# TOWNSHIP OF BENSALEM
# BUCKS COUNTY, PENNSYLVANIA

## FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

***Year Ended December 31, 2025***

Maillie®
ACCOUNTANTS • ADVISORS

# INTRODUCTORY SECTION

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**BUCKS COUNTY, PENNSYLVANIA**
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# FINANCIAL SECTION

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# *Independent Auditors' Report*

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

## Report of the Audit of the Financial Statements

### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Bensalem, Bucks County, Pennsylvania, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Township of Bensalem, Bucks County, Pennsylvania's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Bensalem, Bucks County, Pennsylvania, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

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

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Township of Bensalem, Bucks County, Pennsylvania's ability to continue as a going concern for 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 and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 18, budgetary comparison information on page 80, pension plan information on pages 81 through 86 and post-employment benefits other than pension plan information on page 87 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Bensalem's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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. Such 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated May 11, 2026 on our consideration of the Township of Bensalem's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Township of Bensalem's internal control over financial reporting and compliance.

Maillie LLP

Limerick, Pennsylvania
May 11, 2026

## OVERVIEW

The Township of Bensalem (hereinafter referred to as "Township") was incorporated in 1692. The Township is located in Bucks County, Pennsylvania, along the Delaware River and is bordered by Lower Southampton Township on the northwest, Middletown Township and Hulmeville Borough on the northeast, Bristol Township on the east, by the Delaware River on the south and the City of Philadelphia on the southwest. The Township of Bensalem is a township of the second class, operating under the Executive (Mayor) – Council Plan B optional form of government effective January 1, 1990. The Township covers approximately 21 square miles. The population in the year 2010 census was 60,427.

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

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

It is the Mayor's responsibility to make sure that the adopted budget is managed. In each of the past thirty (30) years, the Mayor has brought in actual year-end results better than the approved appropriations (budget). All costs are reviewed before purchases are made to make sure they are in keeping with the budget as well as adhering to Township policy. Bensalem Township conforms to the Pennsylvania State Second Class Township Code.

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

Management's Discussion and Analysis, which is required by GASB Statement No. 34, will give you an understanding of the Township's annual financial statements, which are reported on an accrual basis. Our discussion will focus on the reporting, analysis and performance of the financial activities of the Township for the calendar year ended December 31, 2025. Included in our financial statements are: 1) government-wide financial statements, 2) fund financial statements, 3) notes that accompany the financial statements and 4) supplementary information.

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

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

## GOVERNMENT-WIDE STATEMENT ANALYSIS

### Township of Bensalem
### Statements of Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| ASSETS | | | | | | |
| CURRENT ASSETS | | | | | | |
| Cash, cash equivalents, and investments | $ 74,640,129 | $ 84,665,346 | $ 7,067,268 | $ 2,164,466 | $ 81,707,397 | $ 86,829,812 |
| Receivables | 9,735,017 | 9,640,058 | - | - | 9,735,017 | 9,640,058 |
| Due from other funds | 7,895,000 | - | - | - | 7,895,000 | - |
| Other | 620,429 | 570,507 | 184,092 | 157,553 | 804,521 | 728,060 |
| TOTAL CURRENT ASSETS | 92,890,575 | 94,875,911 | 7,251,360 | 2,322,019 | 100,141,935 | 97,197,930 |
| FIXED ASSETS | | | | | | |
| Net capital assets | 76,766,168 | 71,685,737 | 20,654,783 | 16,941,339 | 97,420,951 | 88,627,076 |
| DEFERRED OUTFLOWS OF RESOURCES | 6,001,653 | 6,829,565 | - | - | 6,001,653 | 6,829,565 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | $ 175,658,396 | $ 173,391,213 | $ 27,906,143 | $ 19,263,358 | $ 203,564,539 | $ 192,654,571 |

## GOVERNMENT-WIDE STATEMENT ANALYSIS

### Township of Bensalem
### Statements of Net Position
### (Cont.)

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| LIABILITIES | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Accounts payable | $ 2,544,185 | $ 2,075,481 | $ 381,198 | $ 194,106 | $ 2,925,383 | $ 2,269,587 |
| Unearned revenue | - | 3,964,123 | - | - | - | 3,964,123 |
| Bonds and notes payable | 2,914,200 | 2,839,600 | 1,203,580 | 1,188,824 | 4,117,780 | 4,028,424 |
| Financed purchase obligations | 134,563 | 130,526 | - | - | 134,563 | 130,526 |
| Total OPEB liability | 723,027 | 671,297 | - | - | 723,027 | 671,297 |
| Compensated balances | 293,439 | 221,706 | 11,184 | 295 | 304,623 | 222,001 |
| SBITA liabilities | 299,938 | 299,046 | - | - | 299,938 | 299,046 |
| Due to other funds | - | - | 7,895,000 | - | 7,895,000 | - |
| Other | 1,899,776 | 1,039,305 | 210,745 | 182,492 | 2,110,521 | 1,221,797 |
| TOTAL CURRENT LIABILITIES | 8,809,128 | 11,241,084 | 9,701,707 | 1,565,717 | 18,510,835 | 12,806,801 |
| NONCURRENT LIABILITIES | | | | | | |
| Compensated balances | 5,575,345 | 5,612,797 | 84,839 | 80,004 | 5,660,184 | 5,692,801 |
| Bonds and notes payable | 13,042,200 | 15,956,400 | 3,075,800 | 4,279,378 | 16,118,000 | 20,235,778 |
| Financed purchase obligations | 1,094,226 | 1,228,789 | - | - | 1,094,226 | 1,228,789 |
| SBITA liabilities | 1,423,702 | 1,723,640 | - | - | 1,423,702 | 1,723,640 |
| Total OPEB liability | 14,990,837 | 14,339,839 | - | - | 14,990,837 | 14,339,839 |
| Net pension liability | 19,292,248 | 28,039,144 | - | - | 19,292,248 | 28,039,144 |
| TOTAL NONCURRENT LIABILITIES | 55,418,558 | 66,900,609 | 3,160,639 | 4,359,382 | 58,579,197 | 71,259,991 |
| TOTAL LIABILITIES | 64,227,686 | 78,141,693 | 12,862,346 | 5,925,099 | 77,090,032 | 84,066,792 |
| DEFERRED INFLOWS OF RESOURCES | 11,930,927 | 5,175,716 | - | - | 11,930,927 | 5,175,716 |
| NET POSITION | | | | | | |
| Invested in capital assets, net of related debt | 58,380,467 | 50,161,646 | 16,375,403 | 11,473,137 | 74,755,870 | 61,634,783 |
| Restricted | 7,677,022 | 6,190,551 | - | - | 7,677,022 | 6,190,551 |
| Unrestricted | 33,442,294 | 33,721,607 | (1,331,606) | 1,865,122 | 32,110,688 | 35,586,729 |
| TOTAL NET POSITION | 99,499,783 | 90,073,804 | 15,043,797 | 13,338,259 | 114,543,580 | 103,412,063 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | $ 175,658,396 | $ 173,391,213 | $ 27,906,143 | $ 19,263,358 | $ 203,564,539 | $ 192,654,571 |

The Township had a very strong government-wide cash, cash equivalents and investments balance at December 31, 2025, of $81,707,397. A substantial part of the cash is in a Trust Fund that was established by Township Resolution #99-34. All Township cash funds are subject to Pennsylvania Act 72 regulations. The Township policy for the Trust Fund is more restricted than the state regulations, specifically the funds must be invested in obligations of the United States of America or its agencies or instrumentalities backed by the full faith and credit of the United States of America.

- Receivables have increased by $94,959

- Capital Assets, which consist of land, buildings, equipment, construction in progress, and other capital assets, net of accumulated depreciation, total $97,420,951 and our debt associated with these assets is $20,235,780.

- A comparison of the Government-Wide Statement of Net Position from 2024 to 2025 shows the current assets of cash, cash equivalents, and investments decreased by $5,122,415.

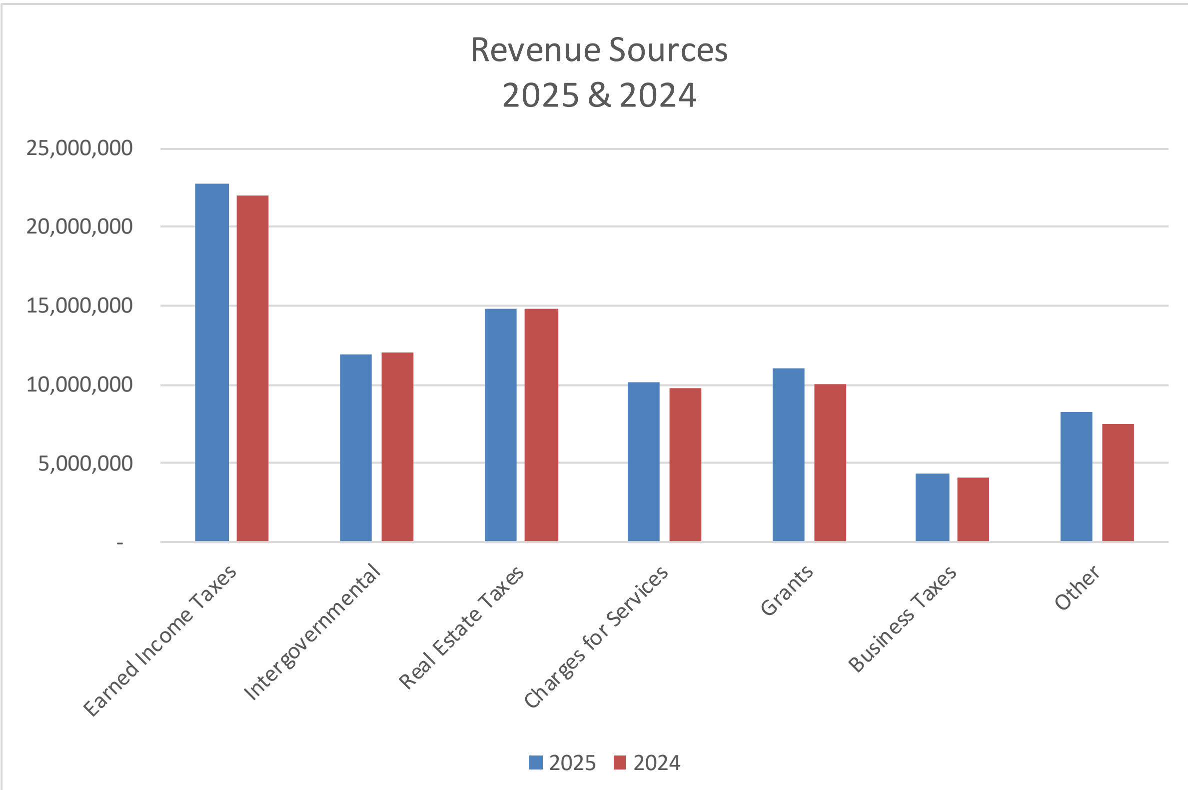
- The Township's total assets were $203,564,539; 40% of the total assets were cash, cash equivalents and investments of $81,707,397. The remaining assets are made up of receivables, due from other funds and other assets totaling $18,434,538, capital assets such as buildings, infrastructure, and equipment of $97,420,951, and deferred outflows of resources related to pensions, OPEB and leases of $6,001,653.

- Government wide capital assets, net of accumulated depreciation is $97,420,951. The makeup of capital assets is land and construction in progress of $41,280,499, infrastructure of $115,180,632, buildings and improvements of $28,255,160, vehicles, machinery and equipment of $21,809,336, land improvements of $19,648,412 and SBITA assets of $3,003,550, less accumulated depreciation of $131,756,638.

- Capital assets increased $8,793,875 from the previous year. This is a combination of $23,160,578 of additions, $10,136,550 of net disposals, and $4,230,153 of depreciation expense. The Township purchased police vehicles and equipment, heavy duty public works vehicles, country club maintenance and equipment, subscription-based information technology arrangements and continued drainage projects.

- The Township's total liabilities were $77,090,032. Of this amount, long-term liabilities were $58,579,197. Twenty-eight percent (28%) of the long-term liabilities was debt, twenty-eight percent (28%) was compensated balances and OPEB liabilities, and twenty-five percent (25%) was the net pension liability recorded as a requirement of GASB Statement No. 75. The Township's long-term liabilities decreased by $12,680,794 during the year due to changes in the pension liability.

**Government-wide Analysis: Income Statement**




Total revenues for the year ended December 31, 2025, were $83,195,386 which was an increase of $2,928,214 from 2024. Increase was primarily due to increase in earned income taxes and grants.

The total revenue is made up of earned income taxes of $22,702,912, real estate taxes of $14,771,390, intergovernmental revenue of $11,964,626, charges for services of $10,187,793 (a), grants of $11,025,970, business taxes of $4,339,129, and other revenue of $8,203,566.

(a) The four (4) major components of charges for services are $3,695,442 country club, $2,668,491 police, $2,207,878 planning and development, and $1,043,884 fire and rescue.

Total expenditures for the Township for the year ended December 31, 2025 were $72,063,869.

Police protection, which is the largest expense of the Township, totals $36,941,502 or 51% of the Township's total expenditures. The police department consists of 107 full-time sworn officers plus administrative and support personnel. Public Works' expense totals $7,463,561 or 11%. These expenses represent the cost for road repaving, street maintenance and snow removal. The Homeowners assistance program expense totals $4,405,799 or 6%. Fire and Rescue expense totals $6,318,008 or 9%. Country Club expense totals $3,701,039 or 5% for the golf course and banquet facility. Parks and Recreation expense totals $3,060,148 or 4% for the upkeep of the Township parks and providing recreational programs for children. The Country Club operation is funded by the fees charged to its patrons.

## Statement of Activities

For the year ended December 31, 2025 and 2024, net position of the Township changed as follows:

