

**Ross Township, Pennsylvania**

**Financial Statements**  
**and Required Supplementary Information**

**Year Ended December 31, 2024**  
**with Independent Auditor's Report**

**MaherDuessel**

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# ROSS TOWNSHIP, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2024

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YEAR ENDED DECEMBER 31, 2024

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## Independent Auditor's Report

**Board of Commissioners  
Ross Township, Pennsylvania**

### Report on the Audit of the Financial Statements

#### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2024, and the respective changes in financial position 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part

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Ross Township, Pennsylvania  
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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.

*Maher Duessel*

Pittsburgh, Pennsylvania  
June 23, 2025

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2024**

Ross Township, Pennsylvania, hereafter referred to as the "Township," is pleased to present its financial statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, entitled "*Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments*" (hereafter "GASB 34"), and related standards. GASB 34 enhances information provided to the users of its financial statements. This section of the financial reporting package presents the discussion and analysis of the Township's financial performance during the year that ended on December 31, 2024. Please read this Management's Discussion and Analysis in conjunction with the Township's financial statements that follow this section.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This report consists of the following:

- Management's Discussion and Analysis (this section)
- Basic financial statements (including notes to the financial statements)
- Required supplementary information

Management's Discussion and Analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the Township's government. The basic financial statements include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Required supplementary information is provided on the Township's budget to actual figures for the General Fund and the Sewer Fund.

The basic financial statements present two different views of the Township.

- *Government-wide financial statements*, the first two statements (pages 1-2) provide information about the Township's overall financial status.
- *Fund financial statements*, the remaining statements (pages 3-8) focus on individual parts of the Township's government. They provide more detail on operations than the government-wide statements. There are two types of fund statements:
  - *Governmental funds statements* show how general government services such as public safety, human services, public works, culture and recreation, and conservation and development are financed in the short-term, as well as what remains for future spending.
  - *Fiduciary funds statements* reflect activities involving resources that are held by the Township as a trustee or agent for the benefit of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources cannot be used to support the Township's programs.

**Table A-1: Organization of the Township's Annual Financial Report**

Required Components of the Annual Financial Statements

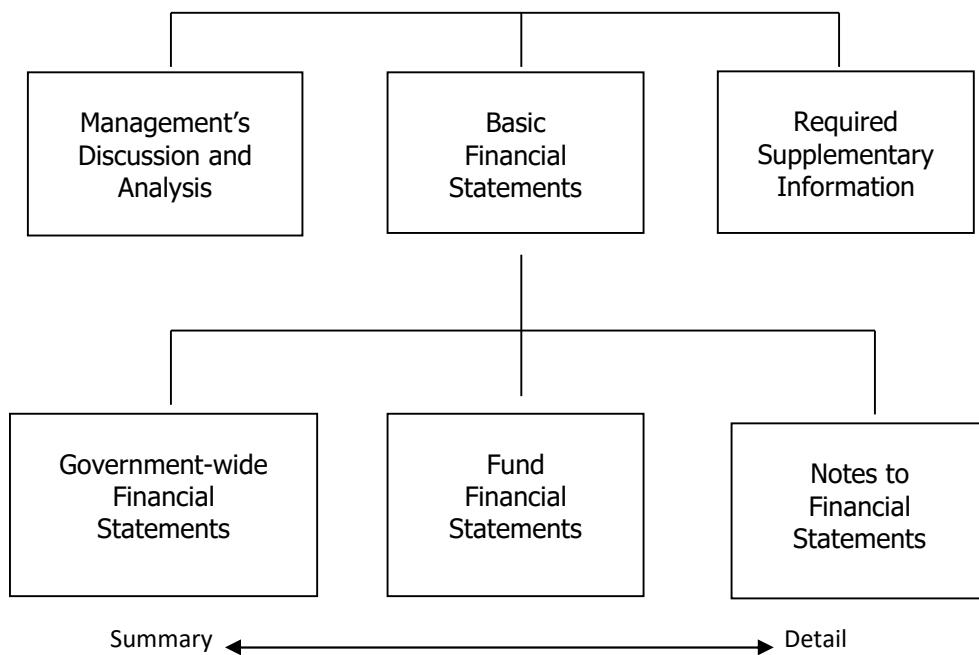


Table A-2 summarizes the major features of the Township's financial statements, including the area of the Township's activities they cover and the types of information they contain.

**Table A-2: Major Features of the Government-Wide and Fund Financial Statements**

	<u>Fund Financial Statements</u>		
	<u>Government-wide Financial Statements</u>	<u>Governmental</u>	<u>Fiduciary</u>
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the Township, such as public safety	Instances in which the Township administers resources on behalf of others
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
Accounting basis and measurement focus	Accrual	Modified accrual	Accrual accounting and economic resources focus
Type of asset, deferred outflows of resources, liability, and deferred inflows of resources information	All assets, deferred outflows of resources and liabilities, and deferred inflows of resources, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, short-term and long-term
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during year, regardless of when cash is received or paid

The remainder of the overview explains the structure and contents of the government-wide and fund financial statements.

### **Government-wide Financial Statements**

Government-wide financial statements report information about the Township as a whole, using accounting methods similar to those used by private-sector companies.

- The statement of net position includes all the Township's assets, deferred inflows of resources, liabilities and deferred outflows of resources, except fiduciary funds, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business.
- The statement of activities focuses on how the Township's net position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on local taxes for funding.

All changes to net position are reported using the economic resources measurement focus and the accrual basis of accounting, which requires that revenues be reported when they are earned and expenses be recorded when a liability is incurred, regardless of the timing of the related cash flow.

Net position is one way to measure the Township's financial position. Over time, increases or decreases in the Township's net position are one indicator of whether the Township's financial position is improving or deteriorating. However, other non-financial factors such as changes in the Township's property tax base and general economic conditions must be considered to assess the overall position of the Township.

The activities for the primary government include the Township's basic services such as general government, public safety, fire and building inspection, highways, roads, and streets, sanitation, parks and recreation, library, and senior citizens services.

Net position of the governmental activities differs from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets in the fund level statements are reported as expenditures when financial resources (money) are expended to purchase or build assets. Likewise, the financial resources that may have been borrowed are considered expenditures when they are received. The principal and interest payments are both considered revenue when they are paid. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources. Finally, capital assets and long-term debt do not affect fund balances.

Government-wide financial statements are reported on the accrual basis of accounting that involves the following steps to format the statement of net position:

- Capitalize current outlays for capital assets
- Report long-term debt as liabilities
- Depreciate capital assets and allocate the depreciation to the proper program/activities
- Allocate net position balances as follows:
  - Net investment in capital assets
  - Restricted net position is that with constraints placed on its use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation
  - Unrestricted net position is net position that does not meet any of the above restrictions

### **Fund Financial Statements**

Fund financial statements provide more detailed information on the Township's most significant funds, not the Township as a whole. Funds are accounting devices, i.e., a group of related accounts that the Township uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. Other funds are established to control and manage resources designated for specific purposes. Fund financial statements are reported using the modified accrual basis of accounting.

The Township has two kinds of funds:

- *Governmental funds* include most of the Township's basic services and focus on: (1) the flow in and out of cash and other financial assets that can readily be converted into cash, and: (2) the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting.

The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements.

The Township adopts an annual budget for the General Fund, as required by state law, and the Sewer Fund. A budgetary comparison of the Township's General and Sewer Funds is presented as required supplementary information.

- *Fiduciary funds* are those for which the Township is the trustee or fiduciary. This includes the pension trust funds. The Township is responsible to ensure the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net position. These funds are excluded from the Township's government-wide financial statements because the Township

cannot use these assets to finance its operations. The fiduciary funds are reported using the accrual basis of accounting.

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

#### **Condensed Statements of Net Position** **December 31, 2024 and 2023**

	2024	2023	
	Governmental Activities	Governmental Activities	Variance
Current and other assets	\$ 19,482,298	\$ 20,366,300	\$ (884,002)
Capital assets	<u>22,766,091</u>	<u>22,770,429</u>	<u>(4,338)</u>
<b>Total Assets</b>	<b><u>42,248,389</u></b>	<b><u>43,136,729</u></b>	<b><u>(888,340)</u></b>
Deferred outflows of resources for pension	5,393,042	7,965,683	(2,572,641)
Deferred outflows of resources for other post-employment benefits	<u>28,675</u>	<u>34,559</u>	<u>(5,884)</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>5,421,717</u></b>	<b><u>8,000,242</u></b>	<b><u>(2,578,525)</u></b>
Current and other liabilities	4,603,357	6,572,187	(1,968,830)
Long-term liabilities	<u>13,176,860</u>	<u>14,324,528</u>	<u>(1,147,668)</u>
<b>Total Liabilities</b>	<b><u>17,780,217</u></b>	<b><u>20,896,715</u></b>	<b><u>(3,116,498)</u></b>
Deferred inflows of resources for pension	508,691	533,775	(25,084)
Deferred inflows of resources for other post-employment benefits	<u>49,214</u>	<u>49,003</u>	<u>211</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>557,905</u></b>	<b><u>582,778</u></b>	<b><u>(24,873)</u></b>
Net Position:			
Net investment in capital assets	16,583,689	15,930,040	653,649
Restricted	<u>2,421,741</u>	<u>618,146</u>	<u>1,803,595</u>
Unrestricted	<u>10,326,554</u>	<u>13,109,292</u>	<u>(2,782,738)</u>
<b>Total Net Position</b>	<b><u>\$ 29,331,984</u></b>	<b><u>\$ 29,657,478</u></b>	<b><u>\$ (325,494)</u></b>

At December 31, 2024, the Township's total net position was approximately \$29 million. Of this amount, approximately \$16 million is accounted for by net investment in capital assets.

The following statements of activities represents the changes in net position for the years ended December 31, 2024 and 2023. It shows revenues by source and expenses by function.

**Condensed Statements of Activities**  
**Years Ended December 31, 2024 and 2023**

	2024	2023	
	Governmental Activities	Governmental Activities	Variance
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 15,417,785	\$ 14,323,409	\$ 1,094,376
Grants and contributions	4,339,930	2,662,645	1,677,285
General revenues:			
Real estate taxes	7,454,894	7,547,732	(92,838)
Other taxes	9,813,939	9,677,172	136,767
Interest income	293,265	274,258	19,007
Gain (loss) on disposal of capital assets	-	(117,994)	117,994
Miscellaneous	<u>324,803</u>	<u>586,369</u>	<u>(261,566)</u>
<b>Total revenues</b>	<u>37,644,616</u>	<u>34,953,591</u>	<u>2,691,025</u>
<b>Expenses:</b>			
Program expenses:			
General government	2,838,579	2,770,092	68,487
Public safety	10,731,693	9,333,189	1,398,504
Fire and building inspection	2,150,929	2,329,417	(178,488)
Highways, roads, and streets	8,240,654	8,651,453	(410,799)
Sanitation	12,122,613	12,264,815	(142,202)
Parks and recreation	1,173,153	1,379,358	(206,205)
Library	545,406	511,987	33,419
Senior citizen services	45,000	45,000	-
Interest	<u>122,083</u>	<u>142,820</u>	<u>(20,737)</u>
<b>Total expenses</b>	<u>37,970,110</u>	<u>37,428,131</u>	<u>541,979</u>
Change in net position	(325,494)	(2,474,540)	2,149,046
Net position - beginning	<u>29,657,478</u>	<u>32,132,018</u>	<u>(2,474,540)</u>
Net position - ending	<u><u>\$ 29,331,984</u></u>	<u><u>\$ 29,657,478</u></u>	<u><u>\$ (325,494)</u></u>

Public safety expenses increased by approximately \$1.4 million due to increased personnel cost. Fire and building inspection expenses decreased by approximately \$178,000 due to Ross West View EMS service switching from a community funded operation, to a direct resident billing program, therefore 2023 was the final year Ross contributed to the EMS. Highways, roads, and streets expenses decreased by approximately \$491,000 due to decreased vehicle replacements in 2024. Sanitation expenses decreased by approximately \$142,000 due to a one-

time historical payment made to Girty's Run Sewer Authority in 2023. Parks and recreation expenses decreased by approximately \$206,000 due to a decrease in Capital related Park Improvement projects in 2024.

