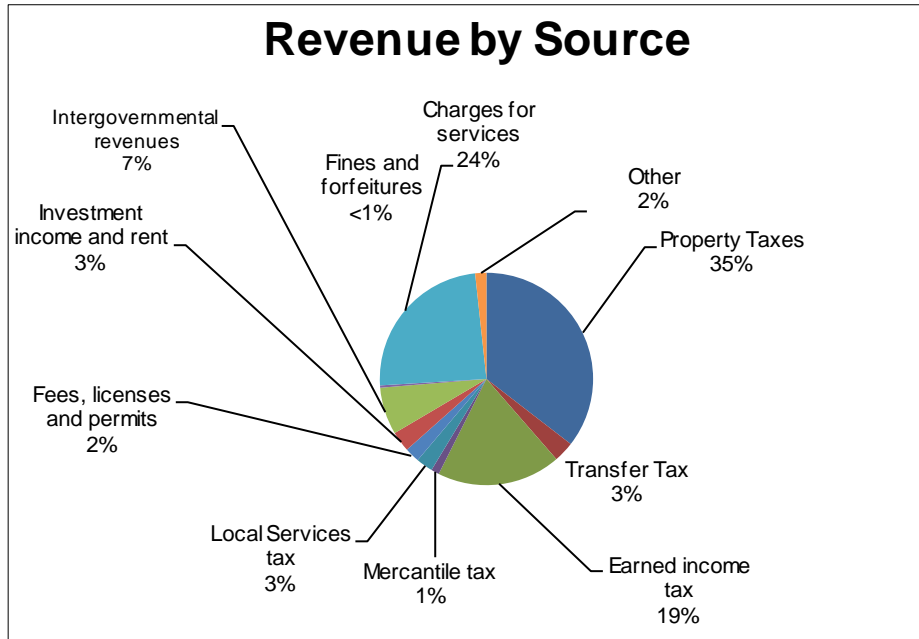
UPPER SOUTHAMPTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

Upper Southampton Township maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet (on page 18) and in the governmental fund statement of revenues, expenditures, and changes in fund balances (on page 20) for the general fund, garbage and refuse fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Reconciliations are provided (on pages 19 and 21) for the comparison of the governmental fund Balance Sheet to the government-wide Statement of Net Position and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances to the government-wide Statement of Activities. A review of these charts identifies certain prevalent themes, and among these are the following:

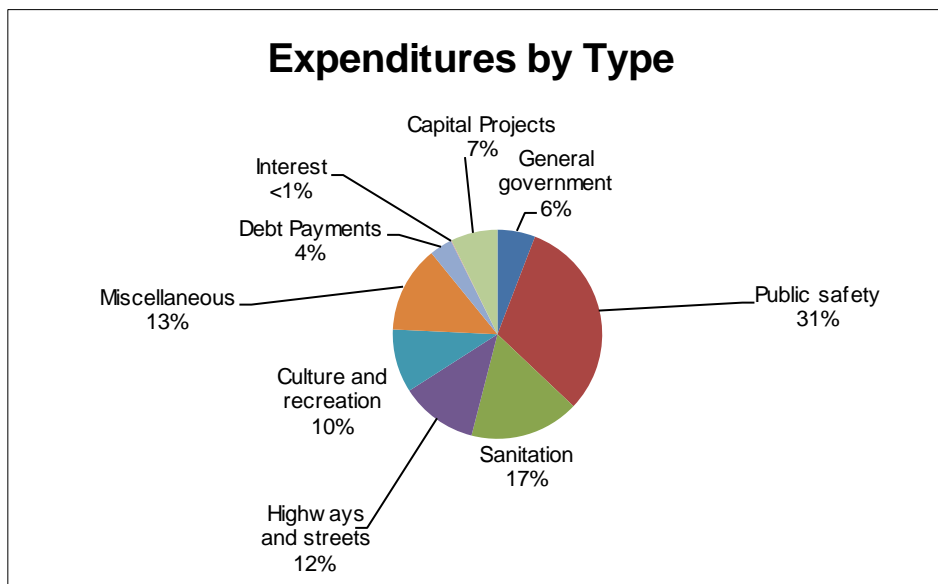
- The fund balance for all governmental funds as a whole decreased by \$1,519,000 or -14.5% from the prior year. The main explanation for this is that grant funding was down from year prior. Police and Public Works also were increased from previous year due to supply cost increase, and projects completed.
- As a whole the single greatest source of revenue is Real Estate Property tax, and it represents approximately 35.5% of all revenue. Charges for Services is the second largest source of revenue representing approximately 18.8% of all revenue. The third largest source of revenue is Earned Income Tax which represents about 18.0% of all revenue. When examined by fund, however, the percentages change greatly. For example, general fund property taxes comprise 32% of the General Fund, while Earned Income Taxes comprises about 33% of the General Fund.

Revenue, Expenditures and Changes in Fund Balance. The municipality's total revenues (excluding other financing sources) decreased by about \$312,000 from \$15.5 to \$15.2 million. The primary reason was the decrease in grant funding received in 2024. Minor changes, however, are also evidenced in other revenue categories. It is important to note that more than half of all revenues are from property taxes and trash fees.

UPPER SOUTHAMPTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024



The municipality's expenditures cover a range of services. The total cost of all programs and services increased from the prior year - \$15.7 million vs. \$16.7 million (increasing about 6.3%). Of the total amount about 31% of all expenditures were related to public safety.



UPPER SOUTHAMPTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

FINANCIAL ANALYSIS OF THE MUNICIPALITY'S FUNDING

As the municipality completed the year its governmental funds reported a combined balance of \$9.0 million.

General Fund Budgetary Highlights

- Upper Southampton Township did not amend the General Fund budget in 2024.
- General Fund actual revenues were higher than budgeted revenue amounts by \$570,000 or approximately 7.1%. The explanation for the increase is more revenue brought in for charges for service. There was a 8% increase in charges for services from prior year.
- General Fund actual expenditures deviated from budgeted expenditure amounts by \$1,099,000 due less expenditures than anticipated.
- The Township budgeted less revenue than actually received, and budgeted less expenditures than actually expended.

Garbage & Refuse Fund Budgetary Highlights

- Upper Southampton Township did not amend the Garbage & Refuse Fund budget in 2024.
- Garbage & Refuse Fund actual revenues deviated from budgeted revenue amounts by \$89,000 or approximately 3.1%. The municipality received more than budgeted.
- Garbage & Refuse Fund actual expenditures deviated from budgeted expenditure amounts by \$224,000 or 7.3%. The municipality spent less than budgeted and this is due, in large part, to less tonnage than anticipated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024 Upper Southampton Township had approximately \$12.7 million in net capital assets; this represents an investment in a broad range of capital assets: including buildings, park facilities, roads, etc. The municipality's 2024 budget provides spending for capital projects, and improving infrastructure. This includes funding for road work, storm water management, vehicle purchases, building maintenance, etc.

In 2024 the Upper Southampton Township expended \$356,461 for Tamanend Park MS4 Project, \$200,787 new roofs on the Police Department and Community Center, as well as \$140,493 for the purchasing of new vehicles Police Department and \$180,000 for a backhoe for Public Works.

At year-end Upper Southampton Township had \$645,000 in outstanding notes and bonds, a decrease of \$588,000 or 48%, from the prior year. For more detailed information about the municipality's long-term debt see Section III of the Notes Section of the Financial Statements.

UPPER SOUTHAMPTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

**MAINTAINING THE CONDITION OF UPPER SOUTHAMPTON TOWNSHIP'S
INFRASTRUCTURE**

A large portion of the Township's 2024 Budget was dedicated to maintaining the municipality's infrastructure. Upper Southampton Township will continue to work in 2025 toward the maintenance and preservation of its infrastructure.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The elected officials of Upper Southampton Township considered many factors in the process used to establish the 2025 budget. The primary factor was the economy, but underneath that umbrella were a host of influences. First, employment affects the amount of revenue generated by the earned income tax, and the earned income tax represents 30% of General Fund revenue, and 18% of all Township revenue. Second, property values affect the amount of revenue generated by the real estate tax, and the real estate tax represents approximately 35% of General Fund revenue. Third, building construction affects the amount of revenue generated by permits, escrow administration, and real estate taxes. Other influences include the economy, consumer confidence which impacts mercantile taxes, amounts of discretionary income which impacts cable television fees, interest rates which affect such varied revenue sources as contractor registrations, and real estate transfers. These and other influences are monitored throughout the budget cycle, and will continue to be gauged in future years.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

If you have any questions about this report or need additional municipal financial information, contact Kristin Smith, Finance Director, at Upper Southampton Township, 939 Street Road, Southampton, PA 18966.

UPPER SOUTHAMPTON TOWNSHIP
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 8,487,591
Receivables	1,259,063
Net pension asset	674,646
Land	2,275,696
Other capital assets (net of accumulated depreciation)	<u>10,445,491</u>
Total Assets	<u>23,142,487</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Police Pension related	400,323
Non-Uniformed Pension related	231,380
OPEB related	<u>770,011</u>
Total Deferred Outflows of Resources	<u>1,401,714</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 24,544,201</u>
 LIABILITIES	
Accounts payable and other current liabilities	\$ 352,448
Interest payable	567
Non-current liabilities:	
Due within one year	284,000
Due after one year	<u>5,354,449</u>
Total Liabilities	<u>5,991,464</u>
 DEFERRED INFLOWS OF RESOURCES	
Police Pension related	672,508
Non-Uniformed Pension related	499,862
OPEB related	<u>1,823,216</u>
Total Deferred Inflows of Resources	<u>2,995,586</u>
 NET POSITION	
Net investment in capital assets	12,076,187
Restricted for:	
Police and emergency services	46,487
Public works	17,415
Open space	62,669
Culture and Recreation	34,918
Unrestricted	<u>3,319,475</u>
Total Net Position	<u>15,557,151</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	 <u>\$ 24,544,201</u>

The notes to the financial statements are an integral part of this statement.

UPPER SOUTHAMPTON TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Primary Government Governmental Activities			
	Total	General Government	Codes & Planning	Police and Emergency Services
Expenses:				
Program expenses	\$ 15,175,526	\$ 3,818,904	\$ 370,699	\$ 4,477,002
Depreciation	608,578	100,726	-	120,778
Interest on debt	15,680	15,680	-	-
Total Expenses	15,799,784	3,935,310	370,699	4,597,780
Program Revenues:				
Charges for services	4,079,005	351,444	445,692	60,166
Operating grants and contributions	1,099,622	432,198	-	195,845
Capital grants and contributions	-	-	-	-
Total Program Revenues	5,178,627	783,642	445,692	256,011
Net (Expense) Revenue	(10,621,157)	(3,151,668)	74,993	(4,341,769)
General Revenues:				
Taxes:				
Real estate	5,398,532			
Transfer tax	475,139			
Earned income tax	2,720,641			
Mercantile tax	187,026			
Local services tax	386,097			
Investment earnings	467,654			
Miscellaneous	253,588			
Proceeds from sale of capital assets	3,145			
Total General Revenues	9,891,822			
Change in Net Position	(729,335)			
Net Position - Beginning	16,286,486			
Net Position - Ending	\$ 15,557,151			

Primary Government
Governmental Activities

Public Works	Solid Waste	Park & Recreation
\$ 2,041,909	\$ 2,830,768	\$ 1,636,244
234,255	-	152,819
-	-	-
<u>2,276,164</u>	<u>2,830,768</u>	<u>1,789,063</u>
82,669	2,876,013	263,021
464,997	-	6,582
-	-	-
<u>547,666</u>	<u>2,876,013</u>	<u>269,603</u>
(1,728,498)	45,245	(1,519,460)

The notes to the financial statements are an integral part of this statement.