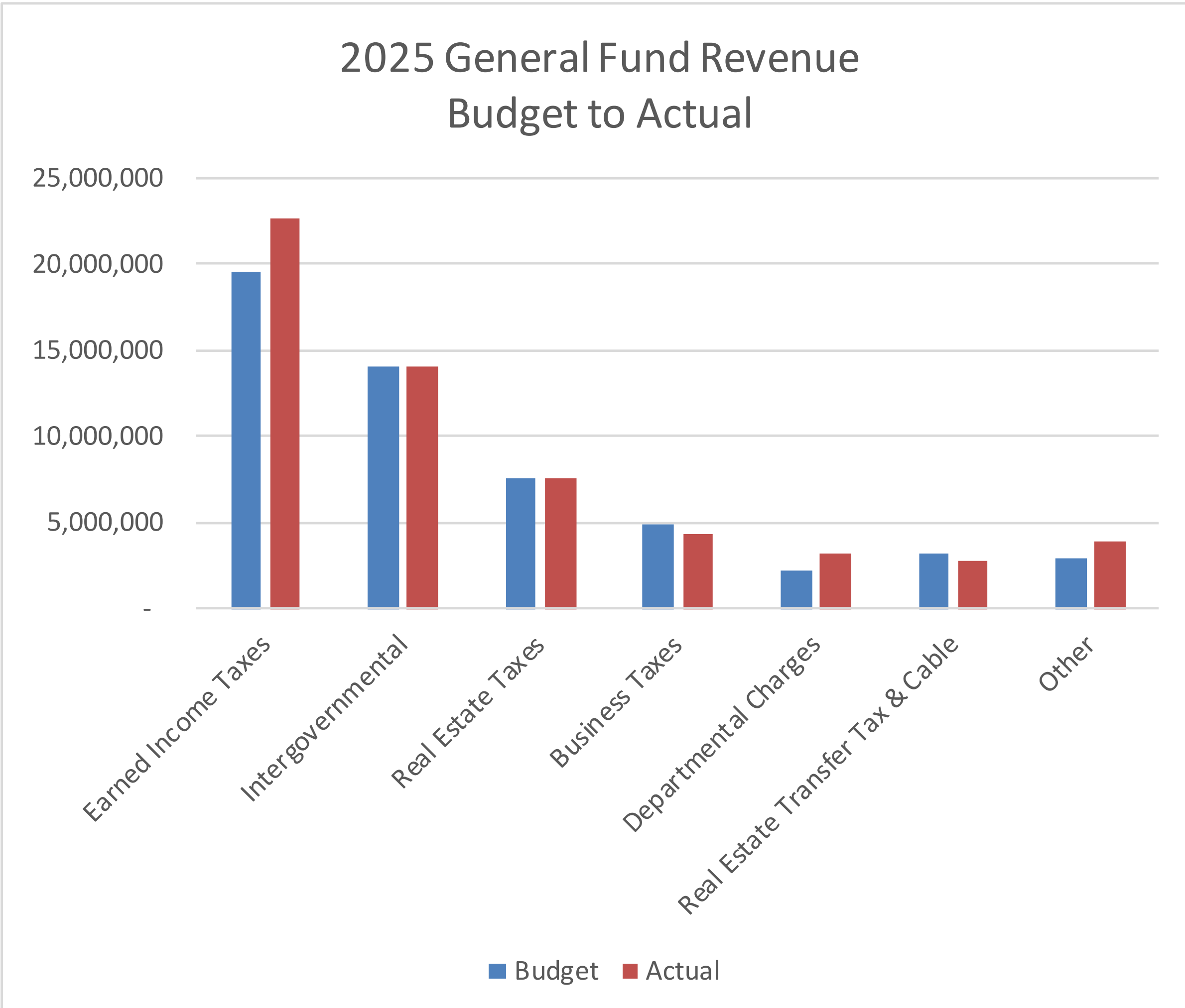
| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| REVENUES | | | | | | |
| Program revenues | | | | | | |
| Charges for services | $ 6,492,351 | $ 6,156,166 | $ 3,695,442 | $ 3,589,265 | $ 10,187,793 | $ 9,745,431 |
| Operating grants and contributions | 11,025,970 | 10,026,100 | - | - | 11,025,970 | 10,026,100 |
| Capital grants and contributions | - | - | - | - | - | - |
| General revenues | | | | | | |
| Real estate taxes | 14,771,390 | 14,787,410 | - | - | 14,771,390 | 14,787,410 |
| Other taxes | 28,914,091 | 28,054,738 | - | - | 28,914,091 | 28,054,738 |
| Investment earnings (loss) | 4,407,162 | 3,959,753 | 210,310 | 68,806 | 4,617,472 | 4,028,559 |
| Gain (loss) on sale of assets | 91,784 | - | 2,425 | - | 94,209 | - |
| Other | 13,584,461 | 13,624,934 | - | - | 13,584,461 | 13,624,934 |
| TOTAL REVENUES | 79,287,209 | 76,609,101 | 3,908,177 | 3,658,071 | 83,195,386 | 80,267,172 |
| EXPENSES | | | | | | |
| General government | 2,891,439 | 3,251,958 | - | - | 2,891,439 | 3,251,958 |
| Finance | 757,385 | 953,108 | - | - | 757,385 | 953,108 |
| Tax Collection | 858,770 | 1,136,812 | - | - | 858,770 | 1,136,812 |
| Community and economic development | 331,374 | 687,265 | - | - | 331,374 | 687,265 |
| Fire and rescue | 6,318,008 | 6,372,208 | - | - | 6,318,008 | 6,372,208 |
| Parks and recreation | 3,060,148 | 2,817,154 | - | - | 3,060,148 | 2,817,154 |
| Planning and development | 2,984,400 | 2,572,589 | - | - | 2,984,400 | 2,572,589 |
| Police | 36,941,502 | 39,527,934 | - | - | 36,941,502 | 39,527,934 |
| Public works - buildings | 800,041 | 1,019,517 | - | - | 800,041 | 1,019,517 |
| Public works - highway | 7,463,561 | 5,146,425 | - | - | 7,463,561 | 5,146,425 |
| Street lighting | 829,779 | 803,878 | - | - | 829,779 | 803,878 |
| Debt service | 720,624 | 815,305 | - | - | 720,624 | 815,305 |
| Homeowners' assistance program | 4,405,799 | 4,323,228 | - | - | 4,405,799 | 4,323,228 |
| Country club | - | - | 3,701,039 | 3,251,485 | 3,701,039 | 3,251,485 |
| TOTAL EXPENSES | 68,362,830 | 69,427,381 | 3,701,039 | 3,251,485 | 72,063,869 | 72,678,866 |
| CHANGE IN NET POSITION BEFORE TRANSFERS | 10,924,379 | 7,181,720 | 207,138 | 406,586 | 11,131,517 | 7,588,306 |
| TRANSFERS | (1,498,400) | (1,984,400) | 1,498,400 | 1,984,400 | - | - |
| CHANGE IN NET POSITION | 9,425,979 | 5,197,320 | 1,705,538 | 2,390,986 | 11,131,517 | 7,588,306 |
| BEGINNING NET POSITION | 90,073,804 | 84,876,484 | 13,338,259 | 10,947,273 | 103,412,063 | 87,499,444 |
| ENDING NET POSITION | $ 99,499,783 | $ 90,073,804 | $ 15,043,797 | $ 13,338,259 | $ 114,543,580 | $ 103,412,063 |

## FUND STATEMENT ANALYSIS

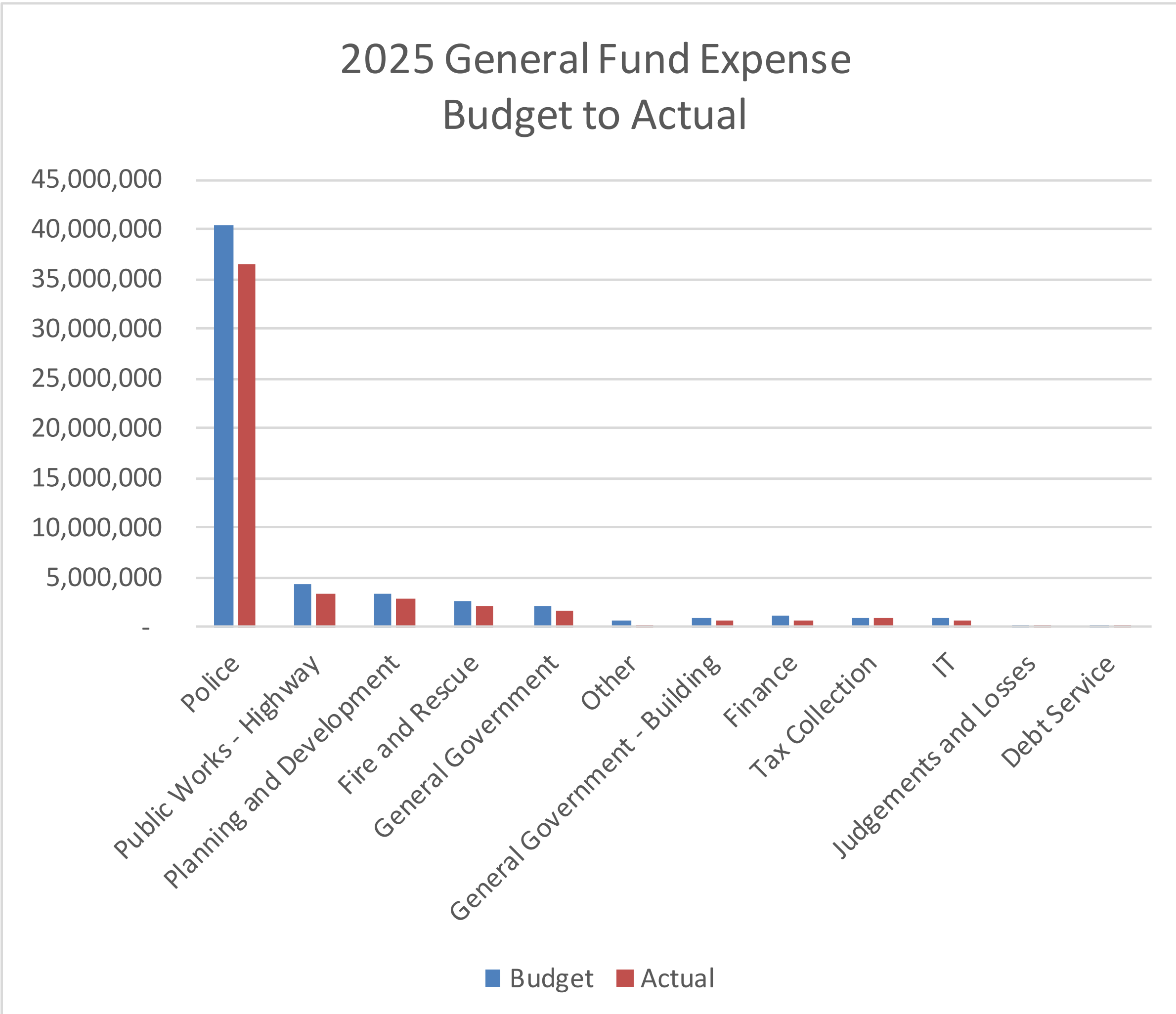
### ***General Fund***

2025 **Summary of Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis)**

| | Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| TOTAL REVENUES | $ 54,074,700 | $ 58,463,325 | $ 4,388,625 |
| TOTAL EXPENDITURES | 57,527,400 | 49,928,658 | (7,598,742) |
| EXCESS OF REVENUES OVER EXPENDITURES | (3,452,700) | 8,534,667 | 11,987,367 |
| OTHER NONOPERATING EXPENSES | | | |
| Homeowners' assistance program | 4,500,000 | 4,405,799 | (94,201) |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 752,000 | 752,000 | - |
| Operating transfers out | (7,950,000) | (7,950,000) | - |
| Proceeds from sale of capital assets | - | 49,882 | 49,882 |
| TOTAL OTHER FINANCING SOURCES (USES) | (7,198,000) | (7,148,118) | 49,882 |
| NET CHANGE IN FUND BALANCE | (15,150,700) | (3,019,250) | 12,131,450 |
| FUND BALANCES AT JANUARY 1, 2025 | 27,519,852 | 27,519,852 | - |
| FUND BALANCES AT DECEMBER 31, 2025 | $ 12,369,152 | $ 24,500,602 | $ 12,131,450 |

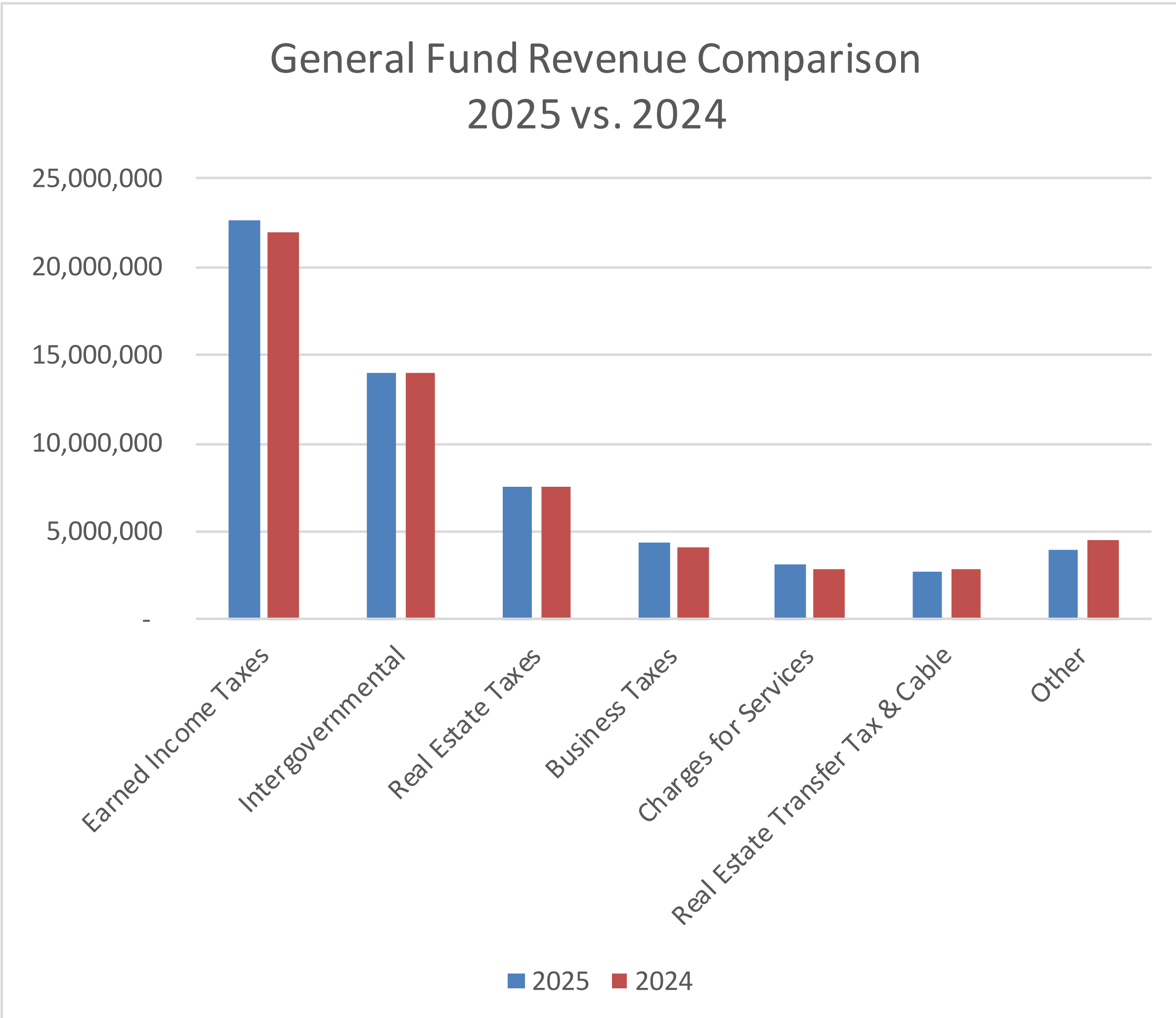



Actual revenue in the general fund was more than budgeted by $4,388,625 or 8% for the year ended December 31, 2025. Earned Income Tax has been a leading revenue source for the Township.

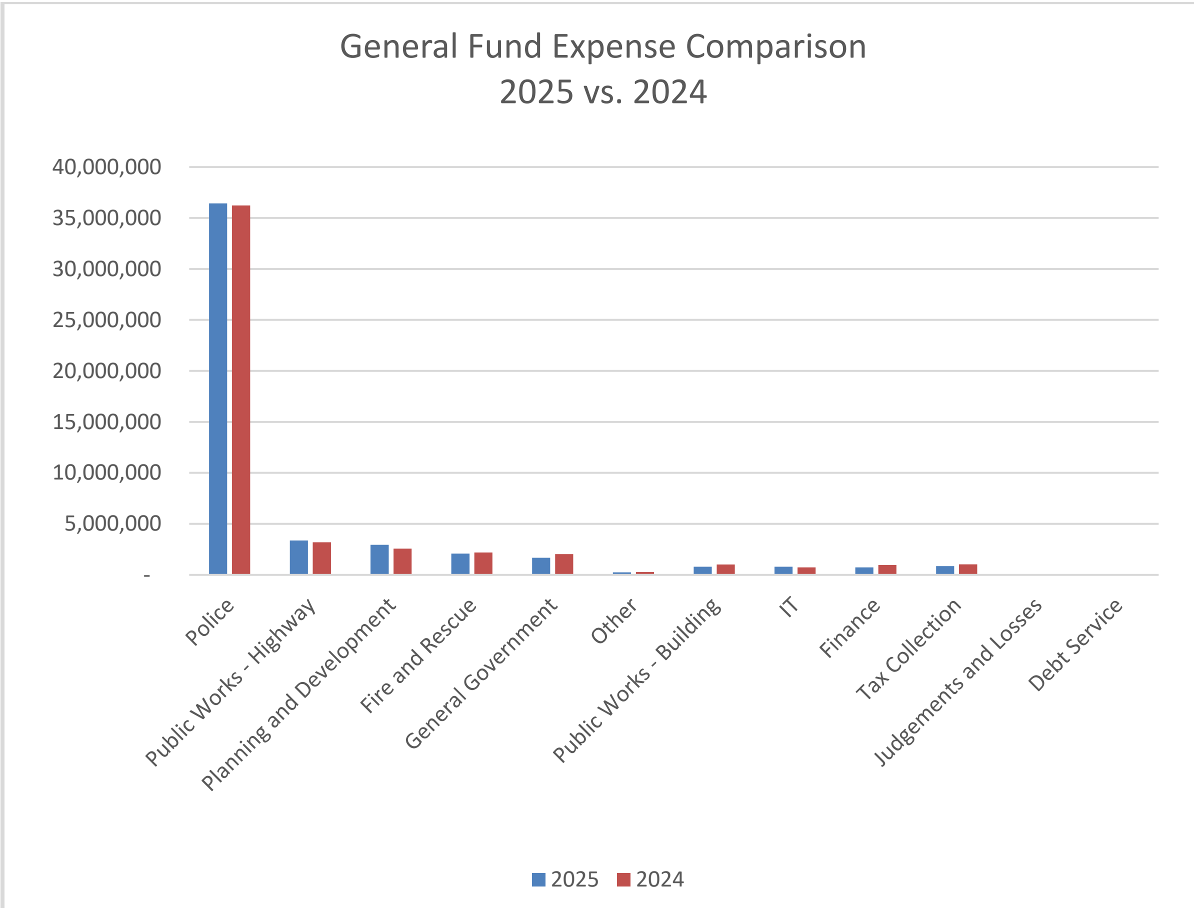



Total general fund expense was less than budget by $7,598,742 or 15% for the year ended December 31, 2025. The Township continually strives to obtain the lowest price possible for our expenditures. This is done by obtaining annual bids for services and taking advantage of state contract pricing.