### **Net Program Expenses**

Net program expenses indicate the amount of support required from taxes and other general revenues for a program of the government. In 2024, taxes brought in \$17,268,833.

#### **Net Cost of Governmental Activities**

	<b>2024</b> <b>Total Cost of Services</b>	<b>2023</b> <b>Total Cost of Services</b>	<b>2024</b> <b>Net Cost of Services</b>	<b>2023</b> <b>Net Cost of Services</b>
<b>Program:</b>				
General government	\$ 2,838,579	\$ 2,770,092	\$ (480,321)	\$ 1,524,294
Public safety	10,731,693	9,333,189	9,302,692	8,173,730
Fire and building inspection	2,150,929	2,329,417	1,236,554	1,047,620
Highways, roads, and streets	8,240,654	8,651,453	7,209,502	7,587,503
Sanitation	12,122,613	12,264,815	(606,341)	259,542
Parks and recreation	1,173,153	1,379,358	837,820	1,149,581
Library	545,406	511,987	545,406	511,987
Senior citizen services	45,000	45,000	45,000	45,000
Interest	122,083	142,820	122,083	142,820
<b>Total</b>	<b>\$ 37,970,110</b>	<b>\$ 37,428,131</b>	<b>\$ 18,212,395</b>	<b>\$ 20,442,077</b>

## Capital Assets

The Township's investment in capital assets at December 31, 2024, net of accumulated depreciation, was \$22,766,091. Capital assets consist primarily of land, buildings, and equipment. The following is a summary of capital assets at December 31:

<b>Capital Assets</b>		2024	2023
		Governmental Activities	Governmental Activities
Land		\$ 7,719,337	\$ 7,719,337
Building		15,320,011	15,320,011
Machinery and equipment		7,846,219	7,404,693
Vehicles		6,809,896	6,728,948
Infrastructure		<u>11,802,029</u>	<u>10,511,347</u>
		49,497,492	47,684,336
Less accumulated depreciation		<u>26,731,401</u>	<u>24,913,907</u>
Total net capital assets		<u><u>\$ 22,766,091</u></u>	<u><u>\$ 22,770,429</u></u>

Detailed information about the Township's capital assets can be found in Note 4 of the notes to financial statements.

## Debt Administration

At December 31, 2024, the Township had \$5,580,000 of bonds outstanding as compared to \$6,090,000 as of December 31, 2023. The following is a summary of long-term liabilities for the 2024 year:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
	2023			2024	
Governmental Activities:					
Bonds payable	\$ 6,090,000	\$ -	\$ (510,000)	\$ 5,580,000	\$ 535,000
Bond Premium	197,495	-	(17,954)	179,541	-
Financed purchases	552,894	230,196	(360,229)	422,861	238,831
Compensated absences	446,494	223,186	-	669,680	-
Total long-term liabilities	<u>\$ 7,286,883</u>	<u>\$ 453,382</u>	<u>\$ (888,183)</u>	<u>\$ 6,852,082</u>	<u>\$ 773,831</u>

See Note 7 for more information regarding long-term debt.

The Township has an unfunded Other Post-Employment Liability (OPEB) of \$329,307 at December 31, 2024, a decrease of \$13,182 from December 31, 2023. The liability results from health insurance payments that will be made on behalf of police officers after retirement.

## **FIDUCIARY FUNDS**

### **Pension Trust Funds**

The Township maintains two defined benefit pension plans, the General Employees Plan and the Police Plan, for the benefit of its full-time employees. The Township remits the required employee contribution withholdings and the annual actuarially calculated contributions directly to the respective Plan Trust. Employee benefit calculations are determined by a contracted actuary for the defined benefit plans and monthly benefit payments are handled by a disbursing agent.

The General Employees Plan has a net pension asset of \$1,105,642 and the Police Plan has a net pension liability of \$6,769,302 at December 31, 2024. In addition, more detailed information regarding municipal pension plans can be found in Note 8 of the notes to financial statements section of this report.

## **GOVERNMENTAL FUNDS**

The Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of governmental funds is to provide information on inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of the Township's net resources available for spending at the end of the year.

The Township's governmental funds include the General Fund and various special revenue funds. The General Fund is the chief operating fund for the Township. Special revenue funds are restricted to specific legislated use. The major funds are shown on the statement of revenues, expenditures, and changes in fund balance in the financial statements.

## GOVERNMENTAL FUND REVENUES

Governmental fund revenues and other financing uses by source at December 31 were as follows:

	2024	2023	Variance
Revenues:			
Taxes	\$ 17,192,981	\$ 17,314,367	\$ (121,386)
Licenses and permits	1,434,445	1,777,309	(342,864)
Fines and forfeits	108,698	74,552	34,146
Interest, rent, and royalties	293,265	274,258	19,007
Intergovernmental	4,339,930	2,662,645	1,677,285
Charges for services	13,505,455	12,543,664	961,791
Miscellaneous	158,478	425,836	(267,358)
Transfer in	4,723,001	4,655,400	67,601
Proceeds from sale of capital assets	134,390	136,254	(1,864)
Proceeds from financed purchases	230,196	412,400	(182,204)
<b>Total</b>	<b>\$ 42,120,839</b>	<b>\$ 40,276,685</b>	<b>\$ 1,844,154</b>

Licenses and permits decreased by approximately \$343,000 due to a decrease in Building Permits from the large developments that occurred during 2023. Intergovernmental revenues increased by approximately \$1.7 million due to the Township utilizing \$1.9 million of ARPA funds in 2024. Charges for services increased by approximately \$962,000 due to increased Sewer User fees and increased Departmental services. Miscellaneous revenue decreased by approximately \$267,000 due to decreased Insurance Reimbursements. Proceeds from financed purchases decreased by approximately \$182,000 due to the Township buying less vehicles in 2024.

## GOVERNMENTAL FUND EXPENDITURES

Governmental fund expenditures and other financing uses by function at December 31 were as follows:

	2024	2023	Variance
<b>Expenditures:</b>			
General government	\$ 2,030,676	\$ 2,139,424	\$ (108,748)
Public safety	9,927,207	9,109,236	817,971
Fire and building inspection	2,173,680	2,365,534	(191,854)
Highways, roads, and streets	8,675,166	8,588,315	86,851
Sanitation	12,122,613	12,264,815	(142,202)
Parks and recreation	882,945	1,266,978	(384,033)
Library	545,406	511,987	33,419
Senior citizen services	45,000	45,000	-
Miscellaneous	481,050	381,615	99,435
Debt service	650,037	655,774	(5,737)
Transfer out	<u>4,723,001</u>	<u>4,655,400</u>	<u>67,601</u>
<b>Total</b>	<b><u>\$ 42,256,781</u></b>	<b><u>\$ 41,984,078</u></b>	<b><u>\$ 272,703</u></b>

General government expenditures decreased by approximately \$109,000 due to a decrease in Personnel cost due to a position vacancy. Public safety expenditures increased by approximately \$818,000 due to increased Personnel cost and training expenses. Fire and building inspection expenditures decreased by approximately \$192,000 due to Ross West View EMS service switching from a community funded operation, to a direct resident billing program, therefore 2023 was the final year Ross contributed to the EMS. Sanitation expenditures decreased by approximately \$142,000 due to a one-time historical payment made to Girty's Run Sewer Authority in 2023. Parks and recreation expenditures decreased by approximately \$384,000 due to a decrease in Capital related Park Improvement projects in 2024.

## GOVERNMENTAL FUND BALANCES

Ending fund balances for governmental funds at December 31 were as follows:

Fund	2024	2023
	Governmental Funds	Governmental Funds
General	\$ 6,993,486	\$ 6,675,268
Sewer	198,661	2,823,658
Capital improvements	2,243,981	369,553
Highways and streets	<u>639,071</u>	<u>342,662</u>
<b>Total</b>	<b><u>\$ 10,075,199</u></b>	<b><u>\$ 10,211,141</u></b>

The reasons for the changes in governmental fund balances are explained above in the governmental funds revenues and expenditures sections.

## BUDGETARY HIGHLIGHTS

The Township adopts an annual appropriated budget for its General Fund and Sewer Fund. Detailed information about the Township's 2024 General Fund and Sewer Fund budget can be found in Required Supplementary Information.

Overall, the Township had a favorable variance of \$2,166,034 for actual results in comparison to budget for the General Fund. Numerous factors went into these results. For Revenues, the Township received record high Earned Income tax, Local Services tax, Mercantile tax, and Interest Income revenues. For Expenditures, the Township also realized favorable variance on several Departmental line items finishing below budget, with position vacancies and a couple large projects that were pushed to future years, resulting in Expenditures lower than budgeted.

## **ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET**

The Township is very fortunate, in that a large portion of the revenue stream is from business taxes related to the Township's high-end retail district. In general, Allegheny County seems to have been insulated from the large swings in the economy and has seen steady growth to the area. The Township has continued to implement programs to reduce costs whenever possible and will continue to work toward reducing overall expenditures. The Township did raise Real Estate Taxes by one mil for 2025. This was the first municipal tax increase for Ross Residents in over 10 years. Raising personnel cost, large Real Estate Tax reassessments leading to refunds, and overall market cost for goods and service have increased, which all lead to the decision for the tax increase.

## **CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability. Questions concerning this financial information or requests for additional information should be directed to:

Ross Township Finance Department  
1000 Ross Municipal Drive  
Pittsburgh, PA 15237

# ROSS TOWNSHIP, PENNSYLVANIA

## STATEMENT OF NET POSITION

DECEMBER 31, 2024

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 9,890,640
Receivables, net of allowance for uncollectibles:	
Taxes	2,229,959
Sewer charges	3,809,576
Other	414,467
Net pension asset	1,105,642
Net investment in joint venture	2,032,014
Capital assets, not being depreciated	7,719,337
Capital assets, net of accumulated depreciation	<u>15,046,754</u>
<b>Total Assets</b>	<u>42,248,389</u>
<b>Deferred Outflows of Resources</b>	
Deferred outflows of resources for pension	5,393,042
Deferred outflows of resources for other post-employment benefits	<u>28,675</u>
<b>Total Deferred Outflows of Resources</b>	<u>5,421,717</u>
<b>Liabilities</b>	
Accounts payable	2,919,608
Accrued payroll and related benefits	488,551
Returnable deposits	416,171
Other liabilities	5,196
Long-term liabilities due within one year:	
Financed purchases	238,831
Bonds payable	535,000
Long-term liabilities due in more than one year:	
Net pension liability	6,769,302
Other post-employment benefits liability	329,307
Compensated absences	669,680
Financed purchases	184,030
Bonds payable, net	<u>5,224,541</u>
<b>Total Liabilities</b>	<u>17,780,217</u>
<b>Deferred Inflows of Resources</b>	
Deferred inflows of resources for pension	508,691
Deferred inflows of resources for other post-employment benefits	<u>49,214</u>
<b>Total Deferred Inflows of Resources</b>	<u>557,905</u>
<b>Net Position</b>	
Net investment in capital assets	16,583,689
Restricted for:	
Highways and streets	639,071
Sidewalks	95,193
Traffic impact	581,835
Pension	1,105,642
Unrestricted	<u>10,326,554</u>
<b>Total Net Position</b>	<u>\$ 29,331,984</u>

See accompanying notes to financial statements.

# ROSS TOWNSHIP, PENNSYLVANIA

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	
Governmental activities:						
General government	\$ 2,838,579	\$ 1,030,713	\$ 2,288,187	\$ -	\$ 480,321	
Public safety	10,731,693	623,682	805,319	-	(9,302,692)	
Fire and building inspection	2,150,929	693,778	220,597	-	(1,236,554)	
Highways, roads, and streets	8,240,654	95,708	935,444	-	(7,209,502)	
Sanitation	12,122,613	12,728,954	-	-	606,341	
Parks and recreation	1,173,153	244,950	-	90,383	(837,820)	
Library	545,406	-	-	-	(545,406)	
Senior citizen services	45,000	-	-	-	(45,000)	
Interest	122,083	-	-	-	(122,083)	
Total governmental activities	<u>\$ 37,970,110</u>	<u>\$ 15,417,785</u>	<u>\$ 4,249,547</u>	<u>\$ 90,383</u>	<u>(18,212,395)</u>	
General revenues:						
Taxes:						
Real estate					6,653,387	
Real estate transfer tax					801,507	
Earned income					6,898,934	
Business and mercantile					1,398,311	
Other					1,516,694	
Interest income					293,265	
Miscellaneous					324,803	
Total general revenues					<u>17,886,901</u>	
Change in Net Position					(325,494)	
Net position - beginning of year					<u>29,657,478</u>	
Net position - end of year					<u>\$ 29,331,984</u>	

See accompanying notes to financial statements.