UPPER SOUTHAMPTON TOWNSHIP
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	<u>General</u>	<u>Garbage & Refuse</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 4,618,970	\$ 994,506	\$ 2,874,115	\$ 8,487,591
Receivables				
Taxes	718,699	10,502	9,566	738,767
Accounts	81,797	-	-	81,797
Due from other funds	6,164	-	-	6,164
Total Assets	<u>\$ 5,425,630</u>	<u>\$ 1,005,008</u>	<u>\$ 2,883,681</u>	<u>\$ 9,314,319</u>
<u>LIABILITIES</u>				
Accounts payable and accrued wages	\$ 281,009	\$ 34,685	\$ 36,754	\$ 352,448
Due to other funds	-	-	6,164	6,164
Total Liabilities	<u>281,009</u>	<u>34,685</u>	<u>42,918</u>	<u>358,612</u>
<u>FUND BALANCES</u>				
Restricted for:				
Police and emergency services	-	-	46,487	46,487
Open space	-	-	62,669	62,669
Public works	-	-	17,415	17,415
Library	-	-	34,918	34,918
Committed for				
Sanitation	-	970,323	-	970,323
Park and recreation	-	-	1,022,443	1,022,443
Public works	-	-	296,833	296,833
Post employment benefits	419,756	-	-	419,756
Assigned for				
Capital projects	-	-	1,378,145	1,378,145
Public works	-	-	-	-
Unassigned	4,724,865	-	(18,147)	4,706,718
Total Fund Balances	<u>5,144,621</u>	<u>970,323</u>	<u>2,840,763</u>	<u>8,955,707</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,425,630</u>	<u>\$ 1,005,008</u>	<u>\$ 2,883,681</u>	<u>\$ 9,314,319</u>

The notes to the financial statements are an integral part of this statement.

UPPER SOUTHAMPTON TOWNSHIP
RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts reported for governmental activities in the statement of net position (page 15) are different because:

Total fund balances-total governmental funds (page 18)		\$ 8,955,707
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Capital assets used in governmental activities are not financial resources and, therefore, are reported in the funds.

Cost of capital assets	\$ 20,681,293	
Accumulated depreciation	<u>(7,960,106)</u>	12,721,187

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

356,834

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred revenues in the governmental funds and thus are not included in fund balance.

Net pension asset		674,646
RE Taxes receivable		81,665

Deferred inflows and outflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Net difference between projected and actual earnings on pension plan investments	(914,403)	
Differences between expected and actual experience on pension plan liability	(25,504)	
Change in assumptions-pension	399,240	
Differences between expected and actual experience on OPEB liability	<u>(1,053,205)</u>	(1,593,872)

Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds and notes payable	(645,000)	
Interest payable	(567)	
Net pension liability	(328,086)	
Post-retirement benefits	(3,973,952)	
Compensated absences	<u>(691,411)</u>	<u>(5,639,016)</u>

Total net position (page 15)		<u>\$ 15,557,151</u>
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The notes to the financial statements are an integral part of this statement.

UPPER SOUTHAMPTON TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>General</u>	<u>Garbage & Refuse</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes:				
Property	\$ 2,763,017	\$ -	\$ 2,633,182	\$ 5,396,199
Transfer	475,139	-	-	475,139
Earned income tax	2,853,493	-	-	2,853,493
Mercantile tax	187,026	-	-	187,026
Local services tax	386,097	-	-	386,097
Fees, licenses and permits	341,641	-	-	341,641
Investment income and rent	223,745	62,300	183,182	469,227
Intergovernmental revenues	628,043	-	464,997	1,093,040
Fines and forfeitures	53,574	-	-	53,574
Charges for services	546,906	2,879,313	263,021	3,689,240
Other	191,811	-	66,786	258,597
Total Revenues	<u>8,650,492</u>	<u>2,941,613</u>	<u>3,611,168</u>	<u>15,203,273</u>
Expenditures				
Current:				
General government	856,982	-	120,366	977,348
Public safety	4,603,309	-	619,357	5,222,666
Sanitation	-	2,830,768	-	2,830,768
Public works	929,045	-	1,067,621	1,996,666
Culture and recreation	-	-	1,639,701	1,639,701
Miscellaneous	2,242,649	-	-	2,242,649
Debt service:				
Principal	-	-	588,000	588,000
Interest	-	-	17,727	17,727
Capital projects	103,969	-	1,106,225	1,210,194
Total Expenditures	<u>8,735,954</u>	<u>2,830,768</u>	<u>5,158,997</u>	<u>16,725,719</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(85,462)</u>	<u>110,845</u>	<u>(1,547,829)</u>	<u>(1,522,446)</u>
Other Financing Sources (Uses)				
Proceeds from sale of fixed assets	3,145	-	-	3,145
Transfers in	-	-	347,500	347,500
Transfers out	<u>(252,000)</u>	<u>(30,000)</u>	<u>(65,500)</u>	<u>(347,500)</u>
Total Other Financing Sources (Uses)	<u>(248,855)</u>	<u>(30,000)</u>	<u>282,000</u>	<u>3,145</u>
Net Change in Fund Balances	(334,317)	80,845	(1,265,829)	(1,519,301)
Fund Balance - Beginning	<u>5,478,938</u>	<u>889,478</u>	<u>4,106,592</u>	<u>10,475,008</u>
Fund Balance - Ending	<u>\$ 5,144,621</u>	<u>\$ 970,323</u>	<u>\$ 2,840,763</u>	<u>\$ 8,955,707</u>

The notes to the financial statements are an integral part of this statement.

UPPER SOUTHAMPTON TOWNSHIP
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Changes in Net Position

Amounts reported for governmental activities in the statement of activities (page 16-17) are different because:

Net change in fund balances-total governmental funds (page 20) \$ (1,519,301)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 1,101,683	
Depreciation expense	<u>(608,578)</u>	493,105

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (135,969)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, 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.

Repayment of debt	588,000	
Interest payable	<u>2,047</u>	590,047

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 governmental funds.

Net pension liability and deferred items	228,427	
Post-retirement benefits	(150,856)	
Compensated absences	<u>(234,788)</u>	<u>(157,217)</u>

Change in net position of governmental activities (page 16-17) \$ (729,335)

The notes to the financial statements are an integral part of this statement.

UPPER SOUTHAMPTON TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	GENERAL FUND			Variance with Final Budget - Over (Under)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Taxes:				
Property	\$ 2,724,318	\$ 2,724,318	\$ 2,763,017	\$ 38,699
Transfer	350,000	350,000	475,139	125,139
Earned income tax	2,734,250	2,734,250	2,853,493	119,243
Mercantile tax	173,209	173,209	187,026	13,817
Local services tax	379,000	379,000	386,097	7,097
Mechanical devices tax	4,400	4,400	-	(4,400)
Fees, licenses and permits	367,000	367,000	341,641	(25,359)
Interest and rent	55,300	55,300	223,745	168,445
Intergovernmental revenues	566,133	566,133	628,043	61,910
Fines and forfeitures	53,400	53,400	53,574	174
Charges for services	429,875	429,875	546,906	117,031
Other	240,900	240,900	191,811	(49,089)
Total Revenues	<u>8,077,785</u>	<u>8,077,785</u>	<u>8,650,492</u>	<u>572,707</u>
Expenditures				
Current:				
General government	696,302	696,302	856,982	160,680
Public safety	4,404,727	4,404,727	4,603,309	198,582
Public works	2,138,211	2,138,211	929,045	(1,209,166)
Culture and recreation	-	-	-	-
Miscellaneous	2,511,256	2,511,256	2,242,649	(268,607)
Capital projects	84,900	84,900	103,969	19,069
Total Expenditures	<u>9,835,396</u>	<u>9,835,396</u>	<u>8,735,954</u>	<u>(1,099,442)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,757,611)</u>	<u>(1,757,611)</u>	<u>(85,462)</u>	<u>1,672,149</u>
Other Financing Sources (Uses)				
Proceeds from sale of fixed assets	-	-	3,145	3,145
Transfers in	-	-	-	-
Transfers out	(5,000)	(5,000)	(252,000)	(247,000)
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(248,855)</u>	<u>(243,855)</u>
Net Change in Fund Balance	(1,762,611)	(1,762,611)	(334,317)	1,428,294
Beginning Fund Balance	<u>1,762,611</u>	<u>1,762,611</u>	<u>5,478,938</u>	<u>3,716,327</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,144,621</u>	<u>\$ 5,144,621</u>

The notes to the financial statements are an integral part of this statement.

UPPER SOUTHAMPTON TOWNSHIP
GARBAGE AND REFUSE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>GARBAGE AND REFUSE FUND</u>			Variance with Final Budget - Over (Under)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 2,780,750	\$ 2,780,750	\$ 2,879,313	\$ 98,563
Interest and rent	2,100	2,100	62,299	60,199
Intergovernmental revenues	70,000	70,000	-	(70,000)
Total Revenues	<u>2,852,850</u>	<u>2,852,850</u>	<u>2,941,612</u>	<u>88,762</u>
Expenditures				
Current:				
Sanitation	<u>3,054,377</u>	<u>3,054,377</u>	<u>2,830,768</u>	<u>(223,609)</u>
Total Expenditures	<u>3,054,377</u>	<u>3,054,377</u>	<u>2,830,768</u>	<u>(223,609)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(201,527)</u>	<u>(201,527)</u>	<u>110,844</u>	<u>312,371</u>
Other Financing Sources (Uses)				
Transfers out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net Change in Fund Balance	(231,527)	(231,527)	80,844	312,371
Beginning Fund Balance	<u>231,527</u>	<u>231,527</u>	<u>889,479</u>	<u>657,952</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 970,323</u>	<u>\$ 970,323</u>

The notes to the financial statements are an integral part of this statement.

UPPER SOUTHAMPTON TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024

<u>ASSETS</u>	Pension Trust Funds	Custodial Funds
Current Assets		
Cash and cash equivalents	\$ 555,012	\$ 1,278,642
Investments, at fair value:		
Mutual Funds - Equity	2,675,332	-
Mutual Funds - Bonds	8,374,432	-
Exchange Traded Products	20,046,225	-
Total Current Assets	31,651,001	1,278,642
TOTAL ASSETS	\$ 31,651,001	\$ 1,278,642
 <u>NET POSITION</u>		
Net Position - Restricted for:		
Pension Benefits	\$ 31,651,001	\$ -
Developers	-	1,278,642
TOTAL NET POSITION	\$ 31,651,001	\$ 1,278,642

The notes to the financial statements are an integral part of this statement.