Even though we endeavor to conserve costs the services to the residents of the Township have not been adversely affected. The $7,598,742 savings from 2025 helps fund next year's budget.




In comparing the year 2025 to 2024 there was a 1% increase in revenue.




The 2025 operating expenses decreased 1% from the previous year.

### *Other Funds*

In total for the year ended December 31, 2025, the Township's overall net capital assets increased by $8,793,875. Construction in progress due to completion of projects was the main reasons for the increase. We had $23,160,578 in additions, $9,367,356 in net deletions and $4,999,347 in depreciation Township-wide.

| | Balance December 2024 | Additions | Deletions | Balance December 2025 |
|---|---|---|---|---|
| GOVERNMENTAL ACTIVITIES | | | | |
| Land | $ 15,420,521 | $ - | $ - | $ 15,420,521 |
| Construction in progress | 9,124,446 | 9,053,564 | (8,146,221) | 10,031,789 |
| Buildings and improvements | 22,073,963 | 1,752,309 | - | 23,826,272 |
| Land improvements | 14,235,699 | 2,142,450 | - | 16,378,149 |
| Vehicles, machinery and equipment | 19,884,009 | 761,191 | (714,234) | 19,930,966 |
| Infrastructure | 111,082,072 | 4,098,560 | - | 115,180,632 |
| SBITA assets | 3,003,550 | - | - | 3,003,550 |
| | 194,824,260 | 17,808,074 | (8,860,455) | 203,771,879 |
| Total accumulated depreciation | (123,138,523) | (4,581,422) | 714,234 | (127,005,711) |
| GOVERNMENTAL CAPITAL ASSETS, net | $ 71,685,737 | $ 13,226,652 | $ (8,146,221) | $ 76,766,168 |

| | Balance December 2024 | Additions | Deletions | Balance December 2025 |
|---|---|---|---|---|
| BUSINESS-TYPE ACTIVITIES | | | | |
| Land | $ 11,537,195 | $ - | $ - | $ 11,537,195 |
| Construction in progress | 946,096 | 4,545,611 | (1,200,713) | 4,290,994 |
| Buildings and improvements | 4,326,215 | 102,673 | - | 4,428,888 |
| Land improvements | 2,758,624 | 511,639 | - | 3,270,263 |
| Vehicle, machinery and equipment | 1,761,171 | 192,581 | (75,382) | 1,878,370 |
| | 21,329,301 | 5,352,504 | (1,276,095) | 25,405,710 |
| Total accumulated depreciation | (4,387,962) | (417,925) | 54,960 | (4,750,927) |
| BUSINESS-TYPE CAPITAL ASSETS, net | $ 16,941,339 | $ 4,934,579 | $ (1,221,135) | $ 20,654,783 |
| TOTAL CAPITAL ASSETS | $ 88,627,076 | $ 18,161,231 | $ (9,367,356) | $ 97,420,951 |

The Township's total gross debt outstanding was $20,185,000 as of December 31, 2025. We do have room to borrow for future capital improvements if the need arises. Long-term debt activity for the year ended December 31, 2025, was as follows:

| | Balance December 2024 | Increase | Decrease | Balance December 2025 | Amount Due Within One Year |
|---|---|---|---|---|---|
| General Obligation Bonds | $ 10,430,000 | $ - | $ (1,555,000) | $ 8,875,000 | $ 1,600,000 |
| General Obligation and Revenue Notes | 13,724,000 | - | (2,414,000) | 11,310,000 | 2,467,000 |
| | $ 24,154,000 | $ - | $ (3,969,000) | $ 20,185,000 | $ 4,067,000 |

## LONG-TERM OUTLOOK - TOWNSHIP FINANCIAL CONDITION

Looking to the future, we have large government-wide net position of $114,543,580. We have a revenue stream and prudent budgetary expense controls that should allow the Township to continue to provide high quality services to its citizens. The Township continues to make capital improvements and enhance the quality of life for its residents.

The housing market has continued to remain constant within the Township, property values remainder high but it is our belief that this can't continue with the rate condition. There continues to be challenging economic conditions that we are meeting with strong fiscal policies that the Mayor and Council have implemented.

Challenges continue for the not only the Township but the nation.  The increase in costs of goods being sold is continuing to be a factor in planning for capital projects, as well as, the Township's daily expenses.

Going forward, the Township will continue to explore different avenues to limit the rise in expenditures due to contractual wage increases and annual increases in health, property, and workers' compensation insurance. With the help of the American Rescue Plan Act of 2021 the federal government provided the Township with funds that have been utilized to restore and design drainage projects that need to be done throughout the Township. Unfunded mandates by the federal government regarding storm water management, that are now the Township's responsibility, are also being addressed. Finally, the Mayor and Council are committed to replenishing the Capital Trust Fund. All of these projects and goals require funding which, that in the past, would have required the Township taking on additional debt. However, these projects can now be funded without debt with the help of the implementation of the earned income tax.

In the 2026 budget, the Mayor and Council have again committed to the Homeowners Assistance Grant Program. The budgeted funding for this program is $4,500,000. This program provides homeowners with a check for $300 as well as an additional $150 for qualified low-income senior citizens and disabled homeowners.

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

**TOWNSHIP OF BENSALEM**
**BUCKS COUNTY, PENNSYLVANIA**
STATEMENT OF NET POSITION
DECEMBER 31, 2025

| | Governmental Activities | Business-Type Activities | Totals |
|---|---|---|---|
| ASSETS | | | |
| Cash and cash equivalents | $ 31,233,609 | $ 7,067,268 | $ 38,300,877 |
| Investments | 43,250,605 | - | 43,250,605 |
| Receivables | | | |
| Real estate taxes | 589,568 | - | 589,568 |
| Earned income taxes | 4,063,877 | - | 4,063,877 |
| Interest | 287,413 | - | 287,413 |
| Casino - local share assessment | 2,969,055 | - | 2,969,055 |
| Leases | 696,614 | - | 696,614 |
| Other | 1,128,490 | - | 1,128,490 |
| Inventories | - | 129,272 | 129,272 |
| Due from other funds | 7,895,000 | - | 7,895,000 |
| Restricted cash | 155,915 | - | 155,915 |
| Other assets | 620,429 | 54,820 | 675,249 |
| Capital assets | | | |
| Non depreciable and non amortizable capital assets | 25,452,310 | 15,828,189 | 41,280,499 |
| Depreciable and amortizable capital assets | 51,313,858 | 4,826,594 | 56,140,452 |
| TOTAL ASSETS | 169,656,743 | 27,906,143 | 197,562,886 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred charge on refunding | 523,128 | - | 523,128 |
| Related to pensions | 4,480,995 | - | 4,480,995 |
| Related to OPEB | 997,530 | - | 997,530 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 6,001,653 | - | 6,001,653 |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | 2,544,185 | 381,198 | 2,925,383 |
| Accrued interest | 19,411 | - | 19,411 |
| Deposits and advances | - | 210,745 | 210,745 |
| Other liabilities | 1,880,365 | - | 1,880,365 |
| Due to other funds | - | 7,895,000 | 7,895,000 |
| Long-term liabilities | | | |
| Portion due or payable within one year | | | |
| Bonds and notes payable | 2,914,200 | 1,203,580 | 4,117,780 |
| Financed purchase obligations | 134,563 | - | 134,563 |
| Total OPEB liability | 723,027 | - | 723,027 |
| Compensated absences | 293,439 | 11,184 | 304,623 |
| SBITA liabilities | 299,938 | - | 299,938 |
| Portion due or payable after one year | | | |
| Bonds and notes payable, non-current | 13,042,200 | 3,075,800 | 16,118,000 |
| Financed purchase obligations | 1,094,226 | - | 1,094,226 |
| SBITA liabilities | 1,423,702 | - | 1,423,702 |
| Compensated absences | 5,575,345 | 84,839 | 5,660,184 |
| Total OPEB liability | 14,990,837 | - | 14,990,837 |
| Net pension liability | 19,292,248 | - | 19,292,248 |
| TOTAL LIABILITIES | 64,227,686 | 12,862,346 | 77,090,032 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Related to pensions | 7,588,806 | - | 7,588,806 |
| Related to OPEB | 3,713,683 | - | 3,713,683 |
| Related to leases | 628,438 | - | 628,438 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 11,930,927 | - | 11,930,927 |
| NET POSITION | | | |
| Net investment in capital assets | 58,380,467 | 16,375,403 | 74,755,870 |
| Restricted | 7,677,022 | - | 7,677,022 |
| Unrestricted | 33,442,294 | (1,331,606) | 32,110,688 |
| TOTAL NET POSITION | $ 99,499,783 | $ 15,043,797 | $ 114,543,580 |

*See accompanying notes to the basic financial statements.*

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

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| GOVERNMENTAL ACTIVITIES | | | | |
| General government | $ 2,891,439 | $ - | $ - | $ - |
| Finance | 757,385 | - | - | - |
| Tax collection | 858,770 | - | - | - |
| Community and economic development | 331,374 | 49,736 | 712,577 | - |
| Fire and rescue | 6,318,008 | 1,043,884 | 400,618 | - |
| Parks and recreation | 3,060,148 | 460,701 | 2,020,000 | - |
| Planning and development | 2,984,400 | 2,207,878 | - | - |
| Police | 36,941,502 | 2,668,491 | 2,337,126 | - |
| Public works - buildings | 800,041 | - | - | - |
| Public works - highway | 7,463,561 | - | 5,555,649 | - |
| Street lighting | 829,779 | - | - | - |
| Debt service | 720,624 | - | - | - |
| Judgments and losses | - | 2,843 | - | - |
| Homeowners' assistance program | 4,405,799 | - | - | - |
| TOTAL GOVERNMENTAL ACTIVITIES | 68,362,830 | 6,433,533 | 11,025,970 | - |
| BUSINESS-TYPE ACTIVITIES | | | | |
| Country Club | 3,701,039 | 3,695,442 | - | - |
| | $ 72,063,869 | $ 10,128,975 | $ 11,025,970 | $ - |

GENERAL REVENUES
Taxes
Real estate taxes
Real estate transfer
Business
Earned income
Cable television franchise fees
Intergovernmental revenue not restricted to specific program
Investment earnings
Lease income
Gain on disposition of fixed assets
Miscellaneous
TRANSFERS

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION AT BEGINNING OF YEAR

NET POSITION AT END OF YEAR

*See accompanying notes to the basic financial statements.*

| Net (Expense) Revenue and Changes in Net Position | | |
|---|---|---|
| Governmental Activities | Business-Type Activities | Totals |
| $ (2,891,439) | $ - | $ (2,891,439) |
| (757,385) | - | (757,385) |
| (858,770) | - | (858,770) |
| 430,939 | - | 430,939 |
| (4,873,506) | - | (4,873,506) |
| (579,447) | - | (579,447) |
| (776,522) | - | (776,522) |
| (31,935,885) | - | (31,935,885) |
| (800,041) | - | (800,041) |
| (1,907,912) | - | (1,907,912) |
| (829,779) | - | (829,779) |
| (720,624) | - | (720,624) |
| 2,843 | - | 2,843 |
| (4,405,799) | - | (4,405,799) |
| (50,903,327) | - | (50,903,327) |
| - | (5,597) | (5,597) |
| (50,903,327) | (5,597) | (50,908,924) |
| 14,771,390 | - | 14,771,390 |
| 1,872,050 | - | 1,872,050 |
| 4,339,129 | - | 4,339,129 |
| 22,702,912 | - | 22,702,912 |
| 938,963 | - | 938,963 |
| 11,964,626 | - | 11,964,626 |
| 4,407,162 | 210,310 | 4,617,472 |
| 204,969 | - | 204,969 |
| 91,784 | 2,425 | 94,209 |
| 534,721 | - | 534,721 |
| (1,498,400) | 1,498,400 | - |
| 60,329,306 | 1,711,135 | 62,040,441 |
| 9,425,979 | 1,705,538 | 11,131,517 |
| 90,073,804 | 13,338,259 | 103,412,063 |
| $ 99,499,783 | $ 15,043,797 | $ 114,543,580 |

**TOWNSHIP OF BENSALEM**
**BUCKS COUNTY, PENNSYLVANIA**
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

| | General Fund | Capital Trust Fund |
|---|---|---|
| ASSETS | | |
| Cash and cash equivalents | $ 17,311,799 | $ 1,983,042 |
| Investments | - | 43,250,605 |
| Receivables | | |
| Real estate taxes | 516,479 | - |
| Earned income taxes | 4,063,877 | - |
| Interest | - | 287,413 |
| Casino - local share assessment | 2,969,055 | - |
| Leases | 696,614 | - |
| Other | 1,012,076 | - |
| Due from other funds | 4,758,812 | 5,824,200 |
| Restricted cash | 155,915 | - |
| Other assets | 583,684 | - |
| TOTAL ASSETS | $ 32,068,311 | $ 51,345,260 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | |
| LIABILITIES | | |
| Accounts payable and accrued expenses | $ 1,570,184 | $ - |
| Other liabilities | 1,880,365 | - |
| Due to other funds | 3,050,904 | 248,812 |
| TOTAL LIABILITIES | 6,501,453 | 248,812 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred taxes and other receipts | 437,818 | - |
| Leases | 628,438 | - |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 1,066,256 | - |
| FUND BALANCES | | |
| Nonspendable | 583,684 | - |
| Restricted | - | - |
| Committed | - | - |
| Assigned | - | 51,096,448 |
| Unassigned | 23,916,918 | - |
| TOTAL FUND BALANCES | 24,500,602 | 51,096,448 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | $ 32,068,311 | $ 51,345,260 |

*See accompanying notes to the basic financial statements.*

| Debt Service Fund | Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| $ 96,026 | $ 2,557,469 | $ 9,285,273 | $ 31,233,609 |
| - | - | - | 43,250,605 |
| | | | |
| - | - | 73,089 | 589,568 |
| - | - | - | 4,063,877 |
| - | - | - | 287,413 |
| - | - | - | 2,969,055 |
| - | - | - | 696,614 |
| - | - | 116,414 | 1,128,490 |
| - | 3,048,133 | 2,771 | 13,633,916 |
| - | - | - | 155,915 |
| - | - | 36,745 | 620,429 |
| $ 96,026 | $ 5,605,602 | $ 9,514,292 | $ 98,629,491 |
| | | | |
| $ - | $ 761,189 | $ 212,812 | $ 2,544,185 |
| - | - | - | 1,880,365 |
| - | 2,429,200 | 10,000 | 5,738,916 |
| - | 3,190,389 | 222,812 | 10,163,466 |
| | | | |
| - | - | - | 437,818 |
| - | - | - | 628,438 |
| | | | |
| - | - | - | 1,066,256 |
| | | | |
| - | - | 36,745 | 620,429 |
| - | - | 7,735,840 | 7,735,840 |
| - | 2,415,213 | 1,518,895 | 3,934,108 |
| 96,026 | - | - | 51,192,474 |
| - | - | - | 23,916,918 |
| 96,026 | 2,415,213 | 9,291,480 | 87,399,769 |
| | | | |
| $ 96,026 | $ 5,605,602 | $ 9,514,292 | $ 98,629,491 |

# TOWNSHIP OF BENSALEM
# BUCKS COUNTY, PENNSYLVANIA
## RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
## DECEMBER 31, 2025

| | |
|---|---|
| TOTAL GOVERNMENTAL FUNDS BALANCES | $ 87,399,769 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resource and, therefore, are not reported in the funds. | 76,766,168 |
| Taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred inflows of resources in the funds. | 437,818 |
| Deferred outflows and inflows of resources related to the pension and OPEB plans will not be paid or received in the current period and, therefore, are not reported in the funds. | (5,823,964) |
| Governmental funds report the effect of the deferred amount on refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | 523,128 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in as liabilities in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances at December 31, 2025 are as follows: | |
| Bonds and notes payable | (15,956,400) |
| Financed purchase obligations | (1,228,789) |
| Accrued interest payable | (19,411) |
| Net pension liability | (19,292,248) |
| SBITA liabilities | (1,723,640) |
| OPEB liability | (15,713,864) |
| Compensated absences payable | (5,868,784) |
| TOTAL NET POSITION, GOVERNMENTAL ACTIVITIES | $ 99,499,783 |