# ROSS TOWNSHIP, PENNSYLVANIA

## BALANCE SHEET

### GOVERNMENTAL FUNDS

DECEMBER 31, 2024

	General Fund	Capital Improvements	Sewer Fund	Non-Major Fund Liquid Fuels		Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 7,124,596	\$ 100,812	\$ 2,026,161	\$ 639,071		\$ 9,890,640
Accounts receivable, net:						
Taxes	2,229,959	-	-	-		2,229,959
Sewer charges	-	-	3,809,576	-		3,809,576
Other	414,467	-	-	-		414,467
Due from other funds	240	292,269	-	-		292,509
<b>Total Assets</b>	<b>\$ 9,769,262</b>	<b>\$ 393,081</b>	<b>\$ 5,835,737</b>	<b>\$ 639,071</b>		<b>\$ 16,637,151</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>						
Liabilities:						
Accounts payable	\$ 438,916	\$ 194,420	\$ 2,286,272	\$ -	\$ 2,919,608	
Accrued payroll and related benefits	488,551	-	-	-		488,551
Returnable deposits	410,511	-	5,660	-		416,171
Other liabilities	5,196	-	-	-		5,196
Due to other funds	292,269	-	240	-		292,509
<b>Total Liabilities</b>	<b>1,635,443</b>	<b>194,420</b>	<b>2,292,172</b>	<b>-</b>		<b>4,122,035</b>
Deferred Inflows of Resources:						
Unavailable revenue - taxes	1,140,333	-	-	-		1,140,333
Unavailable revenue - sewer charges	-	-	1,299,584	-		1,299,584
<b>Total Deferred Inflows of Resources</b>	<b>1,140,333</b>	<b>-</b>	<b>1,299,584</b>	<b>-</b>		<b>2,439,917</b>
Fund Balance:						
Restricted:						
Highways and streets	-	-	-	639,071		639,071
Sidewalks	95,193	-	-	-		95,193
Traffic impact	581,835	-	-	-		581,835
Assigned	-	198,661	2,243,981	-		2,442,642
Unassigned	6,316,458	-	-	-		6,316,458
<b>Total Fund Balance</b>	<b>6,993,486</b>	<b>198,661</b>	<b>2,243,981</b>	<b>639,071</b>		<b>10,075,199</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 9,769,262</b>	<b>\$ 393,081</b>	<b>\$ 5,835,737</b>	<b>\$ 639,071</b>		<b>\$ 16,637,151</b>

See accompanying notes to financial statements.

# ROSS TOWNSHIP, PENNSYLVANIA

## RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2024

<b>Total Fund Balance - Governmental Funds</b>	\$ 10,075,199
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the funds.	22,766,091
Certain taxes and sewer charges are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	2,439,917
Net pension liability (asset), as well as deferred inflows and outflows of resources for pensions are reflected on the statement of net position, but are not recorded in the fund statements.	(779,309)
The total OPEB liability, as well as deferred inflows and outflows of resources for OPEBs are reflected on the statement of net position, but are not recorded in the fund statements.	(349,846)
The Township's net investment in joint venture does not represent a financial asset that would be recorded as an asset in the governmental funds.	2,032,014
Long-term liabilities, including compensated absences, financed purchases, and bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(6,852,082)</u>
<b>Net Position - Governmental Activities</b>	<u><u>\$ 29,331,984</u></u>

See accompanying notes to financial statements.

# ROSS TOWNSHIP, PENNSYLVANIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

### GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2024

	General Fund	Capital Improvements	Sewer Fund	Non-Major Fund Liquid Fuels	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 17,192,981	\$ -	\$ -	\$ -	\$ 17,192,981
Licenses and permits	1,434,445	-	-	-	1,434,445
Fines and forfeits	108,698	-	-	-	108,698
Interest, rent, and royalties	225,403	2,785	26,252	38,825	293,265
Intergovernmental	3,318,962	90,383	-	930,585	4,339,930
Charges for services	1,250,345	-	12,255,110	-	13,505,455
Miscellaneous	158,478	-	-	-	158,478
<b>Total revenues</b>	<b>23,689,312</b>	<b>93,168</b>	<b>12,281,362</b>	<b>969,410</b>	<b>37,033,252</b>
<b>Expenditures:</b>					
Current:					
General government	1,906,584	124,092	-	-	2,030,676
Public safety	9,792,296	134,911	-	-	9,927,207
Fire and building inspection	2,173,680	-	-	-	2,173,680
Highways, roads, and streets	5,557,440	3,117,726	-	-	8,675,166
Sanitation	11,574	-	12,111,039	-	12,122,613
Parks and recreation	695,614	187,331	-	-	882,945
Library	545,406	-	-	-	545,406
Senior citizen services	45,000	-	-	-	45,000
Miscellaneous	481,050	-	-	-	481,050
Debt service:					
Principal	510,593	-	-	-	510,593
Interest	139,444	-	-	-	139,444
<b>Total expenditures</b>	<b>21,858,681</b>	<b>3,564,060</b>	<b>12,111,039</b>	<b>-</b>	<b>37,533,780</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,830,631</b>	<b>(3,470,892)</b>	<b>170,323</b>	<b>969,410</b>	<b>(500,528)</b>
<b>Other Financing Sources (Uses):</b>					
Proceeds from financed purchase	230,196	-	-	-	230,196
Proceeds from sale of capital assets	134,390	-	-	-	134,390
Transfers in	1,423,001	3,300,000	-	-	4,723,001
Transfers out	(3,300,000)	-	(750,000)	(673,001)	(4,723,001)
<b>Total other financing sources (uses)</b>	<b>(1,512,413)</b>	<b>3,300,000</b>	<b>(750,000)</b>	<b>(673,001)</b>	<b>364,586</b>
<b>Net Change in Fund Balance</b>	<b>318,218</b>	<b>(170,892)</b>	<b>(579,677)</b>	<b>296,409</b>	<b>(135,942)</b>
<b>Fund Balance:</b>					
Beginning of year	6,675,268	369,553	2,823,658	342,662	10,211,141
End of year	<b>\$ 6,993,486</b>	<b>\$ 198,661</b>	<b>\$ 2,243,981</b>	<b>\$ 639,071</b>	<b>\$ 10,075,199</b>

See accompanying notes to financial statements.

# ROSS TOWNSHIP, PENNSYLVANIA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

<b>Net Change in Fund Balance - Governmental Funds</b>	\$ (135,942)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital additions	\$ 2,220,285
Depreciation expense	<u>(2,224,623)</u>
	(4,338)

The other post-employment benefit (OPEB) liability and related deferred outflows of resources, and deferred inflows of resources are not recorded on the fund financial statements as they are not considered a current expenditure for the fund statements.

7,087

Changes in the net pension asset and liability and related deferred outflows of resources, and deferred inflows of resources are not recorded on the fund financial statements as they are not considered a current expenditure for the fund statements.

(1,104,076)

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

445,039

The issuance of long-term obligations (bonds and financed purchases) provides current financial resources to governmental funds, while the repayment of the principal on long-term obligations consumes the current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of the long-term debt and related items.

657,987

The Township's increase in the value of the net investment in joint venture does not represent a revenue that would be recorded in the governmental funds.

31,935

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.

(223,186)

<b>Change in Net Position of Governmental Activities</b>	\$ (325,494)
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\$ (325,494)

See accompanying notes to financial statements.

# ROSS TOWNSHIP, PENNSYLVANIA

## STATEMENT OF NET POSITION FIDUCIARY FUNDS - TRUST FUNDS

DECEMBER 31, 2024

	Pension Trust Funds
<hr/>	
<b>Assets</b>	
Cash and cash equivalents	\$ 1,094,985
Investments:	
Mutual funds - fixed income	12,568,968
Mutual funds - equity	28,437,317
ETF equities	7,641,281
Alternative investments	1,617,500
Other investments	5,278,519
Accrued interest receivable	<u>18,833</u>
<b>Total Assets</b>	<u>56,657,403</u>
<hr/>	
<b>Net Position Restricted For</b>	
Pension benefits	<u>\$ 56,657,403</u>

See accompanying notes to financial statements.

# ROSS TOWNSHIP, PENNSYLVANIA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS - TRUST FUNDS

YEAR ENDED DECEMBER 31, 2024

	Pension Trust Funds
<b>Additions:</b>	
Contributions:	
Employer, including state aid	\$ 1,019,013
Employee	<u>292,873</u>
Total contributions	<u>1,311,886</u>
Investment income (loss):	
Net increase (decrease) in fair value of investments	4,252,047
Interest and dividends	<u>1,480,691</u>
Total investment income (loss)	5,732,738
Less investment expense	<u>(61,985)</u>
Net investment income (loss)	<u>5,670,753</u>
Total additions	<u>6,982,639</u>
<b>Deductions:</b>	
Benefits	3,553,376
Administrative expense	<u>45,066</u>
Total deductions	<u>3,598,442</u>
<b>Net Increase (Decrease) in Net Position</b>	3,384,197
<b>Net Position:</b>	
Beginning of year	<u>53,273,206</u>
End of year	<u>\$ 56,657,403</u>

See accompanying notes to financial statements.

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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### **1. Reporting Entity**

Ross Township, Pennsylvania (Township) operates under the First Class Township Code (Code). In accordance with the Code, the Township is governed by an elected Board of nine Commissioners (Commissioners) and a Manager who is appointed by the Commissioners. The Township provides services in many areas to its residents, including various general government services, public safety, highway maintenance, sanitation, and health and welfare.

No potential component units meet the criteria for inclusion in the Township reporting entity.

Please refer to Note 10 for a description of joint ventures, a jointly governed organization, and a related organization of the Township.

### **2. Summary of Significant Accounting Policies**

#### Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information on all of the non-fiduciary activities of the Township. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from any business-type activities or component units for which the primary government is financially accountable. As a general rule, any effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major

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# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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individual governmental funds are reported as separate columns in the fund financial statements.

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property, earned income, local services, and franchise taxes, as well as sanitation, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service, financed purchases, pension, and OPEB expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Township reports the following major governmental funds:

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

The *Capital Improvements Fund* is used to account for financial resources to be used for the acquisition, construction, or improvement of major capital projects and facilities.

The *Sewer Fund*, a special revenue fund, is used to account for resources derived from sewer billings to Township residents and related disbursements. Sewer treatment services

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# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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are provided by the Allegheny County Sanitary Authority (ALCOSAN). The Township bills customers based on ALCOSAN rates plus the Township surcharge (\$4.50 per 1,000 gallons of water consumed). The Township then pays ALCOSAN for providing services.

The Township also reports one nonmajor fund, which is the Liquid Fuels Fund. This fund accounts for the state liquid fuels money.

Additionally, the Township reports the following fiduciary funds:

The *Pension Trust Funds* are used to account for the assets held by the Township in a trustee capacity for future payment of retirement benefits to employees or former employees. The Township has two separate pension trust funds: The General Employees Plan and the Police Plan.