UPPER SOUTHAMPTON TOWNSHIP
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Pension Trust Funds</u>	<u>Custodial Funds</u>
Additions		
Contributions		
Township	\$ 520,413	\$ -
Employee	231,404	-
State	421,534	-
Escrow receipts	-	1,241,000
Total Contributions	<u>1,173,351</u>	<u>1,241,000</u>
Investment Earnings		
Net appreciation in fair value of investments	2,652,038	-
Investment income	984,530	-
Total Investment Earnings	3,636,568	-
Less investment expense	(143,139)	-
Net Investment Earnings	<u>3,493,429</u>	<u>-</u>
Total Additions	<u>4,666,780</u>	<u>1,241,000</u>
Deductions		
Retiree benefits	1,650,689	-
Escrow disbursements	-	1,161,884
Total Deductions	<u>1,650,689</u>	<u>1,161,884</u>
Net Increase (Decrease)	3,016,091	79,116
Net Position - Restricted		
Beginning of Year	<u>28,634,910</u>	<u>1,199,526</u>
End of Year	<u>\$ 31,651,001</u>	<u>\$ 1,278,642</u>

The notes to the financial statements are an integral part of this statement.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

I. Summary of Significant Accounting Policies

A. *Reporting entity*

Upper Southampton Township is a municipal corporation existing and operating under the Second Class Township code of the Commonwealth of Pennsylvania. The accompanying financial statements present the primary government. In evaluating the Township (the primary government) as a reporting entity, all potential component units that may or may not fall within the financial accountability of the Township have been addressed. Financial accountability is present if the Township appoints a voting majority of a component unit's governing body and has the ability to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Township. There are two component units, described as an entity for which the government is considered to be financially accountable.

The following component units are not included in the financial statements because the Township chose to prepare a primary government only financial statement:

Southampton Free Library
Upper Southampton Sewer and Water Authority

Complete financial statements for those component units may be obtained at the entity's administrative offices as follows: Southampton Free Library, 947 Street Road, Southampton, PA 18966; Municipal Authority of the Township of Upper Southampton, 945 Street Road, Southampton, PA 18966; Upper Southampton Sewer Authority, 945 Street Road, Southampton, PA 18966.

B. *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, if any, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants 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 properly included among program revenues are reported instead as *general revenues*.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

I. Summary of Significant Accounting Policies (Continued)

B. Government-wide and fund financial statements (continued)

Separate financial statements are provided for governmental 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.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Garbage and Refuse Fund* accounts revenue derived from tax millage and charges for services. Major expenditures are for the sanitation services of the Township.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

I. Summary of Significant Accounting Policies (Continued)

C. *Measurement focus, basis of accounting, and financial statement presentation*
(continued)

Additionally, the government reports the following fund type:

The *Pension Trust Fund* accounts for the activities of the Police and Non-Uniformed Pension plans, which accumulate resources for pension, benefit payments to qualified employees.

The *Custodial Fund* held by the Township is used to account for assets held on behalf of individual and/or developers. The Township has one custodial fund consisting of escrows.

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. Elimination 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.

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

D. *Assets, liabilities, and net position or equity*

1. *Deposits and investments*

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

With the exception of Pension Trust Funds, state law allows the government to invest in obligations of the United States of America, the Commonwealth of Pennsylvania, or any agency or instrumentality of either, which are secured by the full faith and credit of such entity.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

I. Summary of Significant Accounting Policies (Continued)

D. Assets, liabilities, and net position or equity (continued)

1. Deposits and investments (continued)

The law also allows for the Government to invest in certificates of deposit of banks, savings and loans, and savings banks both within and outside the Commonwealth of Pennsylvania, provided such amounts are insured by the Federal Deposit Insurance Corporation (FDIC) or other like insurance, and that deposits in excess of such insurance are collateralized by the depository. The state also imposes limitations with respect to the amount of investment in certificates of deposit to the extent that such deposits may not exceed 20% of a bank's total capital surplus or 20% of a savings and loan's or savings bank's assets, net of its liabilities. The government may also invest in shares of registered investment companies, provided that investments of the company are authorized investments, as noted above.

The government invests in obligations and agencies of the United States of America. These investments are comprised of Treasury strips, collateralized mortgage obligations, and U.S. Treasury obligations. The government recognizes interest rate risk and extension risk with some of these obligations. The government has stratified their portfolio so that the investments with extension risk are comprised of monies needed on a long-term basis. Investments with interest rate risk are selected so that the risk of interest decline below area saving's accounts rates is minimal.

The law provides that the government's Pension Trust Funds may invest in any form or type of investment, financial instrument, or financial transaction if determined by the government to be prudent.

Investments for the government are reported at fair value. The Investment Pool operates in accordance with appropriate state laws and regulations. All investments in an external investment pool that is not SEC registered are subject to oversight by the Commonwealth of Pennsylvania. The reported value of the pool is the pool's amortized cost-based net asset value per share, which approximates fair value. PLGIT activities are invested directly in a portfolio, which is held by a third party custodian. There are no limitations or restrictions on withdrawals.

2. Restricted assets

Certain cash deposits have been classified as restricted assets on the balance sheet because they are held by the Township in a custodial capacity for developers and others. There is a corresponding restricted liability on the balance sheet for these funds.

3. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

I. Summary of Significant Accounting Policies (Continued)

C. *Assets, liabilities, and net position or equity (continued)*

4. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

At December 31, 2024, all trade receivables were deemed to be fully collectible. The property tax receivable allowance is immaterial and therefore not included in outstanding property taxes at December 31, 2024.

Property taxes are levied as of January 1 on property values assessed as of the same date. Taxes are billed March 1 and payable under the following terms: a 2% discount March 1 through April 30; face amount May 1 through July 1; and a 10% penalty after July 1. The Township employs an elected tax collector to collect the property tax and the garbage fees levied. The tax collector remits Township taxes and refuse fees at least monthly and is paid on a per parcel basis.

5. *Use of estimates*

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

6. *Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

I. Summary of Significant Accounting Policies (Continued)

D. Assets, liabilities, and net position or equity (continued)

6. *Capital assets (continued)*

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Prior to January 1, 2004, governmental funds' infrastructure assets were not capitalized. These assets are valued prospectively.

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

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	20-40
Roads and bridges	45
Storm sewers	100
Lighting	20
Trucks and heavy equipment	8-15
Vehicles	8
Park improvements	45

7. *Compensated absences*

For police employees, unused sick time is accumulated and employees receive payment for them when they leave Township employment.

8. *Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, statement of net positions. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expended as incurred.

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

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

I. Summary of Significant Accounting Policies (Continued)

D. Assets, liabilities, and net position or equity (continued)

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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. In addition to liabilities, the statement of financial 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 periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The Township has the following items that qualify for reporting in these categories:

1. *Change in assumptions* is reported in the government-wide statement of net position. A difference results from a change in actuarial assumptions. This amount is deferred and amortized over a five-year period.
2. *Differences between expected and actual experience on liability* is reported in the government-wide statement. A difference results when actual economic or demographic factors differ from expected results. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
3. *Net difference between projected and actual earnings on pension plan investments* is reported in the government-wide statement of net position. A net difference results from the actual earnings in the plan either exceeding or falling short of projected earnings. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

I. Summary of Significant Accounting Policies (Continued)

D. Assets, liabilities, and net position or equity (continued)

10. Net position

In the government-wide financial statements, net position is classified in the following categories:

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

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

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

11. Fund balance

The governmental funds report fund balance in classifications based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

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

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

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

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

I. Summary of Significant Accounting Policies (Continued)

D. *Assets, liabilities, and net position or equity (continued)*

11. *Fund balance (continued)*

Assigned Fund Balance - includes amounts intended to be used by the Township for specific purposes that are neither restricted nor committed. The governing body, the Board of Commissioners, has by resolution authorized the Township Manager to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned Fund Balance - this residual classification is used for all negative fund balances in Special Revenue, Capital Projects, and Debt Service funds; or any residual amounts in the General Fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

In all cases, encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

12. *New Accounting Pronouncements*

In 2024, the Township adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The statement had no material effect.

In 2024, the Township adopted GASB Statement No. 101, *Compensated Absences*. The statement was issued to align the recognition and measurement of compensated absences under a unified model. Opening amounts for compensated absences and net position have been adjusted as follows:

	Compensated absences		Net Position
12/31/23, as reported	\$ 281,430	\$	16,461,679
Change in accounting principle	<u>175,193</u>	<u>\$</u>	<u>(175,193)</u>
12/31/23, as adjusted	<u>\$ 456,623</u>	<u>\$</u>	<u>16,286,486</u>

Pending pronouncements: GASB has issued statements that will become effective in future years. Management has not yet determined the impact of these statements on the financial statements.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

I. Summary of Significant Accounting Policies (Continued)

D. Assets, liabilities, and net position or equity (continued)

13. Subsequent events

The Township has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of this report which is the date the financial statements were available to be issued. No events occurred which required adjustment or disclosure in the financial statements.

II. Stewardship, Compliance, and Accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds of the Township. All annual appropriations lapse at fiscal year-end.

Prior to passage, the Township holds budget hearings for the purpose of receiving oral and written comments from interested parties in regard to the proposed budget for the following year. 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. The Board holds public hearings and a final budget must be prepared and adopted no later than December 31st through the passage of an ordinance.

All budget revisions require the approval of the Township Board of Supervisors. There were budget revisions made during the year. The Board authorized the use of unallocated fund balance in 2024.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders) outstanding at year end lapse.

B. Excess of expenditures over appropriations

For the year ended December 31, 2024, expenditures exceeded budget in the general, public safety, and capital projects categories of the general fund by \$160,380, \$198,582, and \$19,069 respectively. The overages were funded by higher than budget revenues.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

II. Stewardship, Compliance, and Accountability (Continued)

C. *Fund Balance Deficit*

For the year ended December 31, 2024, the Street Light Fund and the Debt Service Fund had a negative fund balance of \$13,167 and \$4,980, respectively. The deficit will be corrected utilizing revenues for the next year.

III. Detailed Notes on all Funds

A. *Deposits and investments*

As of December 31, 2024, the government had the following investments:

GOVERNMENTAL FUNDS		
External Investment Pool	1 day	\$ 487,631
Total Governmental Funds		\$ 487,631
FIDUCIARY FUNDS		
Mutual Funds - Equity		\$ 2,675,332
Mutual Funds - Bonds		8,374,432
Exchange Traded Products		20,046,225
Total Fiduciary Funds		\$ 31,095,989

Interest Rate Risk. This is the risk that changes in interest will adversely affect the fair value of an investment. The government does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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 governmental funds as described in Note I, D, 1. The government's investment in the external investment pools was rated AAAM by Standard & Poor's.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. It is the government's policy that the fiduciary assets may not be invested in more than 5% of the total equity portfolio in the common stock of one corporation and not more than 25% of the stock value at market may be held in any one industry.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of December 31, 2024, the government's bank balance was \$9,574,023. Of the bank balance, \$500,000 was covered by federal depository insurance and \$487,631 was invested in externally pooled investment, which are not subject to credit risk.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

III. Detailed Notes on all Funds (Continued)

A. *Deposits and investments (continued)*

Any balances exceeding federal depository insurance are exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the government's name. The risks of default are eliminated due to the constraints imposed upon allowable investment instruments by the Township's investment policy and through state limitations as discussed in Note I, D, 1.