*See accompanying notes to the basic financial statements.*

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**TOWNSHIP OF BENSALEM**
**BUCKS COUNTY, PENNSYLVANIA**
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

| | General Fund | Capital Trust Fund |
|---|---|---|
| REVENUES | | |
| Intergovernmental | $ 14,043,152 | $ - |
| Real estate taxes | 7,544,771 | - |
| Business taxes | 4,339,129 | - |
| Earned income taxes | 22,702,912 | - |
| Real estate transfer tax | 1,872,050 | - |
| Investment earnings - trust | - | 2,696,611 |
| Departmental charges | 3,125,578 | - |
| Cable TV franchise fees | 871,701 | - |
| Licenses and permits | 1,858,819 | - |
| Fines | 417,568 | - |
| Interest - other | 1,143,657 | - |
| Other | 543,988 | - |
| TOTAL REVENUES | 58,463,325 | 2,696,611 |
| EXPENDITURES | | |
| General government | | |
| Administration | 1,663,945 | - |
| Finance | 728,223 | 65,274 |
| Tax collection | 845,633 | - |
| Information technology | 788,873 | - |
| Municipal building | 797,018 | - |
| Public safety | | |
| Police | 36,437,559 | - |
| Fire and rescue | 2,070,066 | - |
| Building & planning (UCC code enforcement) | 2,935,340 | - |
| Public works | | |
| Highways and streets | 3,361,309 | - |
| Street lighting | - | - |
| Culture and recreation | | |
| Parks | - | - |
| Community development | | |
| Community development and housing | - | - |
| Debt service | | |
| Principal | - | - |
| Interest | 30,700 | - |
| Non-departmental | | |
| Homeowners' assistance program | 4,405,799 | - |
| Judgements and losses | 27,138 | - |
| Other | 242,854 | - |
| TOTAL EXPENDITURES | 54,334,457 | 65,274 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 4,128,868 | 2,631,337 |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 752,000 | 500,000 |
| Transfers out | (7,950,000) | (495,000) |
| Proceeds from sale of capital assets | 49,882 | - |
| TOTAL OTHER FINANCING SOURCES (USES) | (7,148,118) | 5,000 |
| NET CHANGE IN FUND BALANCES | (3,019,250) | 2,636,337 |
| FUND BALANCES AT BEGINNING OF YEAR | 27,519,852 | 48,460,111 |
| FUND BALANCES AT END OF YEAR | $ 24,500,602 | $ 51,096,448 |

*See accompanying notes to the basic financial statements.*

| Debt Service Fund | Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| $ - | $ 4,964,123 | $ 3,967,818 | $ 22,975,093 |
| - | - | 7,190,506 | 14,735,277 |
| - | - | - | 4,339,129 |
| - | - | - | 22,702,912 |
| - | - | - | 1,872,050 |
| - | - | - | 2,696,611 |
| - | - | 770,166 | 3,895,744 |
| - | 23,000 | - | 894,701 |
| - | - | - | 1,858,819 |
| - | - | - | 417,568 |
| 38,743 | 91,163 | 436,988 | 1,710,551 |
| - | - | 537,376 | 1,081,364 |
| 38,743 | 5,078,286 | 12,902,854 | 79,179,819 |
| - | 78,686 | - | 1,742,631 |
| - | - | - | 793,497 |
| - | - | - | 845,633 |
| - | - | - | 788,873 |
| - | - | - | 797,018 |
| - | 522,424 | 740,072 | 37,700,055 |
| - | - | 3,974,880 | 6,044,946 |
| - | - | - | 2,935,340 |
| - | 7,904,421 | 1,503,361 | 12,769,091 |
| - | - | 640,912 | 640,912 |
| - | 17,514 | 3,291,368 | 3,308,882 |
| - | - | 502,780 | 502,780 |
| 2,839,600 | - | 130,526 | 2,970,126 |
| 522,582 | - | 39,644 | 592,926 |
| - | - | - | 4,405,799 |
| - | - | - | 27,138 |
| - | - | - | 242,854 |
| 3,362,182 | 8,523,045 | 10,823,543 | 77,108,501 |
| (3,323,439) | (3,444,759) | 2,079,311 | 2,071,318 |
| 4,450,000 | 3,000,000 | - | 8,702,000 |
| (1,129,400) | - | (626,000) | (10,200,400) |
| - | 23,771 | 18,131 | 91,784 |
| 3,320,600 | 3,023,771 | (607,869) | (1,406,616) |
| (2,839) | (420,988) | 1,471,442 | 664,702 |
| 98,865 | 2,836,201 | 7,820,038 | 86,735,067 |
| $ 96,026 | $ 2,415,213 | $ 9,291,480 | $ 87,399,769 |

**TOWNSHIP OF BENSALEM**
**BUCKS COUNTY, PENNSYLVANIA**
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

| | | |
|---|---|---|
| NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS | | $ 664,702 |
| The change in net position reported for governmental activities in the statement of activities is different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeds depreciation and amortization expense in the current period. | | 5,080,431 |
| Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | 36,113 |
| Governmental funds report interest paid on bonds payable as expenditures. However, in the statement of activities, interest is matched to the period in which it was incurred. This amount is the net effect of matching interest expense to the proper period. | | 3,084 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt uses current financial resources. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | | |
| Principal paid on bonds and notes | 2,839,600 | |
| Principal payments on long-term SBITA liabilities | 299,046 | |
| Principal paid on finance purchase obligations | 130,526 | |
| | | 3,269,172 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | | |
| Compensated absences | (34,281) | |
| Amortization of deferred amounts on refunding | (130,782) | |
| Changes in pension liabilities and related deferred outflows and inflows of resources | 1,140,327 | |
| Changes in OPEB liabilities and related deferred outflows and inflows of resources | (602,787) | |
| | | 372,477 |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | | $ 9,425,979 |

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF BENSALEM**
**BUCKS COUNTY, PENNSYLVANIA**
STATEMENT OF NET POSITION
PROPRIETARY FUND - BENSALEM TOWNSHIP COUNTRY CLUB
DECEMBER 31, 2025

| | |
|---|---|
| ASSETS | |
| CURRENT ASSETS | |
| Cash | $ 7,067,268 |
| Inventories | 129,272 |
| Prepaid expenses | 54,820 |
| TOTAL CURRENT ASSETS | 7,251,360 |
| CAPITAL ASSETS | |
| Land | 11,537,195 |
| Construction in progress | 4,290,994 |
| Buildings | 4,428,888 |
| Improvements | 3,270,263 |
| Furniture, machinery and equipment | 1,878,370 |
| | 25,405,710 |
| Less accumulated depreciation | (4,750,927) |
| TOTAL CAPITAL ASSETS | 20,654,783 |
| TOTAL ASSETS | 27,906,143 |
| LIABILITIES | |
| Accounts payable and accrued expenses | 381,198 |
| Due to other funds | 7,895,000 |
| Notes and loan payable, current portion | 1,203,580 |
| Deposits and advances | 210,745 |
| Compensated absences | 11,184 |
| TOTAL CURRENT LIABILITIES | 9,701,707 |
| Notes and loan payable, net of current portion | 3,075,800 |
| Compensated absences | 84,839 |
| | 3,160,639 |
| TOTAL LIABILITIES | 12,862,346 |
| NET POSITION | |
| Net investment in capital assets | 16,375,403 |
| Unrestricted | (1,331,606) |
| TOTAL NET POSITION | $ 15,043,797 |

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF BENSALEM**
**BUCKS COUNTY, PENNSYLVANIA**
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND - BENSALEM TOWNSHIP COUNTRY CLUB
YEAR ENDED DECEMBER 31, 2025

| | |
|---|---|
| OPERATING REVENUES | |
| Charges for services | |
| Golf course revenue | $ 2,336,624 |
| Food and banquet revenue | 1,358,818 |
| TOTAL OPERATING REVENUES | 3,695,442 |
| | |
| OPERATING EXPENSES | |
| Golf course | 1,522,589 |
| Banquet | 1,309,586 |
| General administrative | 448,113 |
| Depreciation | 418,433 |
| TOTAL OPERATING EXPENSES | 3,698,721 |
| | |
| OPERATING INCOME (LOSS) | (3,279) |
| | |
| NONOPERATING REVENUES (EXPENSES) | |
| Interest income | 210,310 |
| Interest expense | (2,318) |
| Gain on disposal of capital asset | 2,425 |
| TOTAL NONOPERATING REVENUES (EXPENSES) | 210,417 |
| | |
| INCOME BEFORE OTHER FINANCING SOURCES (USES) | 207,138 |
| | |
| OTHER FINANCING SOURCES (USES) | |
| Transfers in | 1,624,400 |
| Transfers out | (126,000) |
| TOTAL OTHER FINANCING SOURCES (USES) | 1,498,400 |
| | |
| CHANGE IN NET POSITION | 1,705,538 |
| | |
| NET POSITION AT BEGINNING OF YEAR | 13,338,259 |
| | |
| NET POSITION AT END OF YEAR | $ 15,043,797 |

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF BENSALEM**
**BUCKS COUNTY, PENNSYLVANIA**
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - BENSALEM TOWNSHIP COUNTRY CLUB
YEAR ENDED DECEMBER 31, 2025

| | |
|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers | $ 3,695,442 |
| Payments to suppliers for goods and services | 6,553,849 |
| Payments to employees and professional contractors | (1,734,607) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 8,514,684 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Transfers from other funds | 1,498,400 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Interest paid | (2,318) |
| Principal paid on notes and loans | (1,188,822) |
| Purchases of capital assets | (4,131,877) |
| Proceeds from the sale of assets | 2,425 |
| NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | (5,320,592) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest income | 210,310 |
| NET INCREASE IN CASH | 4,902,802 |
| CASH AT BEGINNING OF YEAR | 2,164,466 |
| CASH AT END OF YEAR | $ 7,067,268 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES | |
| Operating income (loss) | $ (3,279) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities | |
| Depreciation expense | 418,433 |
| Increase in assets | |
| Prepaids | (1,815) |
| Inventory | (24,724) |
| Increase (decrease) in liabilities | |
| Accounts payable | 187,092 |
| Due to other funds | 7,895,000 |
| Deposits and advances | 28,253 |
| Compensated absences payable | 15,724 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | $ 8,514,684 |

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF BENSALEM**
**BUCKS COUNTY, PENNSYLVANIA**
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2025

| | Pension Trust Funds | Custodial Funds |
|---|---|---|
| ASSETS | | |
| Cash | $ 3,730,571 | $ 3,186,467 |
| Investments | 138,043,334 | - |
| Receivables | 177,790 | 12,859 |
| TOTAL ASSETS | $ 141,951,695 | $ 3,199,326 |
| LIABILITIES AND NET POSITION | | |
| LIABILITIES | | |
| Employee contributions due to plan | $ 3,225 | $ - |
| NET POSITION | | |
| Restricted for pension benefits | 141,948,470 | - |
| Restricted for developers | - | 3,199,326 |
| TOTAL NET POSITION | $ 141,948,470 | $ 3,199,326 |

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF BENSALEM**
**BUCKS COUNTY, PENNSYLVANIA**
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2025

| | Pension Trust Funds | Custodial Funds |
|---|---|---|
| ADDITIONS | | |
| Contributions | | |
| Employer | $ 7,392,062 | $ - |
| Employee | 1,777,256 | - |
| Developers | - | 1,270,925 |
| TOTAL CONTRIBUTIONS | 9,169,318 | 1,270,925 |
| Investment earnings | | |
| Realized and unrealized gain on investments | 14,391,292 | - |
| Interest and dividends | 3,064,126 | - |
| TOTAL INVESTMENT EARNINGS | 17,455,418 | - |
| Less investment expense | (121,113) | - |
| NET INVESTMENT EARNINGS | 17,334,305 | - |
| TOTAL ADDITIONS | 26,503,623 | 1,270,925 |
| DEDUCTIONS | | |
| Benefit payments | 7,174,403 | - |
| Administrative expenses | 267,808 | - |
| Payments to developers | - | 1,098,332 |
| TOTAL DEDUCTIONS | 7,442,211 | 1,098,332 |
| CHANGE IN NET POSITION | 19,061,412 | 172,593 |
| NET POSITION AT BEGINNING OF YEAR | 122,887,058 | 3,026,733 |
| NET POSITION AT END OF YEAR | $ 141,948,470 | $ 3,199,326 |

*See accompanying notes to the basic financial statements.*

## NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### ***Financial Reporting Entity***

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

### ***Pension Plans***

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

Excluded from the reporting entity:

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

### ***Basis of Presentation***

#### ***Government-Wide Financial Statements***

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

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

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

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

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

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

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

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

***Fund Financial Statements***

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

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

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

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

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

***Governmental Funds***

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

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

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

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

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

***Proprietary Fund***

The Township reports the following enterprise fund:

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

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

***Other Fund Types***

The Township also reports the following fund types:

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

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

***Major Funds***

The Township reports the following major governmental and enterprise funds:

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

***Non-Major Funds***

The Township reports the following non-major funds:
Special Revenue Funds:
Community Development
Fire
Parks and Recreation
Highway Aid (Liquid Fuels)
Rescue Squad
Road Machinery
Community Spirit
Street Light
Highway Improvement (Impact Fees)
Recreation Improvement
Towns Against Graffiti
Federal Forfeitures
Building a Better Bensalem
Police Activities League

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

### ***Basis of Accounting***

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

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

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

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

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

### ***Pension Trust Funds***

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

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

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

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

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

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

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

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

### ***Budgetary Data***

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

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

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

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

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

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

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

***Encumbrances***

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

***Use of Estimates***

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

***Cash and Investments***

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

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

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

***Method Used to Value Investments***

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

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

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

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

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

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

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

***Inventories and Prepaid Expenses***

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

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

***Property, Plant and Equipment and Depreciation***

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

Through implementation of GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but not required. For the year ended December 31, 2025, the Township has reported all infrastructure acquired by its governmental fund types since January 1, 1980.

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

| | Governmental Activities | Business-Type Activities |
|---|---|---|
| Buildings and improvements | 40 years | 20 years |
| Land improvements | 15-20 years | 8-10 years |
| Machinery and equipment | 5-10 years | 3-5 years |
| Subscription-Based Information Technology Arrangements | 2-7 years | N/A |
| Street and traffic lights | 15-20 years | N/A |
| Roadways | 20 years | N/A |
| Drainage systems | 40 years | N/A |

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

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

***Subscription-Based Information Technology Arrangements (SBITA)***

The Township has recorded right to use subscription assets as a result of implementing GASB 96. The right to use assets are initially measured at an amount equal to the initial measurement of the related liability plus any payments made prior to the term, less incentives, and plus ancillary charges necessary to place the asset into service. The right to use assets are amortized on a straight-line basis over the life of the subscription.

***Leases***

The Township is the lessor for noncancellable leases of space. The Township recognizes a lease receivable and a deferred inflow of resources in the statement of net position.

At commencement of a lease, the Township initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Township determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Township uses an implicit interest rate as the discount rate for leases

- The lease term includes the noncancellable period of the lease plus renewal options that are reasonably certain to be exercised. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Township monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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

***Equity Classification***

***Government-Wide Statements***

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

a. Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted - Consists of balances with constraints placed on the use whether by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, (2) law through constitutional provisions or enabling legislation.

c. Unrestricted - All other balances that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

***Fund Statements***

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

a. Nonspendable - amounts that cannot be spent because they are either (1) not in spendable form, or (2) legally or contractually required to be maintained intact.

b. Restricted - amounts that have constraints placed on the use of resources either externally such as by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

c. Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of governments highest level of decision making authority, normally the Township Council and the Mayor.

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

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

e. Unassigned - fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

***Property Taxes***

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

***Accrued Sick and Vacation***

***Governmental Funds***

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

***Government-Wide Statements***

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

***Long-Term Obligations***

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

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

***Subscription-Based Information Technology Arrangement (SBITA) liabilities***

SBITA liabilities are shown net of the interest portion and are based on the net present value of future minimum lease payments. The interest portion is determined using either an implicit or estimated discount rate, depending on the subscription. In the fund statements, an amount equal to the SBITA liability is reported as other financing sources with an equal amount reported as a capital outlay in the year of SBITA inception.