### Cash and Cash Equivalents

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

### Fair Value Measurements

The Township categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

### Interfund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

### Capital Assets

Capital assets, which include buildings, machinery and equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the Township as assets with an

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at estimated historical cost or historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price what would have been paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the Township chose to include all such items regardless of their acquisition date or amount. The Township was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Buildings	40 years
Building improvements	20 years
Infrastructure – bridges and sewers	50 years
Infrastructure – roads	20 years
Vehicles	2-8 years
Machinery, equipment, and fixtures	5-20 years

### Compensated Absences

The Township recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, sick leave qualifies for liability recognition for compensated absences. The liability for

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Employees earn sick days based upon their contract. Police officers earn sick leave at the rate of 10 sick days in the first year, 15 sick days in the second year, and 18 sick days in each of the following years. Unused sick days may be accumulated, up to a maximum of 250 days. Upon retirement, officers are entitled to sell back one sick day for every four days of accumulated sick time. Using the vesting method, all officers with 10 years of service or more are presumed to stay until retirement and  $\frac{1}{4}$  of sick leave is accrued. Public works employees may accumulate sick days up to a maximum of 120 days and upon retirement, may cash in any unused sick days at \$10 per day in a lump sum. Admin employees (those other than public works and police officers) may accumulate sick days up to a maximum of 140 days and upon retirement, may cash in any unused sick days at \$7.50 per day maximum up to 120 days.

Employees earn vacation, based upon their anniversary date, for use during the current calendar year. The number of days earned each month varies depending upon length of service and union contracts. Vacation pay cannot be carried over; therefore, it is not recorded as a liability.

### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of any applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures/expenses.

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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### Deferred Outflows/Inflows of Resources

In addition to assets/liabilities, the statement of net position and/or balance sheet will sometimes report separate sections for deferred outflows/inflows of resources. This separate financial statement element, deferred outflows/inflows of resources, represents a consumption of net position and/or fund balance that applies to a future period and so will not be recognized as an outflow/inflow of resources (expense/expenditure or revenue) until then. The Township has the following items that qualify for reporting in these categories:

Certain amounts determined in connection with pension and OPEB accounting requirements are reported as deferred inflows/outflows of resources on the government-wide financial statements. These amounts are determined based on the actuarial valuations performed for the plans. Notes 8 and 9 present additional information about the pension and OPEB plans.

Unavailable revenue is reported only on the balance sheet and represents taxes and sewer charges, which will not be collected within the available period. These amounts will be recognized as an inflow of resources in the period the amounts become available.

### Pension

For purposes of measuring the net pension liability (asset), deferred outflows and inflows of resources related to pensions, and pension expense, employer contributions are recognized as a reduction (addition) of the net pension liability (asset) upon payment into the pension trust. Investments are reported at fair value.

### Fund Balance

In the fund financial statements, governmental funds report fund balance in categories based on the level of restriction placed upon the funds. These levels are as follows:

- Nonspendable – This category represents funds that are not in spendable form. The Township did not have any nonspendable fund balance as of December 31, 2024.
- Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties.

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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- Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the Township's highest level of decision-making authority. The Commissioners are the highest level of decision-making authority for the Township and can make such commitment via an ordinance or resolution prior to the end of the fiscal year. A commitment can only be modified or removed by an equal action of the Commissioners. The Township did not have any committed fund balance as of December 31, 2024.
- Assigned – This category represents intentions of the Township to use the funds for specific purposes but do not meet the criteria to be classified as committed. The Commissioners have authorized the Township's management to assign fund balance. This category includes amounts set aside for sewer and capital improvements expenditures.
- Unassigned – This category includes the residual classification for the Township's General Fund and includes all spendable amounts not contained in other classifications.

The Township would typically use restricted fund balance first, followed by committed fund balance, and then assigned fund balance, as appropriate opportunities arise; however, the Township reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

### Net Position

Accounting standards require the classification of net position into these components – net investment in capital assets; restricted; and unrestricted. These classifications are defined below:

- Net investment in capital assets – The net investment in capital assets component of net position consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.

- Restricted – The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- Unrestricted – The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

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.

### Budgets and Budgetary Accounting

An annual appropriated budget was adopted for 2024 for the General Fund and the Sewer Fund on the same basis of accounting described above for governmental fund types. Management control over the other Special Revenue Fund is exercised through either their relationship with the General Fund or the terms of grant awards. The Township uses the following procedures in establishing the budgetary data reflected in the financial statements:

- The proposed budget is published or made available for public inspection at least twenty days prior to the date set for the adoption of the budget.
- Final action is not taken on the proposed budget until after at least ten days of public notice.
- The Commissioners legally adopt the budget prior to December 31 of each preceding year.

Appropriations may be transferred between departments only if approved by a Commissioner's resolution. Department heads, in consultation with the Township Manager, may transfer funds within departments. The Commissioners also have the

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# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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authority to enact supplemental appropriations and emergency appropriations. No emergency or supplemental appropriations were necessary during the year. The budget and actual financial statements presented for the General Fund and Sewer Fund display departmental information as the Township defines departments for budgetary purposes. For the year ended December 31, 2024, General Fund expenditures for public safety; fire and building inspection; sanitation; and miscellaneous exceeded their budget. Excess of expenditures over budget were covered by excess of revenues over budget. Budgetary amounts reflected in the statement of revenues, expenditures, and changes in fund balance - budget and actual incorporate any budgetary transfers approved by the Commissioners throughout the year. Appropriations lapse at the close of the fiscal year to the extent that they have not been expended.

### Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### Encumbrances

The Township uses encumbrances accounting for budgetary reporting, wherein purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation. Funding for all encumbrances lapses at year-end and re-appropriation is required by the Commissioners. As of December 31, 2024, the Township had no outstanding encumbrances.

### Adopted Pronouncements

The following GASB Statements were adopted for the year ended December 31, 2024: Statement Nos. 100 (Accounting Changes and Error Corrections) and 101 (Compensated Absences). These statements had no significant impact on the Township's financial statements for the year ended December 31, 2024.

### Pending Pronouncements

GASB has issued statements that will become effective in future years including Statement Nos. 102 (Certain Risk Disclosures), 103 (Financial Reporting Model

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# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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Improvements), and 104 (Disclosure of Certain Capital Assets). Management has not yet determined the impact of these statements on the financial statements.

### 3. Deposits and Investments

Pennsylvania statutes provide for investment of governmental funds into certain authorized investments including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, short-term commercial paper issued by a public corporation, banker's acceptances, insured or collateralized time deposits, and certificates of deposit. The statutes also allow pooling of governmental funds for investment purposes. The deposit and investment policy of the Township adheres to state statutes. Governmental funds are either maintained in demand deposits or invested with the Pennsylvania Local Government Investment Trust (PLGIT). There were no deposit or investment transactions during the year that were in violation of either the state statutes or the Township's policy.

#### Deposits

The following is a description of the Township's deposit risk:

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a formal deposit policy for custodial credit risk.

As of December 31, 2024, \$250,000 of the Township's \$7,619,027 governmental funds bank balance was insured by the Federal Deposit Insurance Corporation (FDIC). The remaining bank balance was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have carrying amounts of \$7,513,378 as of December 31, 2024.

#### Cash Equivalent Investments

The fair value of the Township's position in the external investment pool is the same as the value of the pool shares. All investments in an external investment pool that is not SEC registered are subject to oversight by the Commonwealth of Pennsylvania.

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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The Township can withdraw funds from the external investment pools. However, there are certain limitations placed on these withdrawals. For PLGIT-Class accounts, it requires no minimum balance and a one-day minimum investment period. For PLGIT/PRIME accounts, it requires no minimum balance, a one-day minimum investment period, and limits redemptions or exchanges to two per calendar month. PLGIT is audited annually by independent auditors. PLGIT uses amortized cost to report net assets to compute share prices. It is PLGIT's policy to maintain a net asset value of \$1 per share. Accordingly, the fair value of the position of PLGIT is the same as the value of PLGIT shares.

As of December 31, 2024, the entire PLGIT book balance of \$2,377,262 (bank balance of \$2,377,259) is considered to be a cash equivalent for presentation on the statement of net position and governmental funds balance sheet.

The following is a description of the Township's investment risks:

*Credit Risk* – The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Township has no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2024, investments in PLGIT have received an AAAm rating from Standard & Poor's.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside entity. The Township does not have a formal investment policy for custodial credit risk. The Township's investments in PLGIT cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form.

*Concentration of Credit Risk* – The Township places no limit on the amount the Township may invest in any one issuer. The Township has no investments of greater than 5% with one issuer.

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of the Township's investments. The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All investments have an average maturity of less than one year.

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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### Pension Trust Funds

The Pension Trust Funds' investments are held separately from those of other Township funds. Assets in the Pension Trust Funds are stated at fair value. The Commissioners determine the investment managers of the General Employees' Pension Plan and the Police Pension Committee determines the investment managers of the Police Pension Plan. The Commissioners and investment managers meet periodically with the trustees to discuss the general categories of investments to be made. Currently, the investments agreed upon are equities, fixed income, and alternatives. Investments were consistent with those authorized.

As of December 31, 2024, pension trust fund investments consisted of the following:

Deposit or Investment Type	Fair Value	Investment Maturities from December 31, 2024			
		Less than 1 year	1-5 Years	6-10 Years	More than 10 years
Mutual funds - fixed income	\$ 12,568,968	\$ -	\$ -	\$ -	\$ 12,568,968
Total debt securities	12,568,968	\$ -	\$ -	\$ -	\$ 12,568,968
Cash and cash equivalents	1,094,985				
Mutual funds - equity	28,437,317				
ETF equities	7,641,281				
Alternative investments	1,617,500				
Other investments	5,278,519				
Total cash, cash equivalents, and investments	56,638,570				
Accrued interest receivable	18,833				
<b>Total assets reported on statement of net position - fiduciary funds</b>	<b>\$ 56,657,403</b>				

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

The Township's Pension Trust Funds categorize its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The Pension Trust Funds have the following recurring fair value measurements at December 31, 2024:

Investments by Fair Value Level	Fair Value Measurements			
	Total	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		(Level 1)	(Level 2)	(Level 3)
Fixed income:				
Mutual fund fixed income	\$ 12,568,968	\$ 12,568,968	\$ -	\$ -
Total fixed income	12,568,968	12,568,968	-	-
Equity mutual funds:				
Small cap core	8,405,137	8,405,137	-	-
Large cap core	13,093,393	13,093,393	-	-
International large cap growth	3,046,620	3,046,620	-	-
International large cap value	3,892,167	3,892,167	-	-
Total equity mutual funds	28,437,317	28,437,317	-	-
ETF equities	7,641,281	7,641,281	-	-
Cash and cash equivalents	1,094,985	1,094,985	-	-
Other investments	5,278,519	-	-	5,278,519
Alternative investments	1,617,500	-	-	1,617,500
Total Investments by Fair Value Level	\$ 56,638,570	\$ 49,742,551	\$ -	\$ 6,896,019

Level 1 investments are valued using prices quoted in active markets for those securities. Level 2 investments are valued using a matrix pricing model, or by using third-party pricing services using observable market data. Level 3 alternative investments are invested in a portfolio of investments which are valued at estimated fair values using present value and other subjective valuation techniques (these may include market multiples, valuations for comparable companies, and public market or private transactions). Level 3 other investments (Principal U.S. Property Separate Account investments) are based upon independent appraisals or internally prepared valuations for real estate.

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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The following is a description of the Pension Trust Funds' deposit and investment risks:

*Credit Risk* – The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Pension Trust Funds have no formal deposit or investment policy that would limit their investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2024, the pension trust funds' investments had the following rates:

Investment Type	Standard & Poor's Rating	Percentage of Debt Securities
Mutual funds - fixed income	Not Rated	<u>100%</u>

*Custodial Credit Risk* – For investments, custodial credit risk is the risk that in the event of the failure of the bank or counterparty, the Pension Trust Funds will not be able to recover the value of their investments or collateral securities that are in the possession of an outside entity. The Pension Trust Funds do not have a formal investment policy for custodial credit risk. The Township's investments in mutual funds cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form. As of December 31, 2024, the Township's entire pension cash balance of \$1,094,985 (bank and book balance) was exposed to custodial credit risk.

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of the Pension Trust Funds' investments. The Pension Trust Funds do not have a formal deposit or investment policy that limits investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates. The average maturities of the various investments are disclosed above.

The Township has alternative investments in Hamilton Lane Strategic Opportunities Fund Series 2017 and 2022. As of December 31, 2024, the unfunded commitment was \$663,191.