Investment Pool. The Township has carrying deposits in external investment pools held with PLGIT Bank and the Commonwealth of Pennsylvania. These deposits are considered cash equivalents because of their short maturity dates and are included in the carrying amount of deposits disclosed above the investment in the pool is the same as the value of the pool shares and is reported at amortized cost, which approximates fair value. Pool amount as are invested directly in a portfolio of securities, which are held by a third-party custodian. All investments in an external investment pool that is not SEC registered are subject to oversight by the Commonwealth of Pennsylvania. There are no limitations or restrictions on withdrawals.

Custodial Credit Risk - Investment. For an investment, this is the risk that, in the event of a failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The risks of default are eliminated due to the constraints imposed upon allowable investment instruments by the Township's investment policy and through state limitations as discussed in Note I, D, 1.

Fair Value Measurement. The Township categorizes its fair value measurements within the 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 prices in active markets for identical assets; Level 2 inputs that include quoted prices for similar assets in active markets and inputs that are observable for the asset, either directly, or indirectly, for substantially the full term of the financial instrument. Fair values of these instruments are estimated using pricing models, quoted pricing models, quoted prices of securities with similar characteristics, or discounted cash flows; Level 3 inputs are significant unobservable inputs, which are typically based on an entity's own assumptions, as there is little, if any, related market activity. The Township has the following recurring fair value measurements as of December 31, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
GOVERNMENTAL FUNDS				
External Investment Pool	\$ 487,631	\$ -	\$ 487,631	\$ -
FIDUCIARY FUNDS				
Mutual Funds - Equity	\$ 2,675,332	\$ 2,675,332	\$ -	\$ -
Mutual Funds - Bonds	8,374,432	8,374,432	-	-
Exchange Traded Products	20,046,225	20,046,225	-	-
Total Fiduciary Funds	<u>\$ 31,095,989</u>	<u>\$ 31,095,989</u>	<u>\$ -</u>	<u>\$ -</u>

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

III. Detailed Notes on all Funds (Continued)

B. Receivables

Receivables as of year-end for the government's individual major funds and nonmajor and fiduciary funds in the aggregate are as follows:

	<u>General</u>	<u>Garbage and Refuse</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 718,699	\$ 10,502	\$ 9,566	\$ 738,767
Accounts	<u>81,797</u>	<u>-</u>	<u>-</u>	<u>81,797</u>
Total Receivables	<u>\$ 800,496</u>	<u>\$ 10,502</u>	<u>\$ 9,566</u>	<u>\$ 820,564</u>

C. Capital assets

Capital asset activity for the year ended December 31, 2024 was as follows:

Primary Government	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,275,696	\$ -	\$ -	\$ 2,275,696
Total capital assets, not being depreciated	<u>2,275,696</u>	<u>-</u>	<u>-</u>	<u>2,275,696</u>
Capital assets, being depreciated:				
Buildings and improvements	5,795,951	-	-	5,795,951
Machinery, vehicles, and equipment	3,078,181	435,570	(296,607)	3,217,144
Infrastructure	6,611,517	525,763	-	7,137,280
Park improvement	<u>2,114,872</u>	<u>140,350</u>	<u>-</u>	<u>2,255,222</u>
Total capital assets being depreciated	<u>17,600,521</u>	<u>1,101,683</u>	<u>(296,607)</u>	<u>18,405,597</u>
Less accumulated depreciation for:				
Buildings and improvements	3,746,023	128,665	-	3,874,688
Machinery, vehicles, and equipment	2,467,643	223,609	(296,607)	2,394,645
Infrastructure	895,758	132,607	-	1,028,365
Park improvement	<u>538,711</u>	<u>123,697</u>	<u>-</u>	<u>662,408</u>
Total accumulated depreciation	<u>7,648,135</u>	<u>608,578</u>	<u>(296,607)</u>	<u>7,960,106</u>
Total capital assets, being depreciated, net	<u>9,952,386</u>	<u>493,105</u>	<u>-</u>	<u>10,445,491</u>
Governmental activities capital assets, net	<u>\$ 12,228,082</u>	<u>\$ 493,105</u>	<u>\$ -</u>	<u>\$ 12,721,187</u>

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

III. Detailed Notes on all Funds (Continued)

C. Capital assets (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Administrative	\$ 100,726
Police and emergency services	120,778
Public works, including depreciation of general infrastructure except park systems	234,255
Parks and recreation, including depreciation related to park systems	<u>152,819</u>
Total depreciation expense-governmental activities	<u>\$ 608,578</u>

D. Interfund receivables, payables, and transfers

Interfund balances:

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
General Fund	\$ 6,164	\$ -
Other Non Major Funds	<u>-</u>	<u>6,164</u>
Total	<u>\$ 6,164</u>	<u>\$ 6,164</u>

Interfund transfers:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 252,000
Garbage & Refuse	-	30,000
Other Non Major Funds	<u>347,500</u>	<u>65,500</u>
Total	<u>\$ 347,500</u>	<u>\$ 347,500</u>

The interfund transfers are a result of various funds sharing the cost of wages and benefits and to fund capital projects.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

III. Detailed Notes on all Funds (Continued)

E. Long-term debt

General Obligation Bonds and Notes

The government issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities and infrastructure. General obligation bonds and notes have been issued for governmental type activities. The original amount of general obligation bonds and notes issued in prior years was \$7,700,000.

In May of 2024, the Township, the Upper Southampton Municipal Authority incurred \$3,000,000 of Guaranteed Revenue Notes 2024. A guaranty Agreement was required by the Township.

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the government. The bonds are generally issued as 15-20 year serial bonds with varying amounts of principal maturing each year.

General obligation bonds and notes currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental Activities	1.27 to 3.9%	<u>\$ 645,000</u>

Annual debt service requirements to maturity, including principal and interest, for long-term debt, as of December 31, 2024 are as follows:

<u>Year Ending December 31</u>	<u>Bonds Payable</u>		<u>Notes Payable</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 182,000	\$ 10,596	\$ 102,000	\$ 760	\$ 284,000	\$ 11,356
2026	185,000	7,084	-	-	185,000	7,084
2027	176,000	3,505	-	-	176,000	3,505
Total	<u>\$ 543,000</u>	<u>\$ 21,185</u>	<u>\$ 102,000</u>	<u>\$ 760</u>	<u>\$ 645,000</u>	<u>\$ 21,945</u>

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

III. Detailed Notes on all Funds (Continued)

E. Long-term debt (continued)

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2024 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Bonds payable	\$ 718,000	\$ -	\$ (175,000)	\$ 543,000	\$ 182,000
Notes payable	515,000	-	(413,000)	102,000	102,000
Net pension liability	1,659,476	1,891,016	(3,222,406)	328,086	-
Compensated absences	456,623	234,788	-	691,411	-
OPEB	<u>4,659,343</u>	<u>411,604</u>	<u>(1,096,995)</u>	<u>3,973,952</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 8,008,442</u>	<u>\$ 2,537,408</u>	<u>\$ (4,907,401)</u>	<u>\$ 5,638,449</u>	<u>\$ 284,000</u>

Debt service for general obligation bonds, notes, and capital leases are funded primarily from taxes for governmental activities. Any liabilities for compensated absences, net pension liabilities, or OPEB liabilities are generally liquidated by the general fund for governmental activities.

IV. Other Information

A. Risk management

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Township participates in the Delaware Valley Property and Liability Trust pool. The insurance expense for the year ended December 31, 2024 was \$230,335. The pooling agreement permits the pool to make additional assessments to its members. At December 31, 2024 there were no additional assessments due or anticipated. Instead, the pool declared a dividend of which Upper Southampton's share was \$7,235.

The Township is also a member of the Delaware Valley Workers' Compensation Trust (D VWCT), a risk retention pool. The insurance expense for the year ended December 31, 2024 was \$87,088. The Trust declared a dividend in 2024. Upper Southampton Township's share of the dividend distribution was \$28,250. As a result of the 2023 payroll audit, the Township paid \$7,574. There were no additional assessments due or anticipated. An audit of the 2024 payroll will be performed in 2024.

The Township is also a member of the Delaware Valley Health Trust, a public risk retention pool. Trust underwriting and rate setting policies are established after consultation with independent insurance consultants. Any member may withdraw by giving 150 days written notice to the Executive Committee. The insurance expense for the year was \$1,072,714. There were no additional assessments due or anticipated. At December 31, 2024, the pool did not declare a dividend.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

IV. Other Information (Continued)

B. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

In the normal course of business, there are various relatively minor claims and suits pending against the Township, none of which materially affect the financial position of the Township.

C. Employee retirement systems and pension plans

Defined Benefit Pension Plan

The Township sponsors two single employer defined benefit pension plans, the Police Pension Plan and the Non-Uniformed Pension Plan. These plans are reported as Pension Trust Funds in the accompanying financial statements and do not issue stand-alone reports.

The Plans are administered by the Township. The most recent valuation was as of January 1, 2023. Details below are from the valuation.

Police Pension Defined Benefit Pension Plan - The plan is a contributory, single employer defined benefit plan that covers all full time uniformed police officers of the Township. An employee enters the plan on the date of hire.

Non-Uniformed Employees' Defined Benefit Pension Plan - The plan is a contributory, single employer defined benefit plan that covers all full-time permanent, non-uniformed employees of the Township who join the plan on the first day of the month coincident with or following the completion of one year of service and attainment of age 21.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

IV. Other Information (Continued)

C. Employee retirement systems and pension plans (continued)

Plan Description and Membership

The Pension Plans are governed by the Board of Supervisors who has established Pension Committees to serve as administrators and trustees of the pension fund. The Committees shall administer the pension funds by regulations established by the Code of Ordinances of Upper Southampton Township as necessary for the effective management of the funds. The Police Pension Committee consists of five members, one appointed and chosen from among the Board of Supervisors, the Township Manager, two appointed by the Police Benevolent Association of Upper Southampton Township and one citizen at large, preferably from the business community, appointed by the other four Committee members. The Municipal Pension Committee consists of five members, one appointed and chosen from among the Board of Supervisors, the Township Manager, two appointed by and from among non-uniformed employees of Upper Southampton Township, and one citizen at larger, preferably from the business community, appointed by the other four Committee members. The Committee meets no less than twice a year for the purpose of reviewing the investment performance with the investment manager.