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

***Deferred Outflows/Inflows of Resources***

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

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

## NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS

***Deposits***

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that in the event of a bank failure the Township's deposits may not be returned or the Township will not be able to recover collateral securities in the possession of an outside party. The Township's policy requires deposits to the secured by collateral valued at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation (FDIC). The Township Council approves and designates the authorized depository institution based on evaluation of solicited responses and certifications provided by financial institutions and recommendations of the Director of Administration. Custodial credit risk for deposits is not formally addressed by pension trust policy, however, the Plan held no deposits that were exposed to custodial credit risk as of December 31, 2025. Pension trust deposits are governed by Title 20 of the Pennsylvania Consolidated Statutes, Chapter 73 Municipalities Investments, Section 7302.

***Primary Government***

As of December 31, 2025, the carrying amount of the Township's bank balance was $40,690,446. Accounts are insured by the Federal Deposit Insurance Corporation up to the limit of $250,000. The bank balance is categorized as follows:

| Description | Amount |
|---|---|
| Amount insured by Federal Deposit Insurance Corporation (FDIC) | $ 567,666 |
| Uninsured and collateral held by pledging bank's trust department not in the Township's name | 39,646,866 |
| Uninsured and uncollateralized deposits in state investment pools | 475,914 |
| | $ 40,690,446 |

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

Deposits in state investment pools are in the PLGIT program, which are funds similar to mutual funds. GASB Statement No. 3, Paragraph 69, provides that certain types of cash and investments, such as cash investments in a State Treasurer's investment pool or mutual fund, cannot be assigned a credit risk category because the government does not own specific securities. Therefore, the PLGIT cash deposits included in these statements will not be assigned a credit risk category. These assets maintain a stable net asset value of $1 per share. At December 31, 2025, the Township's deposits in the state investment pool was rated AAAm by Standard & Poor's.

***Pension Trust Funds***

As of December 31, 2025, the carrying amount of the Trust Fund's bank balances was $3,730,571, of which $250,000 was insured by the Federal Depository Insurance Corporation. The remaining bank balance of $3,480,571 was exposed to credit risk because it was uninsured and collateralized in accordance with Act 72.

***Custodial Funds***

As of December 31, 2025, the carrying amount of the Custodial Fund bank balances was $3,196,314, all of which was exposed to credit risk because it was uninsured and collateralized in accordance with Act 72.

***Foreign Currency Risk***

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

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

### ***Investments***

As of December 31, 2025, the Township had the following investments:

| | | | Investment Maturities (in years) | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying Amount | Less Than 1 | 1-5 | 6-10 | 11-15 | 16-20 | 21-25 |
| Primary government | | | | | | | |
| Certificates of deposit | $ 1,296,741 | $ 481,350 | $ 815,391 | $ - | $ - | $ - | $ - |
| U.S. Treasury notes | 22,377,691 | 4,924,286 | 14,518,678 | 2,424,814 | 509,913 | - | - |
| Federal agency notes | 19,576,173 | 2,567,468 | 12,010,049 | 2,335,573 | 1,807,874 | 752,650 | 102,559 |
| Total primary government | $ 43,250,605 | $ 7,973,104 | $ 27,344,118 | $ 4,760,387 | $ 2,317,787 | $ 752,650 | $ 102,559 |
| Fiduciary funds | | | | | | | |
| Domestic equity mutual funds | $ 79,241,248 | $ 79,241,248 | $ - | $ - | $ - | $ - | $ - |
| Fixed income mutual funds | 43,316,204 | 43,316,204 | - | - | - | - | - |
| Domestic stocks | 15,485,882 | 15,485,882 | - | - | - | - | - |
| Alternative investments | - | - | - | - | | | |
| Private equity funds | - | - | - | - | - | - | - |
| | 138,043,334 | 138,043,334 | | | | | |
| Total fiduciary funds | $ 138,043,334 | $ 138,043,334 | $ - | $ - | $ - | $ - | $ - |

***Fair Value Measurement*** - The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets: Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Township has the following recurring fair value measurements as of December 31, 2025:

Investments in domestic equity mutual funds of $79,241,248, fixed income mutual funds of $43,316,204, and domestic stocks of $15,485,885 are valued using quoted market prices (Level 1 inputs). U.S. Treasury notes of $22,377,691 and federal agency notes of $19,576,173 are valued using assumptions made by the investment managers to determine the fair value of the investments at year end (Level 2 inputs).

Investments in certificates of deposit of $1,296,741 are stated at cost plus interest earned.

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

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

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

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

As of December 31, 2025, the Township did not have more than 5% of the Township's investments are in any one single issuer.

## NOTE C - LEASES

***Lease Receivable***

During the year, the Township of Bensalem leases the following:

| Description | Term | Monthly Payment |
|---|---|---|
| Land | Monthly through December 2025 | $3,800 |
| Land | Monthly through December 2037 | $2,350 |
| Land | Monthly through December 2037 | $2,645 to $4,023 |
| Land | Monthly through December 2033 | $397 to $525 |

**NOTE C - LEASES (Continued)**

As of December 31, 2025, the Township of Bensalem's receivable for lease payments was $696,614. Also, the Township of Bensalem has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $628,438. Lease related revenues recognized as of December 31, 2025 were as follows:

| **Lease-related Revenue** | | **Year Ending December 31, 2025** |
|---|---|---|
| Lease Revenue | | |
| Land | $ | 86,045 |
| Interest Revenue | | 29,731 |
| TOTAL | $ | 115,776 |

Current year interest revenues were $29,731. This is included on interest - other financial statement line.

The future maturity of lease receivables is as follows:

| Year Ending December 31, | | Principal | | Interest | | Receipts |
|---|---|---|---|---|---|---|
| 2026 | $ | 43,096 | $ | 27,080 | $ | 115,776 |
| 2027 | | 44,852 | | 25,324 | | 70,176 |
| 2028 | | 47,135 | | 23,497 | | 70,176 |
| 2029 | | 55,013 | | 21,460 | | 70,632 |
| 2030 | | 57,254 | | 19,219 | | 76,473 |
| 2031-2035 | | 323,786 | | 59,101 | | 382,887 |
| 2036-2037 | | 125,478 | | 4,644 | | 200,052 |
| TOTAL FUTURE RECEIPTS | $ | 696,614 | $ | 180,325 | $ | 986,172 |

## NOTE D - INTERFUND RECEIVABLES/PAYABLES

The following is a schedule of interfund receivables and payables:

| Fund | Due From | Due To |
|---|---|---|
| General Fund | $ 4,758,812 | $ 3,050,904 |
| Capital Trust Fund | 5,824,200 | 248,812 |
| Capital Projects Fund | 3,048,133 | 2,429,200 |
| Community Development Fund | - | 10,000 |
| Community Spirit Fund | 2,771 | - |
| Country Club Fund | - | 7,895,000 |
| | $ 13,633,916 | $ 13,633,916 |

Interfund balances are primarily a result of:

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

## NOTE E - INTERFUND OPERATING TRANSFERS

The following is a schedule of interfund operating transfers:

| Fund | Transfer Out | Transfer In |
|---|---|---|
| General Fund | 7,950,000 | $ 752,000 |
| Capital Trust Fund | 495,000 | 500,000 |
| Debt Service Fund | 1,129,400 | 4,450,000 |
| Capital Projects Fund | - | 3,000,000 |
| Parks and recreation Fund | 126,000 | - |
| Highway Aid Fund | 500,000 | - |
| Country Club Fund | 126,000 | 1,624,400 |
| | $ 10,326,400 | $ 10,326,400 |

Interfund transfers are primarily a result of:

(a) Payment of various program expenses accounted for in other funds in accordance with budgetary authorizations.
(b) Various funds financing capital projects.
(c) Transfer of funds for debt service expenses.

## NOTE F - PROPERTY, PLANT AND EQUIPMENT

The following is a summary of capital asset activity:

| | Balance December 31, 2024 | Additions | Deletions | Balance December 31, 2025 |
|---|---|---|---|---|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land | $ 15,420,521 | $ - | $ - | $ 15,420,521 |
| Construction in progress | 9,124,446 | 9,053,564 | (8,146,221) | 10,031,789 |
| TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED | 24,544,967 | 9,053,564 | (8,146,221) | 25,452,310 |
| Capital assets being depreciated and amortized | | | | |
| Buildings and improvements | 22,073,963 | 1,752,309 | - | 23,826,272 |
| Land improvements | 14,235,699 | 2,142,450 | - | 16,378,149 |
| Vehicles, machinery and equipment | 19,884,009 | 761,191 | (714,234) | 19,930,966 |
| Infrastructure | 111,082,072 | 4,098,560 | - | 115,180,632 |
| SBITA assets | 3,003,550 | - | - | 3,003,550 |
| TOTAL CAPITAL ASSETS BEING DEPRECIATED AND AMORTIZED | 170,279,293 | 8,754,510 | (714,234) | 178,319,569 |
| Less accumulated depreciation and amortization for | | | | |
| Building and improvements | (9,240,853) | (504,373) | - | (9,745,226) |
| Land improvements | (9,046,175) | (451,793) | - | (9,497,968) |
| Vehicles, machinery and equipment | (16,209,293) | (1,320,648) | 714,234 | (16,815,707) |
| Infrastructure | (87,612,542) | (1,882,990) | - | (89,495,532) |
| SBITA assets | (1,029,660) | (421,618) | - | (1,451,278) |
| TOTAL ACCUMULATED DEPRECIATION AND AMORTIZATION | (123,138,523) | (4,581,422) | 714,234 | (127,005,711) |
| GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net | $ 71,685,737 | $ 13,226,652 | $ (8,146,221) | $ 76,766,168 |

## NOTE F - PROPERTY, PLANT AND EQUIPMENT (Continued)

| | Balance December 31, 2024 | Additions | Deletions | Balance December 31, 2025 |
|---|---|---|---|---|
| BUSINESS-TYPE ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land | $ 11,537,195 | $ - | $ - | $ 11,537,195 |
| Construction in progress | 946,096 | 4,545,611 | (1,200,713) | 4,290,994 |
| TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED | 12,483,291 | 4,545,611 | (1,200,713) | 15,828,189 |
| Capital assets being depreciated | | | | |
| Buildings and improvements | 4,326,215 | 102,673 | - | 4,428,888 |
| Land improvements | 2,758,624 | 511,639 | - | 3,270,263 |
| Vehicles, machinery and equipment | 1,761,171 | 192,581 | (75,382) | 1,878,370 |
| TOTAL CAPITAL ASSETS BEING DEPRECIATED | 8,846,010 | 806,893 | (75,382) | 9,577,521 |
| Less accumulated depreciation for | | | | |
| Building and improvements | (1,648,200) | (131,052) | - | (1,779,252) |
| Land improvements | (1,344,653) | (128,100) | - | (1,472,753) |
| Vehicles, machinery and equipment | (1,395,109) | (158,773) | 54,960 | (1,498,922) |
| TOTAL ACCUMULATED DEPRECIATION | (4,387,962) | (417,925) | 54,960 | (4,750,927) |
| BUSINESS-TYPE CAPITAL ASSETS, net | $ 16,941,339 | $ 4,934,579 | $ (1,221,135) | $ 20,654,783 |

Depreciation and amortization expense was charged to functions as follows:

| | |
|---|---|
| General government | $ 193,904 |
| Community and economic development | 9,178 |
| Fire and rescue | 252,846 |
| Parks and recreation | 444,111 |
| Police | 1,180,659 |
| Public works - highway | 2,103,642 |
| Public works - storm sewers | 156,185 |
| Street lighting | 22,126 |
| Traffic signals | 190,234 |
| Planning and development | 28,537 |
| | $ 4,581,422 |

| | |
|---|---|
| BUSINESS-TYPE ACTIVITIES | |
| Bensalem Township Country Club | $ 417,925 |

**NOTE G - LONG-TERM LIABILITIES**

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

| Date of Issue | Type | Interest Rate | Amount | |
|---|---|---|---|---|
| January 15, 2020 | General Obligation | 1.94-2.69% | $ 8,875,000 | (a) |

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

| Date of Issue | Type | Interest Rate | Amount | |
|---|---|---|---|---|
| March 2004 | Guaranteed Revenue | 1.623% | $ 911,000 | (b) |
| February 2007 | General Obligation | 1.623-4.270% | 2,980,000 | (c) |
| February 2007 | Guaranteed Revenue | 1.623-4.272% | 2,126,000 | (d) |
| January 2012 | General Obligation | 1.740% | 3,307,000 | (e) |
| February 2017 | General Obligation | 2.695% | 1,986,000 | (f) |
| September 2021 | Loan | 2.750% | 50,780 | (g) |
| | | | $ 11,360,780 | |

The general purpose for the above borrowings is as follows:

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

## NOTE G - LONG-TERM LIABILITIES (Continued)

Long-term liability activity is as follows

| | Balance December 31, 2024 | Increase | Decrease | Balance December 31, 2025 | Amount Due Within One Year |
|---|---|---|---|---|---|
| Governmental activities | | | | | |
| General obligation bonds | $ 10,430,000 | $ - | $ (1,555,000) | $ 8,875,000 | $ 1,600,000 |
| General obligation and revenue notes | 8,366,000 | - | (1,284,600) | 7,081,400 | 1,314,200 |
| Finance purchase obligations | 1,359,315 | - | (130,526) | 1,228,789 | 134,563 |
| Compensated absences | 5,834,503 | - | 34,281 | 5,868,784 | 293,439 |
| SBITA liabilities | 2,022,686 | - | (299,046) | 1,723,640 | 299,938 |
| Net pension liability | 28,039,144 | - | (8,746,896) | 19,292,248 | - |
| Total OPEB liability | 15,011,136 | 702,728 | - | 15,713,864 | 723,027 |
| | $ 71,062,784 | $ 702,728 | $ (11,981,787) | $ 59,783,725 | $ 4,365,167 |
| Business-type activities | | | | | |
| General obligation and revenue notes | $ 5,358,000 | $ - | $ (1,129,400) | $ 4,228,600 | $ 1,152,800 |
| Loan Payable | 110,202 | - | (59,422) | 50,780 | 50,780 |
| Compensated absences | 80,299 | 15,724 | - | 96,023 | 11,184 |
| | $ 5,548,501 | $ 15,724 | $ (1,188,822) | $ 4,375,403 | $ 1,214,764 |

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

| Year Ending | Governmental Activities | | |
|---|---|---|---|
| December 31, | Principal | Interest | Total |
| 2026 | $ 2,914,200 | $ 360,471 | $ 3,274,671 |
| 2027 | 2,967,200 | 288,112 | 3,255,312 |
| 2028 | 3,033,200 | 212,876 | 3,246,076 |
| 2029 | 4,370,600 | 124,393 | 4,494,993 |
| 2030 | 379,600 | 61,513 | 441,113 |
| 2031-2035 | 1,665,600 | 173,568 | 1,839,168 |
| 2036-2037 | 626,000 | 11,355 | 637,355 |
| | $ 15,956,400 | $ 1,232,288 | $ 17,188,688 |

**NOTE G - LONG-TERM LIABILITIES (Continued)**

| Year Ending December 31, | Business-Type Activities Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 1,203,580 | $ 66,780 | $ 1,270,360 |
| 2027 | 1,175,800 | 41,897 | 1,217,697 |
| 2028 | 1,199,800 | 17,067 | 1,216,867 |
| 2029 | 170,400 | 10,454 | 180,854 |
| 2030 | 173,400 | 7,459 | 180,859 |
| 2031-2032 | 356,400 | 5,715 | 362,115 |
| | $ 4,279,380 | $ 149,372 | $ 4,428,752 |

***Financed Purchase Obligations***

The Township has entered into a financed purchase agreement for LED Street Lights. The future annual payments for the years ending December 31 are as follows:

| | Governmental Activities | |
|---|---|---|
| Year Ending December 31, | LED Street Lights 0.25% interest rate | Interest Maturities |
| 2026 | $ 134,563 | $ 35,607 |
| 2027 | 138,725 | 31,445 |
| 2028 | 143,016 | 27,154 |
| 2029 | 147,439 | 22,731 |
| 2030 | 151,999 | 18,171 |
| 2031-2034 | 513,047 | 25,825 |
| | $ 1,228,789 | $ 160,933 |

**NOTE H - SBITA LIABILITIES**

The Township has entered into various subscription agreements for various software. The subscription agreements are relevant under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of implementation. The subscription liabilities are measured at a discount rate of 8.00%, which has been determined to be the Township's incremental borrowing rate as of the date of inception. As a result of the subscriptions, the Township has recorded right to use SBITA assets with net book values of $1,552,272 for governmental activities on December 31, 2025.