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

### 4. Capital Assets

A summary of changes in capital assets during 2024 is as follows:

	Balance at January 1, 2024	Additions	Deletions	Balance at December 31, 2024
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 7,719,337	\$ -	\$ -	\$ 7,719,337
Total capital assets, not being depreciated	<u>7,719,337</u>	<u>-</u>	<u>-</u>	<u>7,719,337</u>
Capital assets, being depreciated:				
Buildings	15,320,011	-	-	15,320,011
Machinery and equipment	7,404,693	515,320	(73,794)	7,846,219
Vehicles	6,728,948	414,283	(333,335)	6,809,896
Infrastructure	<u>10,511,347</u>	<u>1,290,682</u>	<u>-</u>	<u>11,802,029</u>
Total capital assets, being depreciated	<u>39,964,999</u>	<u>2,220,285</u>	<u>(407,129)</u>	<u>41,778,155</u>
Less: accumulated depreciation for:				
Buildings	(6,231,986)	(419,162)	-	(6,651,148)
Machinery and equipment	(5,631,866)	(615,357)	73,794	(6,173,429)
Vehicles	(4,790,759)	(751,818)	333,335	(5,209,242)
Infrastructure	<u>(8,259,296)</u>	<u>(438,286)</u>	<u>-</u>	<u>(8,697,582)</u>
Total accumulated depreciation	<u>(24,913,907)</u>	<u>(2,224,623)</u>	<u>407,129</u>	<u>(26,731,401)</u>
Total capital assets, being depreciated net	<u>15,051,092</u>	<u>(4,338)</u>	<u>-</u>	<u>15,046,754</u>
Governmental activities, capital assets, net	<u>\$ 22,770,429</u>	<u>\$ (4,338)</u>	<u>\$ -</u>	<u>\$ 22,766,091</u>

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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

Governmental activities:	
General government	\$ 178,242
Public safety	265,184
Highways, roads, and streets	1,459,740
Fire and building inspection	31,249
Parks and recreation	<u>290,208</u>
Total depreciation expense	<u>\$ 2,224,623</u>

### 5. Real Estate Taxes

Real estate taxes are an enforceable lien on property as of January 1 and are levied on July 1. These taxes are billed and collected by an outside tax collection agency. Taxes paid through August 31 are given a 2% discount. Amounts paid after October 31 are assessed a 10% penalty.

The Township is permitted by the First Class Township Code of Pennsylvania to levy real estate taxes up to 30 mills on every dollar of assessed valuation for general Township purposes. Additional taxes may be levied for certain specified purposes. For 2024, Township real estate taxes were levied at the rate of 2.7 mills for general purposes. The millage is applied to assessed market valuation as determined periodically by Allegheny County, Pennsylvania.

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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### 6. Interfund Receivables, Payables, and Transfers

Interfund receivables, payables, and transfers at December 31, 2024 were as follows:

Fund	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
<b>Major Funds:</b>				
General	\$ 240	\$ 292,269	\$ 1,423,001	\$ 3,300,000
Capital Improvements	292,269	-	3,300,000	-
Sewer	-	240	-	750,000
<b>Nonmajor Governmental Funds:</b>				
Liquid Fuels	-	-	-	673,001
<b>Total</b>	<b>\$ 292,509</b>	<b>\$ 292,509</b>	<b>\$ 4,723,001</b>	<b>\$ 4,723,001</b>

Transactions between funds which are not expected to be repaid are accounted for as transfers. In those cases when repayment is expected within the next fiscal year, the transactions are accounted for through the various due from and due to accounts. The transfer from the Sewer Fund represents reimbursements made to the General Fund for expenditures on behalf of the Sewer Fund. The transfer from the General Fund to the Capital Improvements Fund represents reimbursements made to the Capital Improvements Fund for expenditures on behalf of the General Fund. The transfer from the Liquid Fuels Fund to the General Fund represents reimbursements made to the General Fund for expenditures on behalf of the Liquid Fuels Fund.

### 7. Long-Term Debt

#### General Obligation Bonds

In 2020, the Township issued General Obligation Bonds (Series 2020 Bonds) in the amount of \$7,160,000 to refund \$7,315,000 of outstanding Series 2015 Bonds. The Series 2020 Bonds bear interest at rates ranging from 0.75% to 2.12% and are scheduled to mature annually through December 2034. The Bonds are general obligations of the Township for which it pledges its full faith, credit, and taxing power. Upon the occurrence of any event of default, any holder of the Bonds will have the right to bring suit for the amount due in the Court of Common Pleas of Allegheny County, Pennsylvania.

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# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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Annual debt service requirements to maturity related to the above-discussed bonds are as follows:

Governmental Activities			
General Obligation Bonds			
	Principal	Interest	
2025	\$ 535,000	\$ 122,300	
2026	555,000	100,900	
2027	570,000	89,800	
2028	575,000	78,400	
2029	585,000	66,900	
2030-2034	<u>2,760,000</u>	<u>154,300</u>	
	<u>\$ 5,580,000</u>	<u>\$ 612,600</u>	

### Financed Purchases

The Township has entered into financed purchase agreements for financing the acquisitions of vehicles and road equipment. As of December 31, 2024, \$1,604,422 of the assets have been recorded as capital assets in the statement of net position. Annual payments of \$66,713 are due through February 2025 for two dump trucks, annual payments of \$39,743 are due through July 2025 for four vehicles, annual payments of \$66,945 are due through August 2025 for a street sweeper, annual payments of \$39,036 are due through January 2026 for three vehicles, annual payments of \$72,316 are due through March 2026 for five vehicles, and annual payments of \$62,005 are due through November 2027 for four vehicles. Reductions to the financed purchase liabilities are recorded to expenses in which they relate on the statement of revenues, expenditures, and changes in fund balance – governmental funds. The Township will own the vehicles and road equipment at the end of the agreements. The financed purchases are secured by the assets pledged as collateral. Upon the occurrence of any event of default, the lessor(s) may retain the right, title, and interest in the purchased assets.

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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The future minimum financed purchase obligations are as follows:

Year	Amount
2025	\$ 238,831
2026	139,850
2027	<u>44,180</u>
	<u><u>\$ 422,861</u></u>

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

	2023	Additions	Reductions	2024	One Year
Governmental Activities:					
Bonds payable	\$ 6,090,000	\$ -	\$ (510,000)	\$ 5,580,000	\$ 535,000
Bond premium	197,495	-	(17,954)	179,541	-
Financed purchases	552,894	230,196	(360,229)	422,861	238,831
Compensated absences	446,494	223,186	-	669,680	-
Net pension liability	7,503,128	-	(733,826)	6,769,302	-
Net OPEB liability	342,489	-	(13,182)	329,307	-
Total long-term liabilities	<u>\$ 15,132,500</u>	<u>\$ 453,382</u>	<u>\$ (1,635,191)</u>	<u>\$ 13,950,691</u>	<u>\$ 773,831</u>

## 8. Pension Plans

### Summary of Significant Accounting Policies

Financial information of the pension plans (Plans) is presented on the accrual basis of accounting.

Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Employer contributions to the Plans are recognized when due as required by applicable law.

### Plan Descriptions

The Township administers two single-employer, defined benefit pension plans established under the provisions of Act 205 of 1984 of the Commonwealth of Pennsylvania (Act). The Plans cover substantially all full-time employees. The Plans are governed by the Township's Board, which has delegated the authority to manage certain Plan assets to the Township

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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Manager. Plan provisions and contribution requirements are established and may be amended by the Township. The activity of the Plans is reported as the Pension Trust Funds in the accompanying financial statements. Separate plan financial statements are not available.

At December 31, 2024, Plan membership consisted of the following:

	<u>General Employees</u>	<u>Police</u>
Inactive plan members or beneficiaries currently receiving benefits	41	48
Inactive plan members entitled to but not yet receiving benefits	7	1
Active plan members	20	43
 Total plan members	 68	 92

### Benefits Provided – General Employees Plan

*Retirement Benefit* - A participant is entitled to begin receiving retirement benefits after completing 25 years of service and attaining age 55 for employment that began after November 1, 1998. Public works employees hired before November 1, 1998 are entitled to receive benefits after completing 20 years of service and attaining age 60. This plan is closed to new public works employees hired on or after January 1, 2016 and clerical employees hired on or after January 1, 2017. The scheduled monthly retirement benefit is 55% of the participant's final average salary earned during the highest three years of employment for office employees or the last 36 months of employment out of the last five years for public works employees, plus an additional monthly benefit of \$25 for each completed year of service in excess of 25 years.

*Survivor Benefit* - If a participant's death occurs before retirement eligibility, the participant's estate receives a refund of contributions made by the participant, plus interest. If a participant's death occurs after the participant has qualified for retirement, the survivor annuity is based on 50% of the pension the participant was receiving or entitled to receive on the date of death.

*Disability Benefit* - If a participant becomes totally and permanently disabled as a result of a service-related accident or sickness, the participant is entitled to receive a monthly disability benefit. The scheduled benefit is 25% of the participant's average compensation at the time the disability was incurred.

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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### Benefits Provided – Police Plan

*Retirement Benefit* – A participant is entitled to begin receiving retirement benefits after completing 25 years of service and attaining age 50 for employment. The scheduled monthly retirement benefit is 50% of the participant's final average monthly compensation earned during the last 36 months of employment, plus a service increment to participants who retire after the completion of 26 years of service of \$100 per month. Compensation if hired prior to January 1, 2005 is total compensation. For those employees hired after January 1, 2005, compensation is the basic rate of pay, including longevity.

*Survivor Benefit* – If a participant's death occurs before retirement eligibility, the participant's estate receives a refund of contributions made by the participant, plus interest. If a participant's death occurs after the participant has qualified for retirement and the participant is survived by an eligible spouse, the benefit payable is 50% of the amount the participant was receiving or entitled to receive on the date of death, for life. In the event of the spouse's death, the participant's children under age 18 (age 23 if attending college) will share the benefit.

*Disability Benefit* – If a participant becomes totally and permanently disabled as a result of accident or sickness occurring in the line of duty, the participant is entitled to receive a monthly disability benefit. The scheduled benefit is 50% of the participant's salary at the time the disability was incurred, offset by Social Security disability benefits as a result of the same injury.

*Cost-of-Living Adjustments* – Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance subsequent to the member's retirement date. On the anniversary of the participant's retirement, a retiree will receive an increase in the monthly benefit equal to the percentage change in the Consumer Price Index during the last year. The total increase of all increases may not exceed 30% of the original benefit, nor can the benefit ever exceed 75% of the final average monthly compensation used to compute the original benefit. Participants who retire on or after January 1, 2007 will receive cost-of-living adjustments on January 1 following the date which is 12 months after the date of retirement.

### Contributions

The Plans are funded by the Township on an annual basis pursuant to the provisions of the Act. The Act requires that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO). Employees are not required to contribute under

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# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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the Act; such contributions are subject to collective bargaining. For the year ended December 31, 2024, participating employees in the General Employees and Police Plans were required to contribute 3% and 5% of their compensation, respectively. During the year, the Township made its required contributions of \$11,992 and \$1,007,021 to the General Employees and Police Pension Plans, respectively, based upon the MMO.

### Net Pension Liability (Asset)

*Measurement Date and Actuarial Assumptions* – The Township's net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by actuarial valuations as of January 1, 2025.