At December 31, 2024, Upper Southampton Pension Plans consisted of the following:

	<u>Police</u>	Non- <u>Uniformed</u>
Inactive Members or Beneficiaries Currently		
Receiving Benefits	25	20
Inactive Members Entitled to but not yet		
Receiving Benefits	2	2
Active Members	<u>21</u>	<u>26</u>
Total membership	<u>48</u>	<u>48</u>

Benefits Provided

Police Pension Plan: The Plan provides retirement benefits as well as death and disability benefits. All benefits vest after 12 years of credited service. Officers may retire at age 52 with 25 years of credited service. Officers are entitled to an annual retirement benefit, payable in the normal form of a ten-year certain and continuous annuity, in an amount equal to 50% of their final-average salary plus a service increment of \$100 per each year of service in excess of 25 years, with a maximum increment of \$500 per month. Final-average salary is the employee’s average salary over the last thirty-six months of credit services. If an employee leaves covered employment or dies before 12 years of credited service, accumulated employee contributions of the Pension Fund plus related investment earnings are refunded to the employee or designated beneficiary.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

IV. Other Information (Continued)

C. Employee retirement systems and pension plans (continued)

A Deferred Retirement Option Plan ("DROP") is available to the Township's police officers who have fulfilled the age and service requirements of the Police Pension Plan as described in the above paragraph. Under the DROP program a participant may elect to defer receipt of normal retirement benefits while continuing employment with the Township for a period of not more than 36 months. The monthly pension shall be calculated as of the date of participation in the program and shall be distributed in a lump sum at retirement.

Non-Uniformed Pension Plan: The Pension Plan provides retirement benefits as well as death and disability benefits. All benefits vest after 5 years of credited service. Employees who retire at or after age 61 after 20 years of service, are entitled to an annual retirement benefit, payable monthly, in the normal form of a ten-year certain and continuous annuity, in an amount equal to 2.6% multiplied by years of service multiplied by the monthly benefit compensation (not to exceed 70% of final year salary). If an employee leaves covered employment or dies before 5 years of credited service, accumulated employee contributions of the Pension Fund plus related investment earnings are refunded to the employee or designated beneficiary. Covered employees are currently required to contribute 4% to the Pension Fund. The Township is required by statute, principally Pennsylvania Act 600, to contribute the remaining amounts necessary to finance the Fund. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

Measurement Focus and Basis of Accounting

Basis of Accounting: Pension Plan financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Employer and member contributions are recognized as when due pursuant to formal commitments, as well as statutory or contractual requirements. Investment income is recognized as revenue when earned. Retirement benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred. The net appreciation/(depreciation) in fair value of investments is recorded as an increase/(decrease) to investment income based on the valuation of investments. The entire expense of Plan administration is charged against earnings of the Plan. Investment earnings are reduced for investment management fees, portfolio evaluation, custodial services, and actuarial services, as required by state statutes.

Method Used to Value Investments: Pension Plan equity securities are reported at fair value. Fixed income securities are reported at fair value, investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date. Market related value of assets is used to determine the indicated contribution.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

IV. Other Information (Continued)

C. Employee retirement systems and pension plans (continued)

Contributions Required and Contributions Made

Employees of the Police Pension Plan and Non-Uniformed are required to make contributions, 5% of salary and 4% of salary, respectively. Contributions are credited with interest at 6% per annum. Contributions are determined on an annual basis. Administrative costs and investment costs of the plan are financed through an addition to the Actuarially Determined Employer Contribution. For the year ended December 31, 2024, the average active member contribution was 4.5% of annual pay, and the Township's average contribution rate was 15% of annual payroll.

The Pension Plan funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates is determined using the entry age normal actuarial funding method as required by Pennsylvania Act 205. The Pension Plan also uses a method defined by Act 205 to amortize the unfunded liability over a defined period.

The Township's annual required contribution is equal to its minimum municipal obligation ("MMO") as calculated in accordance with Pennsylvania law (Act 205 of 1984) less state aid and employee contributions deposited in the pension fund during the year. State law requires that state aid be used first to fund the plan, then employee contributions and finally general Township funds. The Township received state aid, which is recognized as revenue and expenses, in the amount of \$421,534 for the pensions for the year ended December 31, 2024.

Investments

Investment Policy: The Pension Plan's policies in regard to the allocations of invested assets are established and may be amended by the Police and Municipal Pension Committees. The policy is established to create the framework for a well-diversified asset mix that can help achieve acceptable long-term returns at a level of risk suitable to the Pension Committees. The investment objective is to maximize long term return through a combination of capital appreciation and income with sound investment practice.

Rate of Return: For the year ended December 31, 2024, the annual money-weighted rate of return on Plan investments, net of pension investment expense was 12.77% for the police plan and 12.70% for the non-uniform plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

IV. Other Information (Continued)

C. Employee retirement systems and pension plans (continued)

Net Pension Liability

The components of the net pension liability of participating entities at December 31, 2024 were as follows:

	<u>Police</u>	<u>Non-Uniformed</u>
Total pension liability	\$ 21,705,927	\$ 9,598,512
Plan fiduciary net position	(21,377,841)	(10,273,158)
Net pension liability (asset)	\$ 328,086	\$ (674,646)
Plan fiduciary net position as a percentage of the total pension liability	98%	107%

Actuarial Assumptions: The total pension liability at December 31, 2024 was based on actuarial valuation using the following economic assumptions, applied to all periods included in the measurement:

	<u>Police</u>	<u>Non-Uniformed</u>
Inflation	3.00%	3.00%
Salary Increases	4.00%	4.00% (average, including inflation)
Investment Rate of Return	6.50%	6.50% (including inflation)
Postretirement Cost of Living Increase	**	5.00%

** Cost of Living Increases will be granted pursuant to Act 600 with a cap of 30%

Mortality rates were based on the RP-2000 Mortality Table (Blue Collar) for males and females with generational improvement using Scale AA.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2021 to December 31, 2022.

The net pension liabilities for both plans were measured as of December 31, 2024 and the total pension liabilities were determined by rolling forward the liabilities from the actuarial valuations as of January 1, 2023. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

IV. Other Information (Continued)

C. Employee retirement systems and pension plans (continued)

Net Pension Liability (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class for all three plans are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Large Cap	37.00%	4.10%
US Mid-Cap	8.25%	4.30%
US Small Cap	5.25%	4.40%
EAFE Equity	14.00%	6.50%
US REIT	2.00%	5.70%
Emerging Markets Stocks	3.50%	6.90%
Bonds	29.00%	2.60%
Cash	1.00%	1.30%

Discount Rate: The discount rate used to measure the total pension liability was 6.5% for all plans. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer's funding policy requires the full funding of the entry age normal cost plus plan expenses, as well as an amortization of the unfunded liability. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
<u>Police Pension Plan</u>			
Balance at December 31, 2023	\$ 20,923,574	\$ 19,264,098	\$ 1,659,476
Changes for the year:			
Service cost	463,271	-	463,271
Interest	1,354,113	-	1,354,113
Change of benefit terms	-	-	-
Differences between expected and actual experience	73,632	-	73,632
Change of assumptions	-	-	-
Contributions - employer	-	725,357	(725,357)
Contributions - employee	-	152,266	(152,266)
Net investment income	-	2,440,233	(2,440,233)
Benefit payments, including refunds of employee contributions	(1,108,663)	(1,108,663)	-
Administrative expense	-	(95,450)	95,450
Other changes	-	-	-
Net Changes	<u>782,353</u>	<u>2,113,743</u>	<u>(1,331,390)</u>
Balance at December 31, 2024	<u>\$ 21,705,927</u>	<u>\$ 21,377,841</u>	<u>\$ 328,086</u>

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

IV. Other Information (Continued)

C. *Employee retirement systems and pension plans (continued)*

Net Pension Liability (continued)

	Increase (Decrease)		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
<u>Non-Uniformed Pension Plan</u>			
Balance at December 31, 2023	\$ 9,217,074	\$ 9,370,812	\$ (153,738)
Changes for the year:			
Service cost	260,446	-	260,446
Interest	597,169	-	597,169
Change of benefit terms	-	-	-
Differences between expected and actual experience	104,436	-	104,436
Change of assumptions	-	-	-
Contributions - employer	-	216,590	(216,590)
Contributions - employee	-	81,077	(81,077)
Net investment income	-	1,233,244	(1,233,244)
Benefit payments, including refunds of employee contributions	(580,613)	(580,613)	-
Administrative expense	-	(47,952)	47,952
Other changes	-	-	-
Net Changes	<u>381,438</u>	<u>902,346</u>	<u>(520,908)</u>
Balance at December 31, 2024	<u>\$ 9,598,512</u>	<u>\$ 10,273,158</u>	<u>\$ (674,646)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the Plan, calculated using the discount rate of 6.50%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (estimate based on plan demographics):

	1% Decrease <u>(5.5%)</u>	Current Discount <u>Rate (6.5%)</u>	1% Increase <u>(7.5%)</u>
Net pension liability			
Police	\$ 3,086,708	\$ 328,086	\$ (1,944,992)
Non-Uniformed	303,497	(674,646)	(1,588,475)

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

IV. Other Information (Continued)

C. *Employee retirement systems and pension plans (continued)*

Deferred Outflows and Inflows of Resources: For the year ended December 31, 2024, the Township recognized pension expense of \$588,428 for Police Pension and \$125,096 for Non-Uniformed Pension. At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Police Pension</u>		
Differences between expected and actual experience	\$ 149,694	\$ 106,286
Changes in assumptions	250,629	-
Net difference between projected and actual earnings on pension plan investments	-	566,222
Total	<u>\$ 400,323</u>	<u>\$ 672,508</u>
 <u>Non-Uniformed Pension</u>		
Differences between expected and actual experience	\$ 82,769	\$ 151,681
Changes in assumptions	148,611	-
Net difference between projected and actual earnings on pension plan investments	-	348,181
Total	<u>\$ 231,380</u>	<u>\$ 499,862</u>

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

Year Ended	Police	Non-Uniform	Total
<u>December 31:</u>			
2025	\$ 183,379	\$ (8,468)	\$ 174,911
2026	271,643	133,015	404,658
2027	(496,229)	(280,491)	(776,720)
2028	(230,978)	(112,538)	(343,516)
2029	-	-	-
Thereafter	-	-	-
Total	<u>\$ (272,185)</u>	<u>\$ (268,482)</u>	<u>\$ (540,667)</u>

Payable to the Pension Plans: For the year ended December 31, 2024, there are no amounts payable for contributions to the pension plans.

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

IV. Other Information (Continued)

C. Employee retirement systems and pension plans (continued)

Deferred Retirement Option Program

The Police Pension Plan offers a Deferred Retirement Option Program (DROP) to officers who are eligible to retire. An active member is eligible to enter the DROP program at age 54 and 25 years of service. Upon entering the DROP program, the member's retirement benefit is frozen and his retirement benefit payments will be deposited into a self-directed account that will be credited with interest and paid to the participant in a lump sum at his actual retirement in addition to his monthly pension payments. The member must retire within 36 months after entering the DROP. As of December 31, 2024, the DROP account balance of \$587,098 is held by the plan pursuant to the DROP and is included in the total pension liability.

D. Post-employment benefits

Description of the Plan to Date

Established through police contract, the Township administers a single-employer defined benefit plan to provide for certain post-employment healthcare benefits. The Township will provide for certain medical and prescription drug coverage in the Township's insurance plan for a period of 12 years or the number of years necessary for the retiree to reach Medicare age, whichever is greater. Where coverage extends beyond the Medicare eligibility, the Township may coordinate its obligation to provide post-retirement medical coverage with available Medicare coverage. Furthermore, the coverage for spouses and dependents may not exceed five years.

The plan is funded on a pay-as-you-go basis and there is no irrevocable trust established for the plan. The most recent valuation was as of January 1, 2024.

The plan does not issue a stand-alone financial report.