The future minimum subscription obligations for governmental activities under the SBITA agreements at December 31, 2025, were as follows:

| Year Ending | Governmental Activities | | |
|---|---|---|---|
| December 31, | Principal | Interest | Total |
| 2026 | $ 299,938 | $ 137,405 | $ 437,343 |
| 2027 | 315,947 | 113,896 | 429,843 |
| 2028 | 341,223 | 86,620 | 427,843 |
| 2029 | 368,520 | 61,323 | 429,843 |
| 2030 | 398,012 | 31,831 | 429,843 |
| | $ 1,723,640 | $ 431,075 | $ 2,154,715 |

**NOTE I - RISK MANAGEMENT**

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

## NOTE I - RISK MANAGEMENT (Continued)

***Health Care Coverage***

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

***Workers' Compensation Coverage***

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

***Insurance Coverage***

The Township covers transportation equipment used and owned by the Bensalem Rescue Squad and the local fire companies under their automobile insurance policy. Premiums paid by the Township during 2025 on behalf of these entities was approximately $90,843.

## NOTE J - COMMITMENTS AND CONTINGENT LIABILITY

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

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

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

## NOTE K - COMPENSATORY ABSENCES COMMITMENT

The following is a summary of compensatory absences as of December 31, 2025:

| | Vacation | Sick Leave | Comp Time | Total |
|---|---|---|---|---|
| Compensated absences | $ 1,356,849 | $ 2,694,659 | $ 1,913,299 | $ 5,964,807 |

## NOTE L - CAPITAL TRUST FUND

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

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

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

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

***Plan Description***

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

**Plan Membership** - As of December 31, 2025, the Non-Uniformed Pension Plan consisted of the following:

| | |
|---|---|
| Inactive plan members currently receiving benefits | 42 |
| Inactive plan members entitled to but not yet receiving benefits | 6 |
| Active plan members | 25 |
| | 73 |

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

Eligibility Requirements:

| | |
|---|---|
| Normal retirement: | Age 60. For Non-Union Managers and Department Heads age 55. For Fire Age 57 and 20 years of service. |
| Early Retirement: | 20 years of service if termination is voluntary, 8 years if termination is involuntary. |
| Vesting: | Non-Management employees - 100% after 10 years of service; Management employees: 50% vested after 4 years, 100% vested after 5 years of service. |

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

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

Survivor Benefit: Before normal retirement, voluntary early retirement, or vesting eligibility: Refund of contributions with interest only. If eligible for normal, voluntary early retirement or vested benefit, surviving spouse will receive the actuarial equivalent of the participant's 100% J&S benefit. If not married, refund only payable to the beneficiary or estate: The normal form of benefit payment is a life annuity. Optional forms of benefit payment may be elected by the participant at retirement and are actuarial equivalent of the normal form.

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

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

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

In 2025, the MMO obligation for the Non-Uniformed Pension Plan was $420,074. For the year 2025, contributions of $916,999 were made by the Township.

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

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

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

***Investments***

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

The following was the Committee's adopted asset allocation policy as of December 31, 2025:

| Asset Class | Target Allocation |
|---|---|
| US Large Cap Equity | 39.90% |
| US Small Cap Equity | 2.10% |
| Developed International Equity | 16.00% |
| Emeging Equity | 7.00% |
| Core Fixed Income | 35.00% |
| Cash | 0.00% |
| | 100.00% |

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

**Rate of Return** - For the year ended December 31, 2025, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 14.22%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

***Net Pension Liability (Asset) of the Township*** - The components of the net pension liability of the Township at December 31, 2025, were as follows:

| | |
|---|---|
| Total pension liability | $ 28,404,054 |
| Plan fiduciary net position | (26,934,676) |
| Net pension liability | $ 1,469,378 |
| Plan fiduciary net position as a percentage of the total pension liability | 94.8% |

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

**Actuarial Assumptions** - An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2025. Update procedures were used to roll forward to the plan's fiscal plan year ending December 31, 2025. This report was based upon the Plan's actuarial assumptions, asset valuation method, and cost method as described below:

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

Mortality rates were based on the PUBS-2010 Mortality.

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

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2025 (see the plan's investment policy) are summarized in the following table:

| Asset Class | Long-Term Expected Real Rate of Return |
|---|---|
| US Large Cap Equity | 4.82% |
| US Small Cap Equity | 5.63% |
| Developed International Equity | 4.85% |
| Emeging Equity | 5.44% |
| Core Fixed Income | 2.01% |
| Cash | 0.75% |
| Total net blended return, excluding 2.4% inflation assumption | 3.90% |
| Long-term expected rate of return, including inflation | 6.30% |

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

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

**Changes in the Net Pension Liability**

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
|---|---|---|---|
| Balances at December 31, 2024 | $ 26,507,701 | $ 23,957,893 | $ 2,549,808 |
| Changes for the year | | | |
| Service cost | 319,988 | - | 319,988 |
| Interest | 1,884,749 | - | 1,884,749 |
| Differences between expected and actual experience | 643,673 | - | 643,673 |
| Changes of assumptions | 499,278 | - | 499,278 |
| Contributions | | | |
| Employer | - | 916,999 | (916,999) |
| Member | - | 103,457 | (103,457) |
| Net investment income | - | 3,407,662 | (3,407,662) |
| Benefit payments | (1,451,335) | (1,451,335) | - |
| Net changes | 1,896,353 | 2,976,783 | (1,080,430) |
| Balances at December 31, 2025 | $ 28,404,054 | $ 26,934,676 | $ 1,469,378 |

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

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

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---|---|---|
| Net pension liability | $ 4,039,787 | $ 1,469,378 | $ 768,766 |

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*** - For the year ended December 31, 2025, the Township recognized pension expense of $1,098,356. At December 31, 2025, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 475,011 | $ 52,707 |
| Changes in assumptions | 391,428 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 1,324,032 |
| | $ 866,439 | $ 1,376,739 |

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

| Year Ending December 31, | |
|---|---|
| 2026 | $ 700,299 |
| 2027 | (583,248) |
| 2028 | (275,065) |
| 2029 | (352,286) |
| 2030 | - |
| Thereafter | - |

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

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

***Plan Description***

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

**Plan Membership** - As of December 31, 2025, the Police Pension Plan membership consisted of:

| | |
|---|---|
| Inactive plan members currently receiving benefits | 113 |
| Inactive plan members entitled to but not yet receiving benefits | 3 |
| Active plan members | 95 |
| | 211 |

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

Eligibility Requirements:

| | |
|---|---|
| Normal retirement: | If hired If hired before January 1, 1999, age 50 and 25 years of service; if hired on or after January 1, 1999, age 55 and 25 years of service. Age 60 and 20 years of service. |
| Early Retirement: | 20 years of service (Act 24) |
| Vesting: | 100% after the completion of 12 years of vesting service |

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

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

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

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

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

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

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

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

In 2025, the MMO obligation for the Police Pension Plan was $5,588,330. For the year 2025, contributions of $6,200,000 were made by the Township.

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

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

***Investments***

**Investment Policy** - The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Supervisors and Pension Board. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The Plan's formal Investment Policy Statement which is revised periodically provides more comprehensive details on investment strategy and authorized investments. The following was the Board's adopted asset allocation policy as of December 31, 2025:

| Asset Class | Target Allocation |
|---|---|
| US Large Cap Equity | 39.90% |
| US Small Cap Equity | 2.10% |
| Developed International Equity | 16.00% |
| Emeging Equity | 7.00% |
| Core Fixed Income | 35.00% |
| Cash | 0.00% |
| | 100.00% |

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

**Rate of Return** - For the year ended December 31, 2025, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 14.15%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

***Net Pension Liability of the Township*** - The components of the net pension liability of the Township at December 31, 2025, were as follows:

| | |
|---|---|
| Total pension liability | $ 127,844,231 |
| Plan fiduciary net position | (110,021,361) |
| Net pension liability | $ 17,822,870 |
| Plan fiduciary net position as a percentage of the total pension liability | 86.1% |

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

**Actuarial Assumptions** - An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2025. Update procedures were used to roll forward to the plan's fiscal plan year ending December 31, 2025. This report was based upon the Plan's actuarial assumptions, asset valuation method, and cost method as described below:

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

Mortality rates were based on the PUBS-2010 Mortality.

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

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2025, (see the plan's investment policy) are summarized in the following table:

| Asset Class | Long-Term Expected Real Rate of Return |
|---|---|
| US Large Cap Equity | 4.82% |
| US Small Cap Equity | 5.63% |
| Developed International Equity | 4.85% |
| Emeging Equity | 5.44% |
| Core Fixed Income | 2.01% |
| Cash | 7.50% |
| Total net blended return, excluding 2.4% inflation assumption | 3.90% |
| Long-term expected rate of return, including inflation | 6.30% |

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

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

**Changes in the Net Pension Liability**

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
|---|---|---|---|
| Balances at December 31, 2024 | $ 120,004,266 | $ 94,514,930 | $ 25,489,336 |
| Changes for the year | | | |
| Service cost | 3,268,079 | - | 3,268,079 |
| Interest | 8,301,228 | - | 8,301,228 |
| Differences between expected and actual experience | (633,664) | - | (633,664) |
| Changes of assumptions | 2,268,146 | - | - |
| Contributions | | | |
| Employer and State Aid | - | 6,200,000 | (6,200,000) |
| Member | - | 1,365,507 | (1,365,507) |
| Net investment income | - | 13,304,748 | (13,304,748) |
| Benefit payments | (5,363,824) | (5,363,824) | - |
| Net changes | 7,839,965 | 15,506,431 | (7,666,466) |
| Balances at December 31, 2025 | $ 127,844,231 | $ 110,021,361 | $ 17,822,870 |

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

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---|---|---|
| Net pension liability | $ 33,809,745 | $ 17,822,870 | $ 4,512,266 |

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

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - For the year ended December 31, 2025, the Township recognized a pension expense of $4,878,316 for the Police Pension Plan. At December 31, 2025, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 102,813 | $ 759,166 |
| Changes in assumptions | 3,511,743 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 5,452,901 |
| | $ 3,614,556 | $ 6,212,067 |

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

| Year Ending December 31, | |
|---|---|
| 2026 | $ 2,194,359 |
| 2027 | (2,208,276) |
| 2028 | (1,629,145) |
| 2029 | (1,032,281) |
| 2030 | 77,832 |
| Thereafter | - |

***Act 44 Deferred Retirement Option Program***

An active member who has met the eligibility requirements for normal retirement may elect to participate in the deferred retirement option program for a period of up to 36 months. The monthly pension shall be calculated as of the date of participation in the deferred retirement option program. The deferred retirement option program plan account balance is distributed to the member in a lump sum at the termination of deferred retirement option program. For the year ended December 31, 2025, there were four (4) members participating in the deferred retirement option program. The balance of the amount held by the Plan pursuant to the deferred retirement option program was $981,749.

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

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

The Township will contribute into the Plan, for each eligible participant, an amount equal to 5.0% of their total compensation. Participants are required to contribute 5.0% of their compensation. In addition to the Township contribution made to Participant’s account, their account will be credited annually with the pro rata share of the investment earnings or losses of the Plan. Participants who terminate for reasons other than death, disability, or retirement would not share in the allocations of contributions, earnings, or losses of the Plan. The Township, if eligible, may allocate State Aid received from the Commonwealth of Pennsylvania to the Plan. Forfeitures due to non-vested terminations are to be used to reduce the Township’s contribution to the Plan. To the extent that these fundings are not adequate to cover the Township’s obligation to the Plan, the Township would then be required to contribute. The Township’s contributions to the Plan were $275,063 for the year ended December 31, 2025.

For the year ending December 31, 2025, the Non-Uniformed Defined Contribution Pension Plan consisted of the following:

| | |
|---|---|
| Inactive plan members currently receiving benefits | - |
| Inactive plan members entitled to but not yet receiving benefits | - |
| Active plan members | 76 |
| | 76 |

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

| Full Years of Service | % Vested |
|---|---|
| Less than three (3) years | 0% |
| 3 or more | 100% |

Reconciliation of members’ contributions is as follows:

| | |
|---|---|
| Members' contributions deposited for 2025 | $ 308,292 |
| Less members' contributions deducted from members' salaries | (308,292) |
| | $ - |

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

***Plan Descriptions and Benefits Provided***

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

**Benefit Provisions**

*Retirement Eligibility*

There are varying eligibility requirements, as follows:

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

*Benefits*

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

*Spousal Coverage* - Yes

*Dependent Child Coverage* - Yes, until age 26

*Survivor Benefits* - Yes

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

*Permanent Disability Retirement*

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

***Plan Membership***

At January 1, 2024, plan membership consisted of the following:

| | |
|---|---|
| Inactive plan members currently receiving benefits | 38 |
| Inactive plan members entitled to but not yet receiving benefits | - |
| Active plan members | 104 |
| | 142 |

***Funding Policy***

Retirees are not required to make contributions to the plan. The contribution requirements of plan members have been established and may be amended through Police Labor Contracts. The Township is accounting for these expenditures on a "pay-as-you-go" basis. The costs of administering the plans are paid by the Township. The Plan is not funded through a Trust. The contributions made to the program are assumed to be the benefits paid to retirees and administrative expenses.

***Assumptions***

An actuarial valuation of the total OPEB liability is performed biennially. The total OPEB liability was determined as part of an actuarial valuation at January 1, 2024. Update procedures were used to roll forward to the municipality's fiscal years ending December 31, 2025.

***Interest Rate*** - 4.43%, based on S&P Municipal Bond 20 Year AA municipal bond rate.

***Salary*** - An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases are composed of a 5% increase.

***Health Care Cost Trend Rate*** - Medical costs are assumed to remain level during 2024 at 5.75%.

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

***Mortality*** - Pub-2010 Public Safety Employees & Retirees Amount-Weighted Mortality and Pub-2010 Public Safety Contingent Survivors Amount-Weighted Mortality

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

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

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

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

***Actuarial Cost Method*** - ***Entry Age Normal*** - Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets. Actuarial gains and losses serve to reduce or increase the Unfunded Accrued Liability.

***Changes in Assumptions*** - In 2025, the discount rate changed from 4.28% to 4.43%.

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

***Changes in the Total OPEB Liability***

| | Total OPEB Liability (a)-(b) |
|---|---|
| Balance at December 31, 2024 | $ 13,525,072 |
| Changes for the year | |
| Service cost | 770,293 |
| Interest | 600,360 |
| Changes in assumptions | (169,043) |
| Benefit payments | (542,208) |
| Net changes | 659,402 |
| Balance at December 31, 2025 | $ 14,184,474 |

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

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.43 percent) or 1-percentage point higher (5.43 percent) than the current discount rate:

| | 1% Decrease (3.43%) | Current Discount Rate (4.43%) | 1% Increase (5.43%) |
|---|---|---|---|
| Total OPEB liability | $ 15,351,311 | $ 14,184,474 | $ 13,109,630 |

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

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

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

| | 1% Decrease | Current Rate | 1% Increase |
|---|---|---|---|
| Total OPEB liability | $ 12,534,918 | $ 14,184,474 | $ 16,118,972 |

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*** – For the year ended December 31, 2025, the Township recognized OPEB expense of $1,100,775. At December 31, 2025, the Township reported deferred outflows of resources and deferred inflows of resources from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 56,052 | $ 646,082 |
| Changes in assumptions | 816,518 | 2,380,558 |
| | $ 872,570 | $ 3,026,640 |

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

| Year Ending December 31, | |
|---|---|
| 2026 | $ (272,078) |
| 2027 | (272,078) |
| 2028 | (272,078) |
| 2029 | (297,385) |
| 2030 | (367,491) |
| Thereafter | (672,960) |

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

***Plan Descriptions and Benefits Provided***

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

**Benefit Provisions**

*Retirement Eligibility*

There are varying eligibility requirements, as follows:

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

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

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

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

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

*Survivor Benefits* - No

*Permanent Disability Retirement* - No

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

***Plan Membership***

At January 1, 2024, plan membership consisted of the following:

| | |
|---|---|
| Inactive plan members currently receiving benefits | 15 |
| Inactive plan members entitled to but not yet receiving benefits | - |
| Active plan members | 96 |
| | 111 |

***Funding Policy***

Retirees are not required to make contributions to the plan. The Township is accounting for these expenditures on a “pay-as-you-go” basis. The costs of administering the plans are paid by the Township. The Plan is not funded through a Trust. The contributions made to the program are assumed to be the benefits paid to retirees and administrative expenses.

***Assumptions***

An actuarial valuation of the total OPEB liability is performed biennially. The total OPEB liability was determined as part of an actuarial valuation at January 1, 2024. Update procedures were used to roll forward to the municipality's fiscal years ending December 31, 2025.