The components of the net pension liability (asset) of the Plans at December 31, 2024 were as follows:

	General Employees	Police	Total
Total pension liability	\$ 15,409,276	\$ 46,911,787	\$ 62,321,063
Plan fiduciary net position	<u>16,514,918</u>	<u>40,142,485</u>	<u>56,657,403</u>
Net pension liability (asset)	<u>\$ (1,105,642)</u>	<u>\$ 6,769,302</u>	<u>\$ 5,663,660</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>107%</u>	<u>86%</u>	<u>91%</u>

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

*Changes in the Net Pension Liability (Asset)* – The changes in the net pension liability (asset) of the Township for the General Employees Plan for the year ended December 31, 2024 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2023	\$ 15,292,789	\$ 15,688,776	\$ (395,987)
Changes for the year:			
Service cost	242,160	-	242,160
Interest	1,011,413	-	1,011,413
Differences between expected and actual experience	(82,503)	-	(82,503)
Contributions - employer	-	11,992	(11,992)
Contributions - employee	-	51,595	(51,595)
Net investment income (loss)	-	1,832,334	(1,832,334)
Benefit payments, including refunds	(1,054,583)	(1,054,583)	-
Administrative expense	-	(15,196)	15,196
Net changes	116,487	826,142	(709,655)
Balances at December 31, 2024	<u>\$ 15,409,276</u>	<u>\$ 16,514,918</u>	<u>\$ (1,105,642)</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>107.18%</u>

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

The changes in the net pension liability (asset) of the Township for the Police Plan for the year ended December 31, 2024 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2023	\$ 45,087,558	\$ 37,584,430	\$ 7,503,128
Changes for the year:			
Service cost	790,888	-	790,888
Interest	3,040,593	-	3,040,593
Differences between expected and actual experience	491,541	-	491,541
Contributions - employer	-	1,007,021	(1,007,021)
Contributions - employee	-	241,278	(241,278)
Net investment income (loss)	-	3,838,419	(3,838,419)
Benefit payments, including refunds	(2,498,793)	(2,498,793)	-
Administrative expense	-	(29,870)	29,870
Net changes	<u>1,824,229</u>	<u>2,558,055</u>	<u>(733,826)</u>
Balances at December 31, 2024	<u>\$ 46,911,787</u>	<u>\$ 40,142,485</u>	<u>\$ 6,769,302</u>
Plan fiduciary net position as a percentage of the total pension liability			85.57%

*Actuarial Assumptions* - The total pension liability was determined by an actuarial valuation performed on January 1, 2025 using the following actuarial assumptions, applied to all periods in the measurement:

	General Employees	Police
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	4.50%	4.50%
Underlying inflation rate	2.50%	2.50%
Cost-of-living adjustments increase	2.50%	2.50%

Mortality rates were based on Public Plan Gen EEs and Safety EEs, Scale MP-2020, for the General Employees Plan and the Police Plan, respectively

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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*Changes in Actuarial Assumptions* – The following change was made to the actuarial assumptions used in the January 1, 2025 valuation compared to the previous actuarial valuation on January 1, 2023. The asset smoothing method for both plans was changed from 3-year smoothing to five-year smoothing.

*Investment Policy* – The Plans' policies in regard to the allocation of invested assets are established and may be amended by the Board. It is the policy of the Board to pursue an overall asset allocation strategy that identifies a portfolio structure and sets a long-term percentage target for the amount of the Plans' market value that is to be invested in each asset class. Numerous asset classes are considered to provide the Plans with a diversified investment portfolio.

*Long-Term Expected Rate of Return* – 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plans' target asset allocation as of December 31, 2024:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	General Employees	Police	General Employees	Police
Domestic equity	48.00%	48.00%	7.50%	7.50%
International equity	12.00%	12.00%	8.50%	8.50%
Fixed income	25.00%	25.00%	2.50%	2.50%
Real estate	10.00%	10.00%	4.50%	4.50%
Alternatives	5.00%	5.00%	5.99%	5.99%
	<u>100.00%</u>	<u>100.00%</u>		

*Rate of Return* – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2024, the annual money-weighted rate of return on the General

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# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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Employees and Police Plan investments, net of investment expense, was 12.07% and 10.49%, respectively.

*Concentrations* – At December 31, 2024, the Plans had one investment (other than mutual funds or other pooled investments) in one issuer that represented 5% or more of either Plan's fiduciary net position, which was the alternative investment in the Principal US Property Separate Account represented within other investments.

*Discount Rate* – The discount rates used to measure the total pension liability for the General Employees Plan and Police Plan were 7.00%. 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 the Township's contributions will be made based on the yearly MMO calculation. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate* – The following presents the net pension liability (asset) of the Plans calculated using the discount rates described above, as well as what the Plans' net pension liabilities (assets) would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
General Employees Plan	\$ 406,902	\$ (1,105,642)	\$ (2,405,697)
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Police Plan	\$ 12,438,842	\$ 6,769,302	\$ 2,048,743

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

### Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024, the Township recognized pension expense of \$2,123,088. At December 31, 2024, the Township reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	General Employees	Police	Total
<b>Deferred Outflows of Resources:</b>			
Differences between expected and actual experience	\$ 34,623	\$ 2,387,681	\$ 2,422,304
Assumption changes	982,492	1,520,417	2,502,909
Net difference between expected and actual earnings	18,336	449,493	467,829
<b>Total deferred outflows of resources</b>	<b>\$ 1,035,451</b>	<b>\$ 4,357,591</b>	<b>\$ 5,393,042</b>
<b>Deferred Inflows of Resources:</b>			
Differences between expected and actual experience	\$ (508,691)	\$ -	\$ (508,691)
<b>Total deferred inflows of resources</b>	<b>\$ (508,691)</b>	<b>\$ -</b>	<b>\$ (508,691)</b>

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

Year ending December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	\$ 3,641,829	\$ (2,023,607)
2026	3,629,973	(1,040,821)
2027	615,885	(1,029,834)
2028	591,841	(485,064)
2029	499,308	(75,979)
Thereafter	605,771	(44,951)
	<b>\$ 9,584,607</b>	<b>\$ (4,700,256)</b>

### Deferred Retirement Option Program (DROP)

The Police Plan includes a DROP. Active participants who have attained normal retirement age are eligible to participate for a period of three years beginning on the first day of any calendar month coinciding with or next following the date the individual attains normal retirement age. Participation shall automatically end on the third anniversary of the

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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effective date of participation in the DROP, or if earlier, on the date of their death or the date his covered employment terminates. Distribution of a DROP account to a DROP participant is made after the later of the date participation ends for any reason other than death or the date the participant files the application for distribution. At December 31, 2024, there were three employees participating in the DROP Plan. The amount held by the Police Plan pursuant to the DROP at December 31, 2024 was \$1,109,704.

### Defined Contribution Plan

All full-time public service non-police employees hired after January 1, 2016 are participants in a 401a defined contribution plan. The Township administers the plan with ICMA acting as the agent for the funds. All plan provisions were established by Township ordinance and any changes to those provisions are required to be made via ordinance.

Administrative employees contribute 3% of gross salary with an 8% Township match, and public service employees contribute 3% of gross salary with an 8% Township match. All amounts contributed vest immediately to the employee. All amounts forfeited by terminated participants shall be allocated to a suspense account and used to reduce dollar for dollar employer contributions required under the Plan.

There were 29 participants in the plan as of December 31, 2024. During 2024, employees contributed \$91,978 and the Township contributed \$109,256.

## **9. Other Post-Employment Benefits (OPEBs)**

### Plan Description

In addition to the pension benefits described in Note 8, the Township provides post-employment health care benefits to all retired police officers, in accordance with collective bargaining agreements between the Township and the Township Police. Effective for retirees during 1996 and subsequent years, the Township pays \$200 per month towards the retiree's own health care costs until the officer is eligible for Medicare. Retirees not eligible for Medicare shall be paid this monthly stipend for life. Effective January 1, 2012, no other post-employment benefits will be provided to newly hired police employees. No assets are accumulated in a trust to pay related benefits.

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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### Employees Covered by Benefit Terms

As of December 31, 2024, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Current retired participants receiving OPEB benefits	10
Active participants	<u>27</u>
	<u><u>37</u></u>

### Contributions

The Township's contribution is based on projected pay-as-you-go financing requirements, which are based on requirements set forth in the Police union contract. For the year ended 2024, total cash disbursements for healthcare benefits for current retirees were \$23,600.

### Total OPEB Liability

The Township's total OPEB liability of \$329,307 was measured as of December 31, 2024 and was determined by an actuarial valuation as of that date.

### Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2024 using the following actuarial assumptions, applied to all periods including the measurement:

Discount rate	3.85%
Mortality:	
Non-disabled	Public Plan, Safety, head-count
Disabled	No setforward
Improvement	Scale MP-2020
Assumed retirement age	Normal retirement age, or end of 3-year DROP
Normal retirement age	Later of age 50 and 25 years of service
Benefit commitment	\$200 per month until Medicare eligibility (employees hired after 2011 are not eligible for this benefit)

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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### Changes in Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2024	\$ 342,489
Changes for the year:	
Service cost	9,174
Interest	11,953
Differences between expected and actual experience	(6,907)
Changes of assumptions	(2,802)
Benefit payments	<u>(24,600)</u>
Net changes	<u>(13,182)</u>
Balance at December 31, 2024	<u><u>\$ 329,307</u></u>

### Change in Actuarial Assumptions and Benefits

The discount rate increased to 3.85% from 3.70%.

*Discount Rate* – The discount rate was based on the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

### 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 one-percentage-point lower or one-percentage-point higher than the current discount rate as of December 31, 2024:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
Total OPEB Liability	<u>\$ 348,520</u>	<u>\$ 329,307</u>	<u>\$ 311,324</u>

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:* The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates as of December 31, 2024:

	1% Decrease	Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 348,520	\$ 329,307	\$ 311,324

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the Township recognized OPEB expense of \$17,513. At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources from the following sources as a result of its requirement to contribute:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,933	\$ (24,127)
Changes of assumptions	23,742	(25,087)
	<u>\$ 28,675</u>	<u>\$ (49,214)</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources as a result of the contribution will be recognized in expense as follows:

Year ending December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	\$ 5,884	\$ (9,498)
2026	5,884	(9,498)
2027	5,884	(9,498)
2028	5,884	(9,499)
2029	2,754	(7,301)
Thereafter	2,385	(3,920)
	<u>\$ 28,675</u>	<u>\$ (49,214)</u>

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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### **10. Joint Ventures and Related Organizations**

#### **Joint Ventures**

##### Northland Public Library

Northland Public Library (Library) is a public library that is considered to be a municipal authority by the Commonwealth of Pennsylvania. The governing body of the Library is its Board of Trustees, which is comprised of seven members appointed by the elected officials of its five supporting municipalities (one of which is the Township). Since no individual municipality has control, the Library is not considered a component unit of any one member community.

The Library meets the criteria for a joint venture as it is an organization that results from a contractual arrangement that is owned by two or more participants as a separate and specific activity subject to joint control, in which participants retain an ongoing financial responsibility.

The Township, per contractual agreement, is obligated to pay a share of the budgeted expenses of operation annually. The Township's contribution is based upon circulation, population, and assessed valuation. Such payments amounted to \$545,406 for the year ended December 31, 2024.

The Township has no equity interest in the Library.

The Library issues separate financial statements, which are available at the Northland Public Library, 300 Cumberland Road, Pittsburgh, PA 15237.

##### Lowries Run Joint Owned Sewer

Lowries Run Joint Owned Sewer (Lowries Run) is a jointure formed to handle the sewer activity in a particular area of the northern suburbs of Pittsburgh. The governing body of Lowries Run is its Board of Directors, which is comprised of representatives from its two member entities (the Township and the McCandless Township Sanitary Authority). Since no individual entity has control, Lowries Run is not considered a component unit of any one member.

Lowries Run meets the criteria for a joint venture, as it is an organization that results from a contractual arrangement that is owned by two or more participants as a separate and

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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specific activity subject to joint control, in which participants retain an ongoing financial responsibility.

The Township is responsible for a pro rata share of net expenses incurred by this entity which could not be met with existing resources. The Township's contribution for 2024 was \$0. The Township maintains a 50% equity interest in Lowries Run, and if Lowries Run were to be liquidated, the Township would receive 50% of the assets. The Township holds an equity interest in Lowries Run valued at \$2,032,014 as of December 31, 2024.

Lowries Run issues separate financial statements, which are available at the McCandless Township Sanitary Authority, 418 Arcadia Drive, Pittsburgh, PA 15237.

### **Jointly Governed Organization**

#### Girty's Run Joint Sewer Authority

The Township, in conjunction with three other neighboring municipalities, created the Girty's Run Joint Sewer Authority (Authority) to handle the sewer systems and the main trunk line within the Girty's Run Watershed. The governing Board of the Authority is comprised of two representatives from each of the member municipalities. Except for user fees related to the sewer system usage based on the volume of water consumed by individual residents and commercial enterprises within the watershed for each respective municipality, no participant has any obligation, entitlement, or residual interest. The Township's user charges related to the Authority for the year ended December 31, 2024 approximated \$1.46 million. Separate financial statements for the Authority are available at their office.