At December 31, 2024, the Post-Employment Plan consisted of the following:

	<u>Police</u>
Inactive employees (or their beneficiaries)	
currently receiving benefits	8
Inactive employees entitled to benefits	
but not yet receiving them	0
Active employees	<u>21</u>
	<u>29</u>

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

IV. Other Information (Continued)

D. Post-employment benefits (continued)

Eligibility

The Plan covers all officers who have retired after January 1, 2013 at age 50 or greater with at least 25 years of service.

Benefits provided

The Township will provide a retired officer and his or her spouse with continued medical and prescription drug coverage in the Township’s plan, given that the officer is not eligible for comparable coverage.

Funding Policy

Retirees are not required to make contributions to this plan. There are no required contributions of the employer. The contribution requirements of the Township and plan members have been established and may be amended through Board Resolution and Police Labor Contracts. The Township is accounting for these expenditures on a “pay-as-you-go” basis.

Net OPEB Liability

The Township’s net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

	<u>Police</u>	
Inflation	3.00%	
Salary Increases	4.25%	(including inflation)
Investment Rate of Return	4.08%	
Healthcare Cost Trend Rates	Medical inflation of 6.5% in the first year gradually decreasing by .5% per year to an ultimate rate of 5%	

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

IV. Other Information (Continued)

D. Post-employment benefits (continued)

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table at 2016 for males and females with generational mortality projections using Scale MP-17.

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study from the period January 1, 2023 to December 31, 2023.

The net OPEB liability was measured as of December 31, 2024 and the total OPEB liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2024. The discount rate increased from 3.26% to 4.08%.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.08 percent and is based on a 20-year Municipal Bond Index rated at least AA for non-funded trust at December 31, 2024.

Change in Net OPEB Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension</u> <u>Liability</u>	<u>Plan Fiduciary</u> <u>Net Position</u>	<u>Net Pension</u> <u>Liability</u>
<u>Police OPEB Plan</u>			
Balance at December 31, 2023	\$ 4,659,343	\$ -	\$ 4,659,343
Changes for the year:			
Service cost	254,010	-	254,010
Interest	157,594	-	157,594
Change of benefit terms	-	-	-
Differences between expected and actual experience	(938,607)	-	(938,607)
Change of assumptions	-	-	-
Contributions - employer	-	158,388	(158,388)
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(158,388)	(158,388)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net Changes	<u>(685,391)</u>	<u>-</u>	<u>(685,391)</u>
Balance at December 31, 2024	<u>\$ 3,973,952</u>	<u>\$ -</u>	<u>\$ 3,973,952</u>

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

IV. Other Information (Continued)

D. Post-employment benefits (continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability calculated using the discount rate of 4.08 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.08percent) or one percentage point higher (5.08 percent) than the current rate:

	1% Decrease <u>(3.08%)</u>	Current Discount Rate <u>(4.08%)</u>	1% Increase <u>(5.08%)</u>
Police	\$ 4,392,893	\$ 3,973,952	\$ 3,602,092

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 healthcare cost trend rates (6.5% in 2024). Rates gradually decrease from .5% per year to an ultimate rate of 5%) that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease Valuation Rates	Healthcare Cost Trend Valuation Rates	1% Increase Valuation Rates
Police	\$ 3,456,797	\$ 3,973,952	\$ 4,603,804

OPEB Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2024, the Township recognized OPEB expense of \$309,244. At December 31, 2024, the Township reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Police</u>		
Differences between expected and actual experience	\$ 770,011	\$ 1,823,216
Changes in assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total	\$ 770,011	\$ 1,823,216

UPPER SOUTHAMPTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

IV. Other Information (Continued)

D. Post-employment benefits (continued)

The deferred amounts related to OPEB will be recognized in expense as follows:

Year Ended		<u>Police</u>
<u>December 31:</u>		
2025	\$	(102,360)
2026		(102,360)
2027		(102,360)
2028		(95,224)
2029		(101,805)
Thereafter		<u>(549,096)</u>
Total	\$	<u><u>(1,053,205)</u></u>

Payable to the OPEB Plan: For the year ended December 31, 2024, there was no amount payable for contributions to the OPEB plan.

E. Escrow cash deposits and investments

The Township acts in a custodial capacity with respect to monies deposited with it by developers and others. These monies are held by the Township and used to pay legal, engineering, administrative, and other fees incurred on behalf of a specific project. Any unused deposits are returned to the developer upon completion of the project, except for an administrative handling fee. None of the monies received from or expended on behalf of the developers are recorded in the revenues or expenses of the Township. At December 31, 2024, \$1,278,642 represents the balance of these monies held in escrow.

REQUIRED SUPPLEMENTAL INFORMATION

UPPER SOUTHAMPTON TOWNSHIP
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED
RATIOS - POLICE PENSION PLAN
REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total pension liability			
Service cost	\$ 463,271	\$ 466,372	\$ 392,170
Interest	1,354,113	1,297,471	1,262,896
Changes of benefit terms	-	-	-
Differences between expected and actual experience	73,632	154,215	(208,581)
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	<u>(1,108,663)</u>	<u>(978,395)</u>	<u>(999,141)</u>
Net change in total pension liability	782,353	939,663	447,344
Total pension liability - beginning	<u>20,923,574</u>	<u>19,983,911</u>	<u>19,536,567</u>
Total pension liability - ending (a)	<u>\$ 21,705,927</u>	<u>\$ 20,923,574</u>	<u>\$ 19,983,911</u>
 Plan fiduciary net position			
Contributions - employer	\$ 725,357	\$ 711,261	\$ 665,650
Contributions - employee	152,266	142,991	143,314
Net investment income	2,440,233	2,604,924	(2,697,259)
Benefit payments, including refunds of employee contributions	(1,108,663)	(978,395)	(999,141)
Administrative expense	(95,450)	(84,317)	(92,926)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	2,113,743	2,396,464	(2,980,362)
 Plan fiduciary net position - beginning	<u>19,264,098</u>	<u>16,867,634</u>	<u>19,847,996</u>
Plan fiduciary net position - ending (b)	<u>\$ 21,377,841</u>	<u>\$ 19,264,098</u>	<u>\$ 16,867,634</u>
 Township's net pension liability - ending (a)-(b)	<u>\$ 328,086</u>	<u>\$ 1,659,476</u>	<u>\$ 3,116,277</u>
 Plan fiduciary net position as a percentage of the total pension liability	98.5%	92.1%	84.4%
 Covered payroll	\$ 2,959,602	\$ 2,760,291	\$ 2,600,000
 Township's net pension liability as a percentage of covered payroll	11.1%	60.1%	119.9%
 Annual money weighted return, net of investment expenses	12.77%	17.07%	-14.51%

Notes to Schedule:

Change in benefit terms: None since 1/1/2023

Change in Assumptions: None since 1/1/2023

This schedule is presented to illustrate the requirement to show information for 10 years.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 364,987	\$ 339,092	\$ 341,144	\$ 276,250	\$ 277,134	\$ 268,280	\$ 287,081
1,270,623	1,230,096	1,208,907	1,176,017	1,139,806	1,140,711	1,094,926
-	-	-	-	-	-	-
(183,479)	(31,250)	(127,327)	(106,006)	(107,917)	(625,901)	(77,282)
1,444,089	-	379,525	-	-	346,510	-
<u>(1,041,008)</u>	<u>(968,658)</u>	<u>(935,591)</u>	<u>(1,009,635)</u>	<u>(641,030)</u>	<u>(678,747)</u>	<u>(711,561)</u>
1,855,212	569,280	866,658	336,626	667,993	450,853	593,164
<u>17,681,355</u>	<u>17,112,075</u>	<u>16,245,417</u>	<u>15,908,791</u>	<u>15,240,798</u>	<u>14,789,945</u>	<u>14,196,781</u>
<u>\$ 19,536,567</u>	<u>\$ 17,681,355</u>	<u>\$ 17,112,075</u>	<u>\$ 16,245,417</u>	<u>\$ 15,908,791</u>	<u>\$ 15,240,798</u>	<u>\$ 14,789,945</u>
\$ 745,588	\$ 733,241	\$ 576,192	\$ 544,727	\$ 418,126	\$ 429,139	\$ 460,972
125,402	129,907	112,100	103,521	97,188	100,743	111,527
2,698,989	1,789,597	2,707,264	(781,056)	2,000,578	800,223	(123,725)
(1,041,008)	(968,658)	(935,591)	(1,009,635)	(641,030)	(678,747)	(711,561)
(73,487)	(74,011)	(74,679)	(74,195)	(69,654)	(64,795)	(66,322)
-	-	-	-	-	-	-
2,455,484	1,610,076	2,385,286	(1,216,638)	1,805,208	586,563	(329,109)
<u>17,392,512</u>	<u>15,782,436</u>	<u>13,397,150</u>	<u>14,613,788</u>	<u>12,808,580</u>	<u>12,222,017</u>	<u>12,551,126</u>
<u>\$ 19,847,996</u>	<u>\$ 17,392,512</u>	<u>\$ 15,782,436</u>	<u>\$ 13,397,150</u>	<u>\$ 14,613,788</u>	<u>\$ 12,808,580</u>	<u>\$ 12,222,017</u>
<u>\$ (311,429)</u>	<u>\$ 288,843</u>	<u>\$ 1,329,639</u>	<u>\$ 2,848,267</u>	<u>\$ 1,295,003</u>	<u>\$ 2,432,218</u>	<u>\$ 2,567,928</u>
101.6%	98.4%	92.2%	82.5%	91.9%	84.0%	82.6%
\$ 2,573,872	\$ 2,551,914	\$ 2,357,900	\$ 1,970,673	2,005,003	\$ 2,018,578	\$ 2,355,240
-12.1%	11.3%	56.4%	144.5%	64.6%	120.5%	109.0%
15.64%	11.54%	20.43%	-6.08%	15.71%	6.17%	-1.49%

UPPER SOUTHAMPTON TOWNSHIP
SCHEDULE OF CONTRIBUTIONS - POLICE PENSION PLAN
REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2024

Fiscal Year Ended <u>December 31,</u>	Actuarially Determined <u>Contribution</u>	Actual Employer <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered <u>Payroll</u>	Contribution as a Percentage of Covered <u>Payroll</u>
2015	\$ 460,972	\$ 460,972	\$ -	\$ 2,355,240	19.57%
2016	429,139	429,139	-	2,018,578	21.26%
2017	418,126	418,126	-	2,005,003	20.85%
2018	544,727	544,727	-	1,970,673	27.64%
2019	576,192	576,192	-	2,357,900	24.44%
2020	733,241	733,241	-	2,551,914	28.73%
2021	745,588	745,588	-	2,573,872	28.97%
2022	665,640	665,650	(10)	2,600,000	25.60%
2023	711,261	711,261	-	2,845,771	24.99%
2024	725,357	725,357	-	2,959,602	24.51%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of January 1, two years to four years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2023
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	8 years
Asset valuation method	Market value
Inflation	3.00%
Salary increases	4.0%, average, including inflation
Investment rate of return	6.5%
Retirement age	Age 52 and 25 years of service
Mortality	RP-2000 Mortality table (Blue Collar) with Scale AA