***Interest Rate*** - 4.43%, based on S&P Municipal Bond 20 Year AA municipal bond rate.

***Salary*** - An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases are composed of a 5% increase.

***Health Care Cost Trend Rate*** - Medical costs are assumed to remain level during 2024 at 5.75%.

***Mortality*** - Pub-2010 General Employees & Retirees Amount-Weighed Mortality and Pub-2010 General Disabled Retirees Amount-Weighted Mortality.

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

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

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

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

***Actuarial Cost Method - Entry Age Normal*** - Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets. Actuarial gains and losses serve to reduce or increase the Unfunded Accrued Liability.

***Changes in Assumptions*** - In 2025, the discount rate changed from 4.28% to 4.43%.

***Changes in the Total OPEB Liability***

| | Total OPEB Liability (a)-(b) |
|---|---|
| Balance at December 31, 2024 | $ 1,486,064 |
| Changes for the year | |
| Service cost | 108,911 |
| Interest | 65,828 |
| Changes in assumptions | (16,324) |
| Benefit payments | (115,089) |
| Net changes | 43,326 |
| Balance at December 31, 2025 | $ 1,529,390 |

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

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.43 percent) or 1-percentage point higher (5.43 percent) than the current discount rate:

| | 1% Decrease (3.43%) | Current Discount Rate (4.43%) | 1% Increase (5.43%) |
|---|---|---|---|
| Total OPEB liability | $ 1,640,668 | $ 1,529,390 | $ 1,424,105 |

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

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

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

| | 1% Decrease | Current Rate | 1% Increase |
|---|---|---|---|
| Total OPEB liability | $ 1,349,257 | $ 1,529,390 | $ 1,744,162 |

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*** **–** For the year ended December 31, 2025, the Township recognized OPEB expense of $132,609. At December 31, 2025, the Township reported deferred outflows of resources and deferred inflows of resources from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ - | $ 478,751 |
| Changes in assumptions | 124,960 | 178,292 |
| | $ 124,960 | $ 657,043 |

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

| Year Ending December 31, | |
|---|---|
| 2026 | $ (43,230) |
| 2027 | (43,230) |
| 2028 | (43,230) |
| 2029 | (43,230) |
| 2030 | (44,961) |
| Thereafter | (314,202) |

## NOTE R - NET POSITION/FUND BALANCES

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

| | Governmental Activities | Business-Type Activities |
|---|---|---|
| Land | $ 15,420,521 | $ 11,537,195 |
| Construction in progress | 10,031,789 | 4,290,994 |
| Other capital assets net of accumulated depreciation | 51,313,858 | 4,826,594 |
| Less related long-term debt outstanding, less unspent portion | (18,385,701) | (4,279,380) |
| TOTAL INVESTED IN CAPITAL ASSETS | $ 58,380,467 | $ 16,375,403 |

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

| Payments for the Year Ended December 31, | |
|---|---|
| 2016 | $ 351,000 |
| 2017 | 959,800 |
| 2018 | 978,200 |
| 2019 | 998,600 |
| 2020 | 1,018,000 |
| 2021 | 1,039,000 |
| 2022 | 1,061,400 |
| 2023 | 1,083,400 |
| 2024 | 1,105,400 |
| 2025 | 1,129,400 |
| | $ 9,724,200 |

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

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

| | General Fund | Capital Trust | Debt Service | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| Fund balances | | | | | | |
| Nonspendable | $ 583,684 | $ - | $ - | $ - | $ 36,745 | $ 620,429 |
| Restricted for | | | | | | |
| Street lights | - | - | - | - | 977,899 | 977,899 |
| Fire protection | - | - | - | - | 29,954 | 29,954 |
| Emergency response | - | - | - | - | 25,220 | 25,220 |
| Township road maintenance | - | - | - | - | 1,530,626 | 1,530,626 |
| Impact fees | - | - | - | - | 804,000 | 804,000 |
| Parks and recreation | - | - | - | - | 3,042,828 | 3,042,828 |
| Community development | - | - | - | - | 60,902 | 60,902 |
| Public safety | - | - | - | - | 629,014 | 629,014 |
| Community initiative | - | - | - | - | 240,072 | 240,072 |
| Heavy duty machinery purchases | - | - | - | - | 395,325 | 395,325 |
| Committed to | | | | | | |
| Capital projects | - | - | - | 2,415,213 | - | 2,415,213 |
| Community, municipal and public safety improvements and projects | - | - | - | - | 1,518,895 | 1,518,895 |
| Assigned | - | 51,096,448 | 96,026 | - | - | 51,192,474 |
| Unassigned | 23,916,918 | - | - | - | - | 23,916,918 |
| TOTAL FUND BALANCES | $ 24,500,602 | $ 51,096,448 | $ 96,026 | $ 2,415,213 | $ 9,291,480 | $ 87,399,769 |

# REQUIRED SUPPLEMENTARY INFORMATION

**TOWNSHIP OF BENSALEM**
**BUCKS COUNTY, PENNSYLVANIA**
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

| | Budgeted Amounts Original | Budgeted Amounts Final | Actual Amounts | Variance with Final Budget |
|---|---|---|---|---|
| REVENUES | | | | |
| Intergovernmental | $ 14,003,500 | $ 14,003,500 | $ 14,043,152 | $ 39,652 |
| Real estate taxes | 7,500,000 | 7,500,000 | 7,544,771 | 44,771 |
| Business taxes | 4,828,800 | 4,828,800 | 4,339,129 | (489,671) |
| Earned income taxes | 19,500,000 | 19,500,000 | 22,702,912 | 3,202,912 |
| Real estate transfer tax | 2,000,000 | 2,000,000 | 1,872,050 | (127,950) |
| Departmental charges | 2,200,100 | 2,200,100 | 3,125,578 | 925,478 |
| Cable TV franchise fees | 1,000,000 | 1,000,000 | 871,701 | (128,299) |
| Licenses and permits | 1,408,300 | 1,408,300 | 1,858,819 | 450,519 |
| Fines | 414,000 | 414,000 | 417,568 | 3,568 |
| Interest - other | 900,000 | 900,000 | 1,143,657 | 243,657 |
| Other | 320,000 | 320,000 | 543,988 | 223,988 |
| TOTAL REVENUES | 54,074,700 | 54,074,700 | 58,463,325 | 4,388,625 |
| EXPENDITURES | | | | |
| General government | | | | |
| Administration | 2,227,800 | 2,227,800 | 1,663,945 | (563,855) |
| Finance | 1,089,800 | 1,089,800 | 728,223 | (361,577) |
| Tax collection | 925,100 | 925,100 | 845,633 | (79,467) |
| Information technology | 824,600 | 824,600 | 788,873 | (35,727) |
| Municipal building | 991,200 | 991,200 | 797,018 | (194,182) |
| Public safety | | | | |
| Police | 40,327,300 | 40,327,300 | 36,437,559 | (3,889,741) |
| Fire and rescue | 2,570,800 | 2,570,800 | 2,070,066 | (500,734) |
| Building & planning (UCC code enforcement) | 3,266,900 | 3,266,900 | 2,935,340 | (331,560) |
| Public works | | | | |
| Highways and streets | 4,364,000 | 4,364,000 | 3,361,309 | (1,002,691) |
| Debt service | | | | |
| Interest | 30,700 | 30,700 | 30,700 | - |
| Non-departmental | | | | |
| Judgements and losses | 250,000 | 250,000 | 27,138 | (222,862) |
| Other | 659,200 | 659,200 | 242,854 | (416,346) |
| TOTAL EXPENDITURES | 57,527,400 | 57,527,400 | 49,928,658 | (7,598,742) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (3,452,700) | (3,452,700) | 8,534,667 | 11,987,367 |
| OTHER NONOPERATING EXPENDITURES | | | | |
| Homeowners' assistance program | 4,500,000 | 4,500,000 | 4,405,799 | (94,201) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 752,000 | 752,000 | 752,000 | - |
| Transfers out | (7,950,000) | (7,950,000) | (7,950,000) | - |
| Proceeds from sale of capital assets | - | - | 49,882 | 49,882 |
| TOTAL OTHER FINANCING SOURCES (USES) | (7,198,000) | (7,198,000) | (7,148,118) | 49,882 |
| NET CHANGE IN FUND BALANCES | (15,150,700) | (15,150,700) | (3,019,250) | 12,131,450 |
| FUND BALANCES AT BEGINNING OF YEAR | 27,519,852 | 27,519,852 | 27,519,852 | - |
| FUND BALANCES AT END OF YEAR | $ 12,369,152 | $ 12,369,152 | $ 24,500,602 | $ 12,131,450 |

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# TOWNSHIP OF BENSALEM
# BUCKS COUNTY, PENNSYLVANIA

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - POLICE PENSION PLAN LAST TEN FISCAL YEARS

| | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| TOTAL PENSION LIABILITY | | | | |
| Service cost | $ 3,268,079 | $ 3,229,819 | $ 3,076,018 | $ 2,607,921 |
| Interest | 8,301,228 | 7,797,105 | 7,393,785 | 6,864,630 |
| Changes of benefit terms | - | - | - | 2,985,290 |
| Changes for experience | (633,664) | - | 240,996 | - |
| Changes of assumptions | 2,268,146 | - | - | - |
| Benefit payments, including refunds of member contributions | (5,363,824) | (4,819,742) | (4,991,228) | (4,892,947) |
| NET CHANGE IN TOTAL PENSION LIABILITY | 7,839,965 | 6,207,182 | 5,719,571 | 7,564,894 |
| Total pension liability, beginning | 120,004,266 | 113,797,084 | 108,077,513 | 100,512,619 |
| TOTAL PENSION LIABILITY, ENDING | $ 127,844,231 | $ 120,004,266 | $ 113,797,084 | $ 108,077,513 |
| PLAN FIDUCIARY NET POSITION | | | | |
| Contributions - employer | $ 4,206,965 | $ 4,331,408 | $ 2,562,789 | $ 2,824,407 |
| Contributions - state aid | 1,993,035 | 1,868,592 | 1,690,088 | 1,512,692 |
| Contributions - member | 1,365,507 | 798,067 | 800,596 | 621,493 |
| Net investment income (loss) | 13,304,748 | 8,832,672 | 11,377,099 | (15,459,434) |
| Benefit payments, including refunds of member contributions | (5,363,824) | (4,819,742) | (4,991,228) | (4,892,947) |
| NET CHANGE IN PLAN FIDUCIARY NET POSITION | 15,506,431 | 11,010,997 | 11,439,344 | (15,393,789) |
| Plan net position, beginning | 94,514,930 | 83,503,933 | 72,064,589 | 87,458,378 |
| PLAN NET POSITION, ENDING | $ 110,021,361 | $ 94,514,930 | $ 83,503,933 | $ 72,064,589 |
| TOWNSHIP'S NET PENSION LIABILITY | $ 17,822,870 | $ 25,489,336 | $ 30,293,151 | $ 36,012,924 |
| PLAN NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY | 86.1% | 78.8% | 73.4% | 66.7% |
| COVERED PAYROLL | $ 16,300,000 | $ 15,600,000 | $ 13,786,588 | $ 13,650,390 |
| TOWNSHIP'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL | 109.3% | 163.4% | 219.7% | 263.8% |

**NOTES TO SCHEDULE**

In 2015, the mortality assumption was changed from the RP-2000 Table to the RP-2000 Table projected to 2015 using Scale AA. In 2017, the mortality assumption was changed from the RP-2000 Table projected to 2015 to the RP-2000 Table projected to 2017 using Scale AA. In 2021, the interest rate assumption was lowered from 7.5% to 7.0% per annum and the mortality assumption was changed from the RP-2000 Table projected to 2017 using Scale AA to the PubS-2010. In 2025, the mortality assumption was changed to reflect Mortality Improvement Scale MP-2021 projected to 2030.

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|
| | $ 2,321,247 | $ 2,044,241 | $ 1,946,896 | $ 1,935,663 | $ 1,843,489 | $ 1,809,420 |
| | 6,710,857 | 6,446,914 | 6,135,301 | 5,844,481 | 5,574,411 | 5,309,824 |
| | - | - | - | - | - | - |
| | (904,495) | - | 140,692 | - | (245,317) | - |
| | 6,155,910 | - | - | - | 197,001 | - |
| | (4,135,260) | (4,082,814) | (3,966,599) | (4,142,340) | (3,675,944) | (3,478,377) |
| | 10,148,259 | 4,408,341 | 4,256,290 | 3,637,804 | 3,693,640 | 3,640,867 |
| | 90,364,360 | 85,956,019 | 81,699,729 | 78,061,925 | 74,368,285 | 70,727,418 |
| | $ 100,512,619 | $ 90,364,360 | $ 85,956,019 | $ 81,699,729 | $ 78,061,925 | $ 74,368,285 |
| | $ 2,767,455 | $ 2,921,270 | $ 1,885,966 | $ 2,473,670 | $ 1,750,318 | $ 1,774,973 |
| | 1,372,023 | 1,363,902 | 1,459,342 | 908,771 | 890,121 | 860,154 |
| | 491,698 | 456,998 | 449,140 | 453,673 | 312,542 | 292,269 |
| | 10,084,691 | 10,648,672 | 11,778,703 | (2,936,051) | 8,489,609 | 3,012,605 |
| | (4,135,260) | (4,082,814) | (3,966,599) | (4,142,340) | (3,675,944) | (3,478,377) |
| | 10,580,607 | 11,308,028 | 11,606,552 | (3,242,277) | 7,766,646 | 2,461,624 |
| | 76,877,771 | 65,569,743 | 53,963,191 | 57,205,468 | 49,438,822 | 46,977,198 |
| | $ 87,458,378 | $ 76,877,771 | $ 65,569,743 | $ 53,963,191 | $ 57,205,468 | $ 49,438,822 |
| | $ 13,054,241 | $ 13,486,589 | $ 20,386,276 | $ 27,736,538 | $ 20,856,457 | $ 24,929,463 |
| | 87.0% | 85.1% | 76.3% | 66.1% | 73.3% | 66.5% |
| | $ 12,000,000 | $ 13,206,080 | $ 12,864,746 | $ 12,196,264 | $ 11,449,882 | $ 11,409,516 |
| | 108.8% | 102.1% | 158.5% | 227.4% | 182.2% | 218.5% |

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

| | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Actuarially determined contribution | $ 5,588,330 | $ 5,484,450 | $ 4,252,877 | $ 4,337,099 |
| Contributions made | 6,200,000 | 6,200,000 | 4,252,877 | 4,337,099 |
| Contribution deficiency (excess) | $ (611,670) | $ (715,550) | $ - | $ - |
| Covered payroll | $ 16,300,000 | $ 15,600,000 | $ 13,786,588 | $ 13,650,390 |
| Contributions as a percentage of covered payroll | 38.04% | 39.74% | 30.85% | 31.77% |

**NOTES TO SCHEDULE**

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

Methods and assumptions used to determine contribution rates:

| | | |
|---|---|---|
| Actuarial valuation date | 1/1/2025 | 1/1/2023 |
| Actuarial cost method | Entry age | Entry age |
| Amortization method | Level dollar | Level dollar |
| Remaining amortization period | 9 years | 10 years |
| Asset valuation method | Five year smoothing | Fair market value |
| Salary increases | 5.00% | 5.00% |
| Investment rate of return | 7.00% | 7.00% |
| Mortality | PubS-2010 Mortality Table projected to 2030 using Scale MP-2021 | PubS-2010 Mortality |
| Inflation | 2.25% | 2.25% |

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| $ 3,539,478 | $ 3,685,171 | $ 3,345,308 | $ 3,382,441 | $ 2,640,439 | $ 2,635,127 |
| 4,139,478 | 4,285,172 | 3,345,308 | 3,382,441 | 2,640,439 | 2,635,127 |
| $ (600,000) | $ (600,001) | $ - | $ - | $ - | $ - |
| $ 12,000,000 | $ 13,206,080 | $ 12,864,746 | $ 12,196,264 | $ 11,449,882 | $ 11,409,516 |
| 34.50% | 32.45% | 26.00% | 27.73% | 23.06% | 23.10% |

| | | |
|---|---|---|
| 1/1/2021 | 1/1/2019 | 1/1/2017 |
| Entry age | Entry age | Entry age |
| Level dollar | Level dollar | Level dollar |
| 11 years | 12 years | 14 years |
| Market Value | Smoothing per Section 210(a) of Act 44 | Smoothing per Section 210(a) of Act 44 |
| 5.00% | 5.00% | 5.00% |
| 7.00% | 7.50% | 7.50% |
| PubS-2010 Mortality | RP-2000 Table projected to 2017 using Scale AA | RP-2000 Table projected to 2017 using Scale AA |
| 2.25% | 2.25% | 2.25% |