### **Related Organization**

#### Ross/West View EMS

Ross/West View EMS (EMS) is a related organization in that a majority of its governing Board is appointed by the Commissioners, without the Township being financially accountable for the organization. The EMS Board is appointed by the Township and operates independently of any ongoing involvement of the Commissioners. Separate financial statements for EMS are available at their office.

# **ROSS TOWNSHIP, PENNSYLVANIA**

## **NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2024

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### **11. Commitments and Contingencies**

Various claims and lawsuits are pending against the Township. In the opinion of the Township management and solicitor, the outcome of these claims and lawsuits will not have a material adverse effect on the accompanying financial statements.

### **12. Risk Financing**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

**REQUIRED SUPPLEMENTARY  
INFORMATION – PENSION PLAN**

## ROSS TOWNSHIP, PENNSYLVANIA

### SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN

#### SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

##### GENERAL EMPLOYEES PLAN

YEAR ENDED DECEMBER 31,  
LAST TEN YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability:</b>										
Service cost	\$ 242,160	\$ 256,270	\$ 229,585	\$ 278,631	\$ 249,455	\$ 294,179	\$ 231,976	\$ 277,674	\$ 263,372	\$ 251,813
Interest	1,011,413	1,009,756	962,935	980,192	864,061	957,986	888,337	706,956	620,108	851,485
Differences between expected and actual experience	(82,503)	37,949	(54,900)	59,274	(429,958)	-	(389,638)	(63,375)	-	-
Changes of assumptions	-	-	214,683	-	1,261,660	-	317,154	172,800	-	-
Benefit payments, including refunds of member contributions	(1,054,583)	(994,403)	(968,047)	(886,491)	(909,032)	(781,945)	(767,320)	(777,688)	(739,659)	(729,226)
<b>Net Changes in Total Pension Liability</b>	116,487	309,572	384,256	431,606	1,036,186	470,220	280,509	316,367	143,821	374,072
<b>Total Pension Liability - Beginning</b>	<b>15,292,789</b>	<b>14,983,217</b>	<b>14,598,961</b>	<b>14,167,355</b>	<b>13,131,169</b>	<b>12,660,949</b>	<b>12,380,440</b>	<b>12,064,073</b>	<b>11,920,252</b>	<b>11,546,180</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 15,409,276</b>	<b>\$ 15,292,789</b>	<b>\$ 14,983,217</b>	<b>\$ 14,598,961</b>	<b>\$ 14,167,355</b>	<b>\$ 13,131,169</b>	<b>\$ 12,660,949</b>	<b>\$ 12,380,440</b>	<b>\$ 12,064,073</b>	<b>\$ 11,920,252</b>
<b>Plan Fiduciary Net Position:</b>										
Contributions - employer	\$ 11,992	\$ 34,188	\$ 40,274	\$ 164,392	\$ 148,630	\$ 158,915	\$ 150,380	\$ 127,937	\$ 116,216	\$ 136,014
Contributions - employee	51,595	52,011	56,221	61,330	61,539	71,279	71,429	71,898	70,689	71,032
Net investment income (loss)	1,832,334	1,823,971	(2,345,751)	2,614,004	2,092,294	2,494,503	(611,502)	1,945,080	1,094,530	256,082
Benefit payments, including refunds of member contributions	(1,054,583)	(994,403)	(968,047)	(886,491)	(909,032)	(781,945)	(767,320)	(777,688)	(739,659)	(729,226)
Administrative expense	(15,196)	(17,663)	(16,442)	(20,647)	(15,843)	(19,376)	(12,650)	(16,455)	(13,736)	(16,452)
<b>Net Change in Plan Fiduciary Net Position</b>	826,142	898,104	(3,233,745)	1,932,588	1,377,588	1,923,376	(1,169,663)	1,350,772	528,040	(282,550)
<b>Plan Fiduciary Net Position - Beginning</b>	<b>15,688,776</b>	<b>14,790,672</b>	<b>18,024,417</b>	<b>16,091,829</b>	<b>14,714,241</b>	<b>12,790,865</b>	<b>13,960,528</b>	<b>12,609,756</b>	<b>12,081,716</b>	<b>12,364,266</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 16,514,918</b>	<b>\$ 15,688,776</b>	<b>\$ 14,790,672</b>	<b>\$ 18,024,417</b>	<b>\$ 16,091,829</b>	<b>\$ 14,714,241</b>	<b>\$ 12,790,865</b>	<b>\$ 13,960,528</b>	<b>\$ 12,609,756</b>	<b>\$ 12,081,716</b>
<b>Net Pension Liability (Asset) - Ending (a-b)</b>	<b>\$ (1,105,642)</b>	<b>\$ (395,987)</b>	<b>\$ 192,545</b>	<b>\$ (3,425,456)</b>	<b>\$ (1,924,474)</b>	<b>\$ (1,583,072)</b>	<b>\$ (129,916)</b>	<b>\$ (1,580,088)</b>	<b>\$ (545,683)</b>	<b>\$ (161,464)</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>107.18%</b>	<b>102.59%</b>	<b>98.71%</b>	<b>123.46%</b>	<b>113.58%</b>	<b>112.06%</b>	<b>101.03%</b>	<b>112.76%</b>	<b>104.52%</b>	<b>101.35%</b>
<b>Covered Payroll</b>	<b>\$ 1,717,732</b>	<b>\$ 1,745,899</b>	<b>\$ 1,760,782</b>	<b>\$ 2,059,718</b>	<b>\$ 2,094,609</b>	<b>\$ 2,366,105</b>	<b>\$ 2,416,443</b>	<b>\$ 2,396,584</b>	<b>\$ 2,407,760</b>	<b>\$ 2,436,936</b>
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	<b>-64.37%</b>	<b>-22.68%</b>	<b>10.94%</b>	<b>-166.31%</b>	<b>-91.88%</b>	<b>-66.91%</b>	<b>-5.38%</b>	<b>-65.93%</b>	<b>-22.66%</b>	<b>-6.63%</b>

See accompanying notes to schedules of  
required supplementary information - pension plan.

**ROSS TOWNSHIP, PENNSYLVANIA**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION -  
PENSION PLAN**

**SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET  
PENSION LIABILITY (ASSET) AND RELATED RATIOS**

**POLICE PLAN**

YEAR ENDED DECEMBER 31,  
LAST TEN YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability:</b>										
Service cost	\$ 790,888	\$ 759,291	\$ 815,187	\$ 794,417	\$ 740,676	\$ 738,891	\$ 680,477	\$ 670,332	\$ 639,929	\$ 660,409
Interest	3,040,593	2,949,607	2,757,493	2,564,721	2,316,812	2,313,284	2,125,762	2,103,443	1,842,212	2,001,996
Differences between expected and actual experience	491,541	82,273	3,168,146	46,936	967,472	-	154,976	63,392	-	-
Changes of assumptions	-	-	-	-	1,839,420	-	862,818	337,734	-	-
Benefit payments, including refunds of member contributions	(2,498,793)	(2,435,560)	(2,200,428)	(2,034,970)	(1,977,251)	(1,762,543)	(1,682,324)	(1,634,440)	(1,591,000)	(1,397,538)
<b>Net Changes in Total Pension Liability</b>	1,824,229	1,355,611	4,540,398	1,371,104	3,887,129	1,289,632	2,141,709	1,540,461	891,141	1,264,867
<b>Total Pension Liability - Beginning</b>	45,087,558	43,731,947	39,191,549	37,820,445	33,933,316	32,643,684	30,501,975	28,961,514	28,070,373	26,805,506
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 46,911,787</u>	<u>\$ 45,087,558</u>	<u>\$ 43,731,947</u>	<u>\$ 39,191,549</u>	<u>\$ 37,820,445</u>	<u>\$ 33,933,316</u>	<u>\$ 32,643,684</u>	<u>\$ 30,501,975</u>	<u>\$ 28,961,514</u>	<u>\$ 28,070,373</u>
<b>Plan Fiduciary Net Position:</b>										
Contributions - employer	\$ 1,007,021	\$ 984,700	\$ 1,016,713	\$ 1,090,205	\$ 902,951	\$ 857,762	\$ 833,718	\$ 683,268	\$ 697,406	\$ 515,830
Contributions - employee	241,278	225,659	224,545	226,700	257,569	227,372	231,446	190,998	179,918	203,943
Net investment income (loss)	3,838,419	4,159,607	(5,265,984)	5,855,079	4,636,711	5,368,629	(1,323,364)	4,043,078	2,234,305	510,698
Benefit payments, including refunds of member contributions	(2,498,793)	(2,435,560)	(2,200,428)	(2,034,970)	(1,977,251)	(1,762,543)	(1,682,324)	(1,634,440)	(1,591,000)	(1,397,538)
Administrative expense	(29,870)	(30,491)	(27,342)	(36,140)	(27,740)	(27,218)	(24,127)	(29,112)	(22,969)	(25,670)
<b>Net Change in Plan Fiduciary Net Position</b>	2,558,055	2,903,915	(6,252,496)	5,100,874	3,792,240	4,664,002	(1,964,651)	3,253,792	1,497,660	(192,737)
<b>Plan Fiduciary Net Position - Beginning</b>	37,584,430	34,680,515	40,933,011	35,832,137	32,039,897	27,375,895	29,340,546	26,086,754	24,589,094	24,781,831
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 40,142,485</u>	<u>\$ 37,584,430</u>	<u>\$ 34,680,515</u>	<u>\$ 40,933,011</u>	<u>\$ 35,832,137</u>	<u>\$ 32,039,897</u>	<u>\$ 27,375,895</u>	<u>\$ 29,340,546</u>	<u>\$ 26,086,754</u>	<u>\$ 24,589,094</u>
<b>Net Pension Liability - Ending (a-b)</b>	<u>\$ 6,769,302</u>	<u>\$ 7,503,128</u>	<u>\$ 9,051,432</u>	<u>\$ (1,741,462)</u>	<u>\$ 1,988,308</u>	<u>\$ 1,893,419</u>	<u>\$ 5,267,789</u>	<u>\$ 1,161,429</u>	<u>\$ 2,874,760</u>	<u>\$ 3,481,279</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	85.57%	83.36%	79.30%	104.44%	94.74%	94.42%	83.86%	96.19%	90.07%	87.60%
<b>Covered Payroll</b>	<u>\$ 5,593,380</u>	<u>\$ 4,856,255</u>	<u>\$ 4,817,913</u>	<u>\$ 4,776,777</u>	<u>\$ 4,481,900</u>	<u>\$ 4,851,656</u>	<u>\$ 4,405,970</u>	<u>\$ 3,819,958</u>	<u>\$ 3,960,935</u>	<u>\$ 4,520,503</u>
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	121.02%	154.50%	187.87%	-36.46%	44.36%	39.03%	119.56%	30.40%	72.58%	77.01%

See accompanying notes to schedules  
of required supplementary information - pension plan.

**ROSS TOWNSHIP, PENNSYLVANIA**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION -  
PENSION PLAN

SCHEDULES OF TOWNSHIP CONTRIBUTIONS  
AND INVESTMENT RETURNS

YEAR ENDED DECEMBER 31,  
LAST TEN YEARS

**GENERAL EMPLOYEES PLAN:**

<b>Schedule of Township Contributions</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 11,992	\$ 34,188	\$ 40,274	\$ 164,392	\$ 148,630	\$ 158,915	\$ 150,380	\$ 127,937	\$ 116,216	\$ 136,014
Contributions in relation to the actuarially determined contribution	<u>11,992</u>	<u>34,188</u>	<u>40,274</u>	<u>164,392</u>	<u>148,630</u>	<u>158,915</u>	<u>150,380</u>	<u>127,937</u>	<u>116,216</u>	<u>136,014</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,717,732	\$ 1,745,899	\$ 1,760,782	\$ 2,059,718	\$ 2,094,609	\$ 2,366,105	\$ 2,416,443	\$ 2,396,584	\$ 2,407,760	\$ 2,436,936
Contributions as a percentage of covered payroll	0.70%	1.96%	2.29%	7.98%	7.10%	6.72%	6.22%	5.34%	4.83%	5.58%
<b>Investment Returns</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	12.07%	12.74%	-13.35%	16.65%	14.62%	20.03%	-4.49%	15.86%	9.31%	2.13%

**POLICE PLAN:**

<b>Schedule of Township Contributions</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,007,021	\$ 984,700	\$ 1,016,713	\$ 1,090,205	\$ 902,951	\$ 857,762	\$ 833,718	\$ 683,268	\$ 697,406	\$ 515,830
Contributions in relation to the actuarially determined contribution	<u>1,007,021</u>	<u>984,700</u>	<u>1,016,713</u>	<u>1,090,205</u>	<u>902,951</u>	<u>857,762</u>	<u>833,718</u>	<u>683,268</u>	<u>697,406</u>	<u>515,830</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,593,380	\$ 4,856,255	\$ 4,817,913	\$ 4,776,777	\$ 4,481,900	\$ 4,851,656	\$ 4,405,970	\$ 3,819,958	\$ 3,960,935	\$ 4,520,503
Contributions as a percentage of covered payroll	18.00%	20.28%	21.10%	22.82%	20.15%	17.68%	18.92%	17.89%	17.61%	11.41%
<b>Investment Returns</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	10.49%	12.33%	-13.13%	16.69%	14.81%	20.08%	-4.61%	15.88%	9.31%	2.11%

See accompanying notes to schedules of  
required supplementary information - pension plan.