Change in benefit terms: None since 1/1/2023

Change in Assumptions: None since 1/1/2023

UPPER SOUTHAMPTON TOWNSHIP
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED
RATIOS - NON-UNIFORM PENSION PLAN
REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total pension liability			
Service cost	\$ 260,446	\$ 259,861	\$ 250,393
Interest	597,169	578,330	553,688
Changes of benefit terms	-	-	-
Differences between expected and actual experience	104,436	(55,376)	(22,971)
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	<u>(580,613)</u>	<u>(406,526)</u>	<u>(416,405)</u>
Net change in total pension liability	381,438	376,289	364,705
Total pension liability - beginning	<u>9,217,074</u>	<u>8,840,785</u>	<u>8,476,080</u>
Total pension liability - ending (a)	<u>\$ 9,598,512</u>	<u>\$ 9,217,074</u>	<u>\$ 8,840,785</u>
 Plan fiduciary net position			
Contributions - employer	\$ 216,590	\$ 164,905	\$ 193,625
Contributions - employee	81,077	74,595	70,993
Net investment income	1,233,244	1,347,340	(1,360,615)
Benefit payments, including refunds of employee contributions	(580,613)	(406,526)	(416,405)
Administrative expense	(47,952)	(42,728)	(50,091)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	902,346	1,137,586	(1,562,493)
 Plan fiduciary net position - beginning	<u>9,370,812</u>	<u>8,233,226</u>	<u>9,795,719</u>
Plan fiduciary net position - ending (b)	<u>\$ 10,273,158</u>	<u>\$ 9,370,812</u>	<u>\$ 8,233,226</u>
 Township's net pension liability - ending (a)-(b)	<u>\$ (674,646)</u>	<u>\$ (153,738)</u>	<u>\$ 607,559</u>
 Plan fiduciary net position as a percentage of the total pension liability	107.0%	101.7%	93.1%
 Covered payroll	\$ 1,852,705	\$ 1,781,447	\$ 1,600,000
 Township's net pension liability as a percentage of covered payroll	-36.4%	-8.6%	38.0%
 Annual money weighted return, net of investment expenses	12.70%	16.97%	-14.59%

Notes to Schedule:

Change in benefit terms: None since 1/1/2023

Change in Assumptions: None since 1/1/2023

This schedule is presented to illustrate the requirement to show information for 10 years.

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	223,246	\$ 227,184	\$ 226,184	\$ 215,194	\$ 238,118	\$ 226,206	\$ 223,848
	570,847	543,224	512,922	482,163	464,727	441,139	408,180
	-	-	-	-	-	-	-
	(345,592)	(176,499)	(65,426)	(130,651)	(88,963)	(344,483)	(30,249)
	502,448	-	144,216	-	-	122,558	-
	<u>(250,742)</u>	<u>(167,183)</u>	<u>(163,062)</u>	<u>(172,084)</u>	<u>(145,107)</u>	<u>(160,838)</u>	<u>(196,883)</u>
	700,207	426,726	654,834	394,622	468,775	284,582	404,896
	<u>7,775,873</u>	<u>7,349,147</u>	<u>6,694,313</u>	<u>6,299,691</u>	<u>5,830,916</u>	<u>5,546,334</u>	<u>5,141,438</u>
\$	<u>8,476,080</u>	<u>7,775,873</u>	<u>7,349,147</u>	<u>6,694,313</u>	<u>6,299,691</u>	<u>5,830,916</u>	<u>5,546,334</u>
\$	362,920	\$ 363,208	\$ 328,562	\$ 324,109	\$ 289,393	\$ 283,533	\$ 275,268
	71,233	75,033	71,052	67,181	65,266	63,020	63,997
	1,334,153	893,612	1,215,988	(342,367)	798,095	304,304	(45,975)
	(250,742)	(167,183)	(163,062)	(172,084)	(145,107)	(160,838)	(196,883)
	(39,965)	(38,267)	(36,936)	(34,762)	(31,097)	(27,612)	(27,001)
	-	-	-	-	-	-	-
	<u>1,477,599</u>	<u>1,126,403</u>	<u>1,415,604</u>	<u>(157,923)</u>	<u>976,550</u>	<u>462,407</u>	<u>69,406</u>
	<u>8,318,120</u>	<u>7,191,717</u>	<u>5,776,113</u>	<u>5,934,036</u>	<u>4,957,486</u>	<u>4,495,079</u>	<u>4,425,673</u>
\$	<u>9,795,719</u>	<u>8,318,120</u>	<u>7,191,717</u>	<u>5,776,113</u>	<u>5,934,036</u>	<u>4,957,486</u>	<u>4,495,079</u>
\$	<u>(1,319,639)</u>	<u>(542,247)</u>	<u>157,430</u>	<u>918,200</u>	<u>365,655</u>	<u>873,430</u>	<u>1,051,255</u>
	115.6%	107.0%	97.9%	86.3%	94.2%	85.0%	81.0%
\$	1,861,578	\$ 1,879,289	\$ 1,712,398	\$ 1,702,782	\$ 1,654,307	\$ 15,794,241	\$ 1,579,451
	-70.9%	-28.9%	9.2%	53.9%	22.1%	5.5%	66.6%
	15.60%	12.04%	20.39%	-6.23%	15.20%	6.24%	-1.52%

UPPER SOUTHAMPTON TOWNSHIP
SCHEDULE OF CONTRIBUTIONS – NON-UNIFORM PENSION PLAN
REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2024

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2015	\$ 275,268	\$ 275,268	\$ -	\$ 1,579,451	17.43%
2016	283,533	283,533	-	1,579,241	17.95%
2017	289,393	289,393	-	1,654,307	17.49%
2018	324,109	324,109	-	1,702,782	19.03%
2019	328,562	328,562	-	1,712,398	19.19%
2020	363,208	363,208	-	1,879,289	19.33%
2021	362,920	362,920	-	1,861,578	19.50%
2022	193,625	193,625	-	1,600,000	12.10%
2023	164,905	164,905	-	1,781,447	9.26%
2024	216,590	216,590	-	1,781,447	12.16%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of January 1, two years to four years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2023
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	0 years
Asset valuation method	Market value
Inflation	3.00%
Salary increases	4.00%, average, including inflation
Investment rate of return	6.50%
Retirement age	Age 62 and 20 years of service
Mortality	RP-2000 Mortality Table (Blue Collar) with Scale AA

Change in benefit terms: None since 1/1/2023

Change in Assumptions: None since 1/1/2023

UPPER SOUTHAMPTON TOWNSHIP
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED
RATIOS – POLICE OPEB PLAN
REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2024

	Police <u>2024</u>	Police <u>2023</u>	Police <u>2022</u>
Total OPEB liability			
Service cost	\$ 254,010	\$ 250,853	\$ 348,312
Interest	157,594	162,932	108,849
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(938,607)	189,659	(1,129,684)
Changes of assumptions	-	-	-
Benefit payments	<u>(158,388)</u>	<u>(146,280)</u>	<u>(121,871)</u>
Net change in total OPEB liability	(685,391)	457,164	(794,394)
Total OPEB liability - beginning	<u>4,659,343</u>	<u>4,202,179</u>	<u>4,996,573</u>
Total OPEB liability - ending (a)	<u>\$ 3,973,952</u>	<u>\$ 4,659,343</u>	<u>\$ 4,202,179</u>
Plan fiduciary net position			
Contributions - employer	\$ 158,388	\$ 146,280	\$ 121,871
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments	(158,388)	(146,280)	(121,871)
Administrative expense	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's net OPEB liability - ending (a)-(b)	<u>\$ 3,973,952</u>	<u>\$ 4,659,343</u>	<u>\$ 4,202,179</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%
Covered payroll	\$ 2,959,122	\$ 3,219,640	\$ 2,789,831
Net OPEB liability as a percentage of covered payroll	134.3%	144.7%	150.6%
Annual money-weighted return, net of investment expenses	Not Applicable	Not Applicable	Not Applicable

Notes to Schedule:

Change in benefit terms: None since 1/1/2024
Long term investment rate decreased from 2.74% to 2.12% in 2020
Long term investment rate decreased from 2.12% to 2.06% in 2021
Long term investment rate increased from 2.06% to 3.72% in 2022
Long term investment rate increased from 3.72% to 3.26% in 2023

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

	Police <u>2021</u>	Police <u>2020</u>	Police <u>2019</u>	Police <u>2018</u>
\$	325,751	\$ 300,224	\$ 178,702	\$ 180,376
	105,682	113,368	120,794	125,705
	-	-	-	-
	(22,718)	748,838	347,519	(306,886)
	-	(195,898)	-	-
	<u>(142,790)</u>	<u>(146,376)</u>	<u>(138,543)</u>	<u>(142,024)</u>
	265,925	820,156	508,472	(142,829)
	<u>4,730,648</u>	<u>3,910,492</u>	<u>3,402,020</u>	<u>3,544,849</u>
\$	<u>4,996,573</u>	<u>\$ 4,730,648</u>	<u>\$ 3,910,492</u>	<u>\$ 3,402,020</u>

\$	142,790	\$ 146,376	\$ 138,543	\$ 142,024
	-	-	-	-
	-	-	-	-
	(142,790)	(146,376)	(138,543)	(142,024)
	-	-	-	-
	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$	<u>4,996,573</u>	<u>\$ 4,730,648</u>	<u>\$ 3,910,492</u>	<u>\$ 3,402,020</u>

0.0% 0.0% 0.0% 0.0%

\$ 2,573,872 \$ 2,496,340 \$ 2,485,278 \$ 2,401,557

194.1% 189.5% 157.3% 141.7%

Not Applicable Not Applicable Not Applicable Not Applicable

OTHER INFORMATION

UPPER SOUTHAMPTON TOWNSHIP
COMBINING BALANCE SHEET - NONMAJOR
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Special Revenue Funds							Total
	Street Light	Fire Hydrant	Fire Protection	Library	Rescue Squad	Park & Recreation	Highway Aid	
<u>ASSETS</u>								
Cash and cash equivalents	\$ 2,157	\$ 25,627	\$ 9,652	\$ 33,760	\$ 5,954	\$ 1,036,619	\$ 18,252	\$ 1,132,021
Receivables	919	87	1,398	2,066	1,170	1,997	-	7,637
Total Assets	<u>\$ 3,076</u>	<u>\$ 25,714</u>	<u>\$ 11,050</u>	<u>\$ 35,826</u>	<u>\$ 7,124</u>	<u>\$ 1,038,616</u>	<u>\$ 18,252</u>	<u>\$ 1,139,658</u>
<u>LIABILITIES</u>								
Accounts payable and accrued wages	\$ 16,243	\$ 17	\$ 60	\$ 908	\$ 46	\$ 16,173	\$ 837	\$ 34,284
Due to other funds	-	-	-	-	-	-	-	-
Total Liabilities	<u>16,243</u>	<u>17</u>	<u>60</u>	<u>908</u>	<u>46</u>	<u>16,173</u>	<u>837</u>	<u>34,284</u>
<u>FUND BALANCES</u>								
Restricted for:								
Police and emergency services	-	25,697	10,990	-	7,078	-	-	43,765
Open space	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	17,415	17,415
Library	-	-	-	34,918	-	-	-	34,918
Committed for:								
Park and recreation	-	-	-	-	-	1,022,443	-	1,022,443
Public works	-	-	-	-	-	-	-	-
Assigned for:								
Capital projects	-	-	-	-	-	-	-	-
Unassigned	(13,167)	-	-	-	-	-	-	(13,167)
Total Fund Balances	<u>(13,167)</u>	<u>25,697</u>	<u>10,990</u>	<u>34,918</u>	<u>7,078</u>	<u>1,022,443</u>	<u>17,415</u>	<u>1,105,374</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,076</u>	<u>\$ 25,714</u>	<u>\$ 11,050</u>	<u>\$ 35,826</u>	<u>\$ 7,124</u>	<u>\$ 1,038,616</u>	<u>\$ 18,252</u>	<u>\$ 1,139,658</u>