**TOWNSHIP OF BENSALEM**
**BUCKS COUNTY, PENNSYLVANIA**
SCHEDULE OF PENSION PLAN INVESTMENT RETURNS -
POLICE PENSION PLAN
LAST TEN FISCAL YEARS

| | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Annual money-weighted rate of return, net of investment expense | 14.15% | 10.59% | 15.79% | -17.68% |

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| 13.19% | 15.93% | 21.86% | -5.13% | 17.02% | 6.41% |

# TOWNSHIP OF BENSALEM
# BUCKS COUNTY, PENNSYLVANIA

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - NON-UNIFORMED PENSION PLAN LAST TEN FISCAL YEARS

| | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| TOTAL PENSION LIABILITY | | | | |
| Service cost | $ 319,988 | $ 403,132 | $ 383,935 | $ 445,279 |
| Interest | 1,884,749 | 1,751,802 | 1,706,062 | 1,667,086 |
| Changes for experience | 643,673 | - | (141,540) | - |
| Changes of assumptions | 499,278 | - | - | - |
| Changes in benefit terms | - | - | - | 115,587 |
| Benefit payments, including refunds of member contributions | (1,451,335) | (1,345,938) | (1,527,212) | (1,532,000) |
| NET CHANGE IN TOTAL PENSION LIABILITY | 1,896,353 | 808,996 | 421,245 | 695,952 |
| Total pension liability, beginning | 26,507,701 | 25,698,705 | 25,277,460 | 24,581,508 |
| TOTAL PENSION LIABILITY, ENDING | $ 28,404,054 | $ 26,507,701 | $ 25,698,705 | $ 25,277,460 |
| PLAN FIDUCIARY NET POSITION | | | | |
| Contributions - employer | $ 916,999 | $ 925,000 | $ 359,859 | $ 392,101 |
| Contributions - state aid | - | - | - | - |
| Contributions - member | 103,457 | 113,179 | 117,709 | 124,728 |
| Net investment income (loss) | 3,407,662 | 2,337,130 | 3,061,688 | (4,588,777) |
| Benefit payments, including refunds of member contributions | (1,451,335) | (1,345,938) | (1,527,212) | (1,532,000) |
| NET CHANGE IN PLAN FIDUCIARY NET POSITION | 2,976,783 | 2,029,371 | 2,012,044 | (5,603,948) |
| Plan net position, beginning | 23,957,893 | 21,928,522 | 19,916,478 | 25,520,426 |
| PLAN NET POSITION, ENDING | $ 26,934,676 | $ 23,957,893 | $ 21,928,522 | $ 19,916,478 |
| TOWNSHIP'S NET PENSION LIABILITY (ASSET) | $ 1,469,378 | $ 2,549,808 | $ 3,770,183 | $ 5,360,982 |
| PLAN NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY | 94.8% | 90.4% | 85.3% | 78.8% |
| COVERED PAYROLL | $ 2,730,000 | $ 2,770,000 | $ 2,749,398 | $ 3,095,870 |
| TOWNSHIP'S NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL | 53.8% | 92.1% | 137.1% | 173.2% |

**NOTES TO SCHEDULE**

In 2015, the mortality assumption was changed from the RP-2000 Table to the RP-2000 Table projected to 2015 using Scale AA. In 2017, the mortality assumption was changed from the RP-2000 Table projected to 2015 to the RP-2000 Table projected to 2017 using Scale AA. In 2021, the interest rate assumption was lowered from 7.5% to 7.0% per annum and the mortality assumption was changed from the RP-2000 Table projected to 2017 using Scale AA to the PubG-2010. In 2025, the mortality assumption was changed to reflect Mortality Improvement Scale MP-2021 projected to 2030.

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|
| | $ 396,332 | $ 430,394 | $ 409,899 | $ 484,796 | $ 461,710 | $ 584,305 |
| | 1,666,960 | 1,659,792 | 1,599,707 | 1,522,155 | 1,459,261 | 1,524,353 |
| | 16,012 | - | 5,047 | - | (1,506,207) | - |
| | 1,311,900 | - | - | - | 32,510 | - |
| | - | - | - | - | - | - |
| | (1,798,343) | (1,603,411) | (854,531) | (951,623) | (1,259,294) | (1,501,234) |
| | 1,592,861 | 486,775 | 1,160,122 | 1,055,328 | (812,020) | 607,424 |
| | 22,988,647 | 22,501,872 | 21,341,750 | 20,286,422 | 21,098,442 | 20,491,018 |
| | $ 24,581,508 | $ 22,988,647 | $ 22,501,872 | $ 21,341,750 | $ 20,286,422 | $ 21,098,442 |
| | $ 867,039 | $ 867,038 | $ 744,580 | $ 309,386 | $ 442,051 | $ 486,658 |
| | - | - | - | 430,964 | 435,884 | 373,496 |
| | 139,364 | 138,993 | 145,987 | 151,469 | 161,205 | 166,133 |
| | 3,057,001 | 3,266,275 | 3,793,622 | (1,022,354) | 2,611,388 | 1,057,890 |
| | (1,798,343) | (1,603,411) | (854,531) | (951,623) | (1,259,294) | (1,501,234) |
| | 2,265,061 | 2,668,895 | 3,829,658 | (1,082,158) | 2,391,234 | 582,943 |
| | 23,255,365 | 20,586,470 | 16,756,812 | 17,838,970 | 15,447,736 | 14,864,793 |
| | $ 25,520,426 | $ 23,255,365 | $ 20,586,470 | $ 16,756,812 | $ 17,838,970 | $ 15,447,736 |
| | $ (938,918) | $ (266,718) | $ 1,915,402 | $ 4,584,938 | $ 2,447,452 | $ 5,650,706 |
| | 103.8% | 101.2% | 91.5% | 78.5% | 87.9% | 73.2% |
| | $ 3,273,552 | $ 3,421,150 | $ 3,802,362 | $ 3,768,072 | $ 4,125,594 | $ 4,478,150 |
| | -28.7% | -7.8% | 50.4% | 121.7% | 59.3% | 126.2% |

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

| | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Actuarially determined contribution | $ 420,074 | $ 427,240 | $ 359,859 | $ 392,101 |
| Contributions made | 916,999 | 925,000 | 359,859 | 392,101 |
| Contribution deficiency (excess) | $ (496,925) | $ (497,760) | $ - | $ - |
| Covered payroll | $ 2,730,000 | $ 2,770,000 | $ 2,749,398 | $ 3,095,870 |
| Contributions as a percentage of covered payroll | 33.59% | 33.39% | 13.09% | 12.67% |

**NOTES TO SCHEDULE**

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

Methods and assumptions used to determine contribution rates:

| | | |
|---|---|---|
| Actuarial valuation date | 1/1/2025 | 1/1/2023 |
| Actuarial cost method | Entry age | Entry age |
| Amortization method | Level dollar | Level dollar |
| Remaining amortization period | 9 years | 10 years |
| Asset valuation method | Five year smoothing | Fair market value |
| Salary increases | 5.00% | 5.00% |
| Investment rate of return | 7.00% | 7.00% |
| Mortality | PubS-2010 Mortality Table projected to 2030 using Scale MP-2021 | PubG-2010 Mortality |
| Inflation | 2.25% | 2.25% |

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|
| | $ 429,258 | $ 867,039 | $ 744,580 | $ 740,350 | $ 877,935 | $ 860,156 |
| | 867,039 | 867,039 | 744,580 | 740,350 | 877,935 | 860,156 |
| | $ (437,781) | $ - | $ - | $ - | $ - | $ - |
| | $ 3,273,552 | $ 3,421,150 | $ 3,802,362 | $ 3,768,072 | $ 4,125,594 | $ 4,478,150 |
| | 26.49% | 25.34% | 19.58% | 19.65% | 21.28% | 19.21% |

| | | |
|---|---|---|
| 1/1/2021 | 1/1/2019 | 1/1/2017 |
| Entry age | Entry age | Entry age |
| Level dollar | Level dollar | Level dollar |
| 11 years | 10 years | 3 years |
| Market Value | Smoothing per Section 210(a) of Act 44 | Smoothing per Section 210(a) of Act 44 |
| 5.00% | 5.00% | 5.00% |
| 7.00% | 7.50% | 7.50% |
| PubG-2010 Mortality | RP-2000 Table projected to 2017 using Scale AA | RP-2000 Table projected to 2017 using Scale AA |
| 2.25% | 2.25% | 2.25% |

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

| | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Annual money-weighted rate of return, net of investment expense | 14.22% | 10.66% | 15.37% | -17.98% |

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| 13.15% | 15.54% | 22.64% | -5.73% | 16.74% | 6.58% |

# TOWNSHIP OF BENSALEM
# BUCKS COUNTY, PENNSYLVANIA
## SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFIT PLAN LIABILITY AND RELATED RATIOS
## LAST TEN FISCAL YEARS*

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|---|---|
| ***POLICE OPEB PLAN*** | | | | | | | | |
| TOTAL OPEB LIABILITY | | | | | | | | |
| Service cost | $ 770,293 | $ 686,691 | $ 610,385 | $ 834,178 | $ 904,182 | $ 861,126 | $ 637,943 | $ 607,565 |
| Interest | 600,360 | 479,655 | 471,704 | 260,255 | 256,143 | 239,230 | 327,544 | 305,279 |
| Changes for experience | - | 70,064 | - | (599,565) | - | (746,359) | - | - |
| Changes of assumptions | (169,043) | (1,468,021) | 248,327 | (1,756,670) | - | 1,675,182 | - | - |
| Changes in benefit terms | - | 2,813,810 | - | - | - | - | - | - |
| Benefit payments, including refunds of member contributions | (542,208) | (577,807) | (284,488) | (266,035) | (334,397) | (379,097) | (318,754) | (295,353) |
| NET CHANGE IN TOTAL OPEB LIABILITY | 659,402 | 2,004,392 | 1,045,928 | (1,527,837) | 825,928 | 1,650,082 | 646,733 | 617,491 |
| Total OPEB liability, beginning | 13,525,072 | 11,520,680 | 10,474,752 | 12,002,589 | 11,176,661 | 9,526,579 | 8,879,846 | 8,262,355 |
| TOTAL OPEB LIABILITY, ENDING | $ 14,184,474 | $ 13,525,072 | $ 11,520,680 | $ 10,474,752 | $ 12,002,589 | $ 11,176,661 | $ 9,526,579 | $ 8,879,846 |
| COVERED PAYROLL | $ 17,371,984 | $ 16,544,747 | $ 16,281,684 | $ 15,506,365 | $ 11,604,014 | $ 11,051,441 | $ 13,593,927 | $ 12,946,597 |
| TOWNSHIP'S TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL | 81.7% | 81.7% | 70.8% | 67.6% | 103.4% | 101.1% | 70.1% | 68.6% |
| ***NON-UNIFORMED OPEB PLAN*** | | | | | | | | |
| TOTAL OPEB LIABILITY | | | | | | | | |
| Service cost | $ 108,911 | $ 111,193 | $ 114,702 | $ 145,632 | $ 136,766 | $ 130,253 | $ 104,790 | $ 99,800 |
| Interest | 65,828 | 50,963 | 67,139 | 37,458 | 38,362 | 36,345 | 53,752 | 51,137 |
| Changes for experience | - | (424,253) | - | (134,578) | - | (34,194) | - | - |
| Changes of assumptions | (16,324) | 68,251 | 35,114 | (228,276) | - | 87,485 | - | - |
| Changes in benefit terms | - | 109,166 | - | - | - | - | - | - |
| Benefit payments, including refunds of member contributions | (115,089) | (32,463) | (112,374) | (105,021) | (78,488) | (80,102) | (85,098) | (77,336) |
| | 43,326 | (117,143) | 104,581 | (284,785) | 96,640 | 139,787 | 73,444 | 73,601 |
| Total OPEB liability, beginning | 1,486,064 | 1,603,207 | 1,498,626 | 1,783,411 | 1,686,771 | 1,546,984 | 1,473,540 | 1,399,939 |
| TOTAL OPEB LIABILITY, ENDING | $ 1,529,390 | $ 1,486,064 | $ 1,603,207 | $ 1,498,626 | $ 1,783,411 | $ 1,686,771 | $ 1,546,984 | $ 1,473,540 |
| COVERED PAYROLL | $ 8,026,519 | $ 7,644,304 | $ 7,831,610 | $ 7,458,676 | $ 6,378,351 | $ 6,074,620 | $ 6,651,176 | $ 6,334,453 |
| TOWNSHIP'S TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL | 19.1% | 19.4% | 20.5% | 20.1% | 28.0% | 27.8% | 23.3% | 23.3% |

**Notes to Schedule:**

| | |
|---|---|
| Valuation Date | January 1, 2025 |
| Actuarial cost method | Entry Age |
| Asset valuation method | Market Value |
| Discount rate | 4.43% |
| Projected salary increases | 5.00% |
| Inflation | 2.50% |
| Mortality | Pub-2010 mortality table with improvement scale MP-2021 |

**Note on Cumulative Information**

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

**Assumption Changes**

-The discount rate was updated from 4.28% to 4.43%.

-Mortality rates have been updated to project 5 years past the valuation date.

# SINGLE AUDIT

Maillie®
ACCOUNTANTS • ADVISORS

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PO Box 11847, Wilmington, DE 19850-1847

***Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Township of Bensalem as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Township of Bensalem's basic financial statements, and have issued our report thereon dated May 11, 2026.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township of Bensalem's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Bensalem's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Bensalem's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

**Compliance and Other Matters**

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

***Purpose of this Report***

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

Maillie LLP

Limerick, Pennsylvania
May 11, 2026

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# *Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance*

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

## Report on Compliance for Each Major Federal Program

### *Opinion on Each Major Federal Program*

We have audited the Township of Bensalem's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Township of Bensalem's major federal programs for the year ended December 31, 2025. Township of Bensalem's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township of Bensalem complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Township of Bensalem and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Township of Bensalem's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statues, regulations, rules and provisions of contracts or grant agreements applicable to Township of Bensalem's federal programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Township of Bensalem's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Township of Bensalem's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Township of Bensalem's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Township of Bensalem's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Township of Bensalem's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

**Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Maillie LLP

Limerick, Pennsylvania
May 11, 2026

# SUPPLEMENTARY INFORMATION - MAJOR FEDERAL AWARD PROGRAMS AUDIT

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025

| Federal Grantor/Pass-Through Grantor/Program Title | | Federal AL Number | | Federal Expenditures | | Subrecipient Expenditures |
|---|---|---|---|---|---|---|
| **U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** | | | | | | |
| CBDG - Entitlement Grants Cluster | | | | | | |
| Community Development Block Grants/Entitlement Grants | D | 14.218 | $ | 321,166 | $ | 31,847 |
| TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | 321,166 | | 31,847 |
| **U.S. DEPARTMENT OF JUSTICE** | | | | | | |
| Equitable Sharing Program | D | 16.922 | | 124,437 | | - |
| Bureau of Justice Assistance  Bullet Proof Vest Program | D | 16.607 | | 73,506 | | - |
| TOTAL U.S. DEPARTMENT OF JUSTICE | | | | 197,943 | | - |
| **U.S. DEPARTMENT OF TREASURY** | | | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | D | 21.027 | | 4,992,496 | | - |
| TOTAL U.S. DEPARTMENT OF TREASURY | | | | 4,992,496 | | - |
| TOTAL FEDERAL AWARDS | | | $ | 5,511,605 | $ | 31,847 |

Source Code D = Direct I = Indirect

*See accompanying notes to the schedule of expenditures of federal awards.*

## NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal awards activity of the Township of Bensalem under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township of Bensalem, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Township of Bensalem. The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Township of Bensalem. Federal awards passed through other government agencies are included on the schedule.

## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to the reimbursement. Negative amounts shown on the Schedule represent adjustment or credits made in the normal course of business amounts reported as expenditures in prior years.

## NOTE C - DE MINIMIS RATE FOR INDIRECT COSTS

The Township did not elect to use the De Minimis rate for indirect costs.

## A. SUMMARY OF AUDITORS' RESULTS

***Financial Statements***

Type of auditors' report issued: **Unmodified**

Internal control over financial reporting:

Significant deficiencies identified: **No**

Significant deficiencies identified that are considered to be material weaknesses: **No**

Noncompliance material to financial statements noted: **No**

***Federal Awards***

Internal control over major programs:

Significant deficiencies identified: **No**

Significant deficiencies identified that are considered to be material weaknesses: **No**

Type of auditors' report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Circular: **No**

Identification of major programs:

| Program | ALN |
|---|---|
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 |

The threshold used for distinguishing Types A and B programs was $1,000,000.

Auditee qualified as a low-risk auditee: **Yes**

## B. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

## C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.