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN

YEAR ENDED DECEMBER 31, 2024

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### Actuarial Methods and Assumptions

The information presented in the required supplementary information – pension plan was determined as part of the actuarial valuations at the dates indicated. Methods and assumptions used to determine contribution rates are as follows:

	General Employees	Police
Actuarial valuation date	1/1/2025	1/1/2025
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Open	Level Dollar Open
Asset valuation method	5-year smoothing, Approval 15, Rev.Proc. 2000-40	5-year smoothing, Approval 15, Rev.Proc. 2000-40
Amortization period	13 years	13 years
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	4.50%	4.50%
Underlying inflation rate	2.50%	2.50%
Cost-of-living adjustments	2.50%	2.50%

### Benefit Changes

No benefit terms were modified.

### Change in Actuarial Assumptions

The following changes were made to the actuarial assumptions used in the January 1, 2015 valuation compared to the previous actuarial valuation on January 1, 2013. The interest rate for discounting future benefit payments was reduced from 7.50% to 7.25% based on the recommendation of the Plan's investment advisor. The rate of future salary increase was reduced from 5% to 4.50%. The rate of future cost-of-living was reduced to 2.5% from 2.75%.

The following changes were made to the actuarial assumptions used in the January 1, 2017 valuation compared to the previous actuarial valuation on January 1, 2015. The interest rate for

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# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN

YEAR ENDED DECEMBER 31, 2024

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discounting future benefit payments was reduced from 7.25% to 7.125% based on the recommendation of the Plan's investment advisor. In addition, the mortality table was updated from the UP-1994 Mortality Table to the RP-2014 Mortality Table with the blue-collar adjustment with no assumption at this time for mortality improvement.

The following changes were made to the actuarial assumptions used in the January 1, 2019 valuation compared to the previous actuarial valuation on January 1, 2017. The investment return assumption was lowered from 7.125% to 7.00%. The underlying inflation rate decreased from 2.50% to 2.25%. In addition, the mortality table was updated by adding an assumption for future mortality improvement (Scale MP-2018). In order to lessen the impact of the mortality improvement assumption, the base mortality rates have been set forward two years.

The following changes were made to the actuarial assumptions used in the January 1, 2021 valuation compared to the previous actuarial valuation on January 1, 2019. The mortality improvement scale was updated to MP-2020 from MP-2018, and the base mortality table was moved to the Public Plan mortality table from the RP-2014 mortality table with the blue collar adjustment (and 2-year set forward in the base mortality rates).

The following changes were made to the actuarial assumptions used in the January 1, 2023 valuation compared to the previous actuarial valuation on January 1, 2021. The asset smoothing method for both plans was changed from the method added to Act 205 by Act 44 of 2009 to 3-year smoothing. The mortality table for the General Employees Plan was updated to the above average mortality table for the public plan general employees. The underlying inflation rate increased from 2.25% to 2.50%.

The following change was made to the actuarial assumptions used in the January 1, 2025 valuation compared to the previous actuarial valuation on January 1, 2023: The asset smoothing method for both plans was changed from three-year smoothing to five-year smoothing.

**REQUIRED SUPPLEMENTARY  
INFORMATION – OTHER POSTEMPLOYMENT BENEFITS  
(OPEBS) DISCLOSURES**

## ROSS TOWNSHIP, PENNSYLVANIA

### SCHEDULE OF CHANGES IN THE TOWNSHIP'S TOTAL OPEB LIABILITY AND RELATED RATIOS

YEARS ENDED DECEMBER 31  
LAST TEN YEARS\*

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability:</b>							
Service cost	\$ 9,174	\$ 8,828	\$ 13,067	\$ 13,282	\$ 10,761	\$ 10,395	\$ 11,621
Interest	11,953	12,220	7,420	7,665	10,659	11,141	19,276
Differences between expected and actual experience	(6,907)	(1,612)	2,882	(9,317)	(9,317)	(15,226)	6,785
Changes of assumptions	(2,802)	-	(36,297)	-	28,188	-	24,304
Benefit payments	(24,600)	(27,208)	(18,420)	(14,865)	(15,600)	(14,226)	(20,490)
<b>Net Changes in Total OEPB Liability</b>	<b>(13,182)</b>	<b>(7,772)</b>	<b>(31,348)</b>	<b>(3,235)</b>	<b>24,691</b>	<b>(7,916)</b>	<b>41,496</b>
<b>Total OPEB Liability - Beginning</b>	<b>342,489</b>	<b>350,261</b>	<b>381,609</b>	<b>384,844</b>	<b>360,153</b>	<b>368,069</b>	<b>326,573</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 329,307</b>	<b>\$ 342,489</b>	<b>\$ 350,261</b>	<b>\$ 381,609</b>	<b>\$ 384,844</b>	<b>\$ 360,153</b>	<b>\$ 368,069</b>
<b>Plan Fiduciary Net Position:</b>							
Contributions - employer	\$ 24,600	\$ 27,208	\$ 18,420	\$ 14,865	\$ 15,600	\$ 14,226	\$ 20,490
Benefit payments	(24,600)	(27,208)	(18,420)	(14,865)	(15,600)	(14,226)	(20,490)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>-</b>						
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</b>						
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ -</b>						
<b>Net OPEB Liability - Ending (a-b)</b>	<b>\$ 329,307</b>	<b>\$ 342,489</b>	<b>\$ 350,261</b>	<b>\$ 381,609</b>	<b>\$ 384,844</b>	<b>\$ 360,153</b>	<b>\$ 368,069</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	<b>0.0%</b>						

\* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to schedules of required supplementary information - OPEBs.

## ROSS TOWNSHIP, PENNSYLVANIA

## SCHEDULE OF TOWNSHIP CONTRIBUTIONS AND INVESTMENT RETURNS

YEARS ENDED DECEMBER 31  
LAST TEN YEARS\*

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 38,919	\$ 38,573	\$ 42,430	\$ 42,645	\$ 40,695	\$ 40,329	\$ 39,864
Contributions in relation to the actuarially determined contribution	24,600	27,208	18,420	14,865	15,600	14,226	20,490
Contribution deficiency (excess)	<u>\$ 14,319</u>	<u>\$ 11,365</u>	<u>\$ 24,010</u>	<u>\$ 27,780</u>	<u>\$ 25,095</u>	<u>\$ 26,103</u>	<u>\$ 19,374</u>

\* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to schedules of required supplementary information - OPEBs.

# ROSS TOWNSHIP, PENNSYLVANIA

## NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION – OPEBS

YEAR ENDED DECEMBER 31, 2024

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### Actuarial Methods and Assumptions under GASB Statement No. 75

The methods and assumptions used to determine contribution rates are as follows:

Actuarial valuation date	12/31/2024
Actuarial cost method	Entry Age Normal
Discount rate	3.85%
Mortality:	
Non-disabled	Public Plan, Safety, head-count
Disabled	No set forward
Improvement	Scale MP-2020
Turnover	T-1
Inflation	n/a
Healthcare cost trend rates	n/a
Retirement age	Later of age 50 and 25 years of service
Benefit commitment	\$200 per month until Medicare eligibility (employees hired after 2011 are not eligible for this benefit)

### Benefit Changes

No benefit terms were modified.

### Change in Actuarial Assumptions

The discount rate increased to 3.85% from 3.70% reflecting the increase in interest rates over the past two years.

# ROSS TOWNSHIP, PENNSYLVANIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

### GENERAL FUND

YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues:</b>				
Taxes	\$ 17,220,000	\$ 17,220,000	\$ 17,192,981	\$ (27,019)
Licenses and permits	1,447,300	1,447,300	1,434,445	(12,855)
Fines and forfeits	70,000	70,000	108,698	38,698
Interest, rent, and royalties	75,000	75,000	225,403	150,403
Intergovernmental	2,851,040	2,851,040	3,318,962	467,922
Charges for services	939,056	939,056	1,250,345	311,289
Miscellaneous	230,000	230,000	158,478	(71,522)
Total revenues	<u>22,832,396</u>	<u>22,832,396</u>	<u>23,689,312</u>	<u>856,916</u>
<b>Expenditures:</b>				
Current:				
General government	2,317,772	2,317,772	1,906,584	411,188
Public safety	9,733,641	9,733,641	9,792,296	(58,655)
Fire and building inspection	2,140,109	2,140,109	2,173,680	(33,571)
Highways, roads, and streets	6,501,622	6,501,622	5,557,440	944,182
Sanitation	5,000	5,000	11,574	(6,574)
Parks and recreation	811,674	811,674	695,614	116,060
Library	545,406	545,406	545,406	-
Senior citizen services	60,000	60,000	45,000	15,000
Miscellaneous	399,875	399,875	481,050	(81,175)
Debt service	653,300	653,300	650,037	3,263
Total expenditures	<u>23,168,399</u>	<u>23,168,399</u>	<u>21,858,681</u>	<u>1,309,718</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(336,003)</u>	<u>(336,003)</u>	<u>1,830,631</u>	<u>2,166,634</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from financed purchase	-	-	230,196	230,196
Proceeds from sale of capital assets	-	-	134,390	134,390
Transfers in	1,650,000	1,650,000	1,423,001	(226,999)
Transfers out	(3,600,000)	(3,600,000)	(3,300,000)	300,000
Total other financing sources (uses)	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>(1,512,413)</u>	<u>437,587</u>
<b>Net Change in Fund Balance</b>	<u>\$ (2,286,003)</u>	<u>\$ (2,286,003)</u>	<u>318,218</u>	<u>\$ 2,604,221</u>
<b>Fund Balance:</b>				
Beginning of year			<u>6,675,268</u>	
End of year			<u>\$ 6,993,486</u>	

# ROSS TOWNSHIP, PENNSYLVANIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

### SEWER FUND

YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Interest, rent, and royalties	\$ 20,000	\$ 20,000	\$ 26,252	\$ 6,252
Intergovernmental	50,000	50,000	-	(50,000)
Charges for services	<u>12,576,000</u>	<u>12,576,000</u>	<u>12,255,110</u>	<u>(320,890)</u>
Total revenues	<u>12,646,000</u>	<u>12,646,000</u>	<u>12,281,362</u>	<u>(364,638)</u>
<b>Expenditures:</b>				
Sanitation	<u>12,179,327</u>	<u>12,179,327</u>	<u>12,111,039</u>	<u>68,288</u>
Total expenditures	<u>12,179,327</u>	<u>12,179,327</u>	<u>12,111,039</u>	<u>68,288</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>				
	<u>466,673</u>	<u>466,673</u>	<u>170,323</u>	<u>(296,350)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers out	<u>(750,000)</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<b><u>\$ (283,327)</u></b>	<b><u>\$ (283,327)</u></b>	<b><u>(579,677)</u></b>	<b><u>\$ (296,350)</u></b>
<b>Fund Balance:</b>				
Beginning of year			<u>2,823,658</u>	
End of year			<u>\$ 2,243,981</u>	