Capital Projects Funds								Debt Service Fund	Total Nonmajor Governmental Funds
Rescue Capital	Vehicle Replacement	Capital Reserve	Road Machinery	Capital Projects	Open Space	Storm Water Capital	Total		
\$ 2,722	\$ 467,846	\$ 839,895	\$ 16,996	\$ 52,984	\$ 62,690	\$ 298,961	\$ 1,742,094	\$ -	\$ 2,874,115
-	-	-	-	-	-	-	-	1,929	9,566
<u>\$ 2,722</u>	<u>\$ 467,846</u>	<u>\$ 839,895</u>	<u>\$ 16,996</u>	<u>\$ 52,984</u>	<u>\$ 62,690</u>	<u>\$ 298,961</u>	<u>\$ 1,742,094</u>	<u>\$ 1,929</u>	<u>\$ 2,883,681</u>
\$ -	\$ -	\$ -	\$ -	\$ (424)	\$ 21	\$ 2,128	\$ 1,725	\$ 745	\$ 36,754
-	-	-	-	-	-	-	-	6,164	6,164
-	-	-	-	(424)	21	2,128	1,725	6,909	42,918
2,722	-	-	-	-	-	-	2,722	-	46,487
-	-	-	-	-	62,669	-	62,669	-	62,669
-	-	-	-	-	-	-	-	-	17,415
-	-	-	-	-	-	-	-	-	34,918
-	-	-	-	-	-	-	-	-	1,022,443
-	-	-	-	-	-	296,833	296,833	-	296,833
-	467,846	839,895	16,996	53,408	-	-	1,378,145	-	1,378,145
-	-	-	-	-	-	-	-	(4,980)	(18,147)
<u>2,722</u>	<u>467,846</u>	<u>839,895</u>	<u>16,996</u>	<u>53,408</u>	<u>62,669</u>	<u>296,833</u>	<u>1,740,369</u>	<u>(4,980)</u>	<u>2,840,763</u>
<u>\$ 2,722</u>	<u>\$ 467,846</u>	<u>\$ 839,895</u>	<u>\$ 16,996</u>	<u>\$ 52,984</u>	<u>\$ 62,690</u>	<u>\$ 298,961</u>	<u>\$ 1,742,094</u>	<u>\$ 1,929</u>	<u>\$ 2,883,681</u>

UPPER SOUTHAMPTON TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Special Revenue Funds							Total
	Street Light	Fire Hydrant	Fire Protection	Library	Rescue Squad	Park & Recreation	Highway Aid	
Revenues								
Property	\$ 268,314	\$ 24,584	\$ 327,420	\$ 602,350	\$ 263,951	\$ 582,855	\$ -	\$ 2,069,474
Investment income and rent	2,869	1,617	2,883	5,561	4,033	47,579	10,091	74,633
Intergovernmental revenues	-	-	-	-	-	-	464,997	464,997
Charges for services	-	-	-	-	-	263,021	-	263,021
Other	-	-	-	-	-	6,582	55,479	62,061
Total Revenues	<u>271,183</u>	<u>26,201</u>	<u>330,303</u>	<u>607,911</u>	<u>267,984</u>	<u>900,037</u>	<u>530,567</u>	<u>2,934,186</u>
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	24,956	334,082	-	260,319	-	-	619,357
Public works	311,994	-	-	-	-	-	618,254	930,248
Culture and recreation	-	-	-	599,559	-	684,688	-	1,284,247
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	136,523	-	136,523
Total Expenditures	<u>311,994</u>	<u>24,956</u>	<u>334,082</u>	<u>599,559</u>	<u>260,319</u>	<u>821,211</u>	<u>618,254</u>	<u>2,970,375</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(40,811)</u>	<u>1,245</u>	<u>(3,779)</u>	<u>8,352</u>	<u>7,665</u>	<u>78,826</u>	<u>(87,687)</u>	<u>(36,189)</u>
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(9,500)	-	-	(9,500)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,500)</u>	<u>-</u>	<u>-</u>	<u>(9,500)</u>
Net Changes in Fund Balance	(40,811)	1,245	(3,779)	8,352	(1,835)	78,826	(87,687)	(45,689)
Fund Balance - Beginning	<u>27,644</u>	<u>24,452</u>	<u>14,769</u>	<u>26,566</u>	<u>8,913</u>	<u>943,617</u>	<u>105,102</u>	<u>1,151,063</u>
Fund Balance - Ending	<u>\$ (13,167)</u>	<u>\$ 25,697</u>	<u>\$ 10,990</u>	<u>\$ 34,918</u>	<u>\$ 7,078</u>	<u>\$ 1,022,443</u>	<u>\$ 17,415</u>	<u>\$ 1,105,374</u>

Capital Projects Funds								Debt Service Fund	Total Nonmajor Governmental Funds
Rescue Capital	Vehicle Replacement	Capital Reserve	Road Machinery	Capital Projects	Open Space	Storm Water Capital	Total		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 950	\$ -	\$ 950	\$ 562,758	\$ 2,633,182
1,199	23,125	34,935	707	15,661	2,596	26,256	104,479	4,070	183,182
-	-	-	-	-	-	-	-	-	464,997
-	-	-	-	-	-	-	-	-	263,021
-	-	-	-	-	-	4,725	4,725	-	66,786
<u>1,199</u>	<u>23,125</u>	<u>34,935</u>	<u>707</u>	<u>15,661</u>	<u>3,546</u>	<u>30,981</u>	<u>110,154</u>	<u>566,828</u>	<u>3,611,168</u>
-	-	-	-	118,254	-	-	118,254	2,112	120,366
-	-	-	-	-	-	-	-	-	619,357
-	-	-	-	137,373	-	-	137,373	-	1,067,621
-	-	-	-	355,454	-	-	355,454	-	1,639,701
-	-	-	-	-	-	-	-	588,000	588,000
-	-	-	-	-	-	-	-	17,727	17,727
<u>125,000</u>	<u>393,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>370</u>	<u>450,534</u>	<u>969,702</u>	<u>-</u>	<u>1,106,225</u>
<u>125,000</u>	<u>393,798</u>	<u>-</u>	<u>-</u>	<u>611,081</u>	<u>370</u>	<u>450,534</u>	<u>1,580,783</u>	<u>607,839</u>	<u>5,158,997</u>
<u>(123,801)</u>	<u>(370,673)</u>	<u>34,935</u>	<u>707</u>	<u>(595,420)</u>	<u>3,176</u>	<u>(419,553)</u>	<u>(1,470,629)</u>	<u>(41,011)</u>	<u>(1,547,829)</u>
9,500	145,000	-	-	-	-	137,000	291,500	56,000	347,500
-	-	-	-	-	-	(56,000)	(56,000)	-	(65,500)
<u>9,500</u>	<u>145,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,000</u>	<u>235,500</u>	<u>56,000</u>	<u>282,000</u>
(114,301)	(225,673)	34,935	707	(595,420)	3,176	(338,553)	(1,235,129)	14,989	(1,265,829)
<u>117,023</u>	<u>693,519</u>	<u>804,960</u>	<u>16,289</u>	<u>648,828</u>	<u>59,493</u>	<u>635,386</u>	<u>2,975,498</u>	<u>(19,969)</u>	<u>4,106,592</u>
<u>\$ 2,722</u>	<u>\$ 467,846</u>	<u>\$ 839,895</u>	<u>\$ 16,996</u>	<u>\$ 53,408</u>	<u>\$ 62,669</u>	<u>\$ 296,833</u>	<u>\$ 1,740,369</u>	<u>\$ (4,980)</u>	<u>\$ 2,840,763</u>

UPPER SOUTHAMPTON TOWNSHIP
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024

	<u>Pension Trust Funds</u>		
	<u>Police Pension</u>	<u>Non-Uniform Pension</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets			
Cash	\$ 417,201	\$ 137,811	\$ 555,012
Investments, at fair value			
Mutual Funds - Equity	1,934,890	740,442	2,675,332
Mutual Funds - Bonds	5,600,769	2,773,663	8,374,432
Exchange Traded Products	<u>13,424,982</u>	<u>6,621,243</u>	<u>20,046,225</u>
Total Current Assets	<u>21,377,842</u>	<u>10,273,159</u>	<u>31,651,001</u>
 TOTAL ASSETS	 <u>\$ 21,377,842</u>	 <u>\$ 10,273,159</u>	 <u>\$ 31,651,001</u>
 <u>NET POSITION</u>			
Net Position - Restricted for:			
Pension benefits	<u>\$ 21,377,842</u>	<u>\$ 10,273,159</u>	<u>\$ 31,651,001</u>
 TOTAL NET POSITION	 <u>\$ 21,377,842</u>	 <u>\$ 10,273,159</u>	 <u>\$ 31,651,001</u>

UPPER SOUTHAMPTON TOWNSHIP
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Pension Trust Funds		
	Police Pension	Non-Uniform Pension	Total
Additions			
Contributions			
Township	\$ 473,695	\$ 46,718	\$ 520,413
Employee	150,775	80,629	231,404
State	<u>251,662</u>	<u>169,872</u>	<u>421,534</u>
Total Contributions	<u>876,132</u>	<u>297,219</u>	<u>1,173,351</u>
Investment Earnings			
Net appreciation in fair value of investments	1,770,095	881,943	2,652,038
Investment income	<u>656,551</u>	<u>327,979</u>	<u>984,530</u>
Total Investment Earnings	2,426,646	1,209,922	3,636,568
Less investment expense	<u>(95,619)</u>	<u>(47,520)</u>	<u>(143,139)</u>
Net Investment Earnings	<u>2,331,027</u>	<u>1,162,402</u>	<u>3,493,429</u>
Total Additions	<u>3,207,159</u>	<u>1,459,621</u>	<u>4,666,780</u>
Deductions			
Retiree benefits	<u>1,093,415</u>	<u>557,274</u>	<u>1,650,689</u>
Total Deductions	<u>1,093,415</u>	<u>557,274</u>	<u>1,650,689</u>
Net Increase (Decrease)	2,113,744	902,347	3,016,091
Net Position - Restricted for Pension Benefits			
Beginning of Year	<u>19,264,098</u>	<u>9,370,812</u>	<u>28,634,910</u>
End of Year	<u>\$ 21,377,842</u>	<u>\$ 10,273,159</u>	<u>\$ 31,651,001</u>