

DOYLESTOWN TOWNSHIP
ANNUAL FINANCIAL REPORT
Year Ended December 31, 2024

DOYLESTOWN TOWNSHIP
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024

	<u>Page</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis (Unaudited)	3-11
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Governmental Funds	
Balance Sheet	14
Reconciliation of Total Governmental Funds Balances to Net Position of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	17
Proprietary Fund	
Statement of Net Position	18
Statement of Revenues, Expenses and Changes in Net Position	19
Statement of Cash Flows	20
Fiduciary Funds	
Statement of Fiduciary Net Position	21
Statement of Changes in Fiduciary Net Position	22
Notes to the Financial Statements	23-48
Required Supplementary Information	
Budgetary Comparison Schedule	50
Police Pension Plan	
Schedule of Changes in the Net Police Pension Plan Liability and Related Ratios	51
Schedule of Police Pension Plan Contributions and Investment Returns	52
Non-Uniform Employee's Pension Plan	
Schedule of Changes in the Net Non-Uniform Employees' Pension Plan Liability and Related Ratios	53
Schedule of Non-Uniform Employees' Pension Plan Contributions and Investment Returns	54

DOYLESTOWN TOWNSHIP
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024

	<u>Page</u>
Other Postemployment Benefits Plan	
Schedule of Changes in the Total OPEB Plan Liability	55
Notes to Required Supplementary Information	56
Other Supplementary Information	
Fiduciary Funds	
Combining Schedule of Fiduciary Net Position	58
Combining Schedule of Changes in Fiduciary Net Position	59
Other Governmental Funds	
Combining Balance Sheet	60
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	61



Zelenkofske Axelrod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Independent Auditor's Report

To the Board of Supervisors
Doylestown Township, Pennsylvania

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Doylestown Township (the "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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Township as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the 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 these 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



Zelenkofske Axelrod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

- 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.

Adoption of Governmental Accounting Standards Board Pronouncements

As discussed in Note 1 to the financial statements, in 2024 the Township adopted the required provisions of GASB Statement No. 99, "Omnibus 2022", GASB Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62" and GASB Statement No. 101, "Compensated Absences". Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 11, budgetary comparison information on page 50, and pension and OPEB plan information ("required supplementary information") on pages 51 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining nonmajor fund and combining fiduciary funds financial statements ("other supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund and combining fiduciary funds financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Zelenkofske Axelrod LLC

ZELENKOFSCHE AXELROD LLC

Jamison, Pennsylvania
September 30, 2025

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024

The management of Doylestown Township is pleased to present this narrative overview and analysis of the financial activities of Doylestown Township for the fiscal year ended December 31, 2024.

Doylestown Township is a Township of the Second Class under Pennsylvania law. The governing body of the Township is the Board of Supervisors comprised of five (5) members, who are elected at large and serve six (6) year staggered terms. The Board is empowered with legislative functions that include enacting ordinances and resolutions, adopting a budget, levying taxes, providing for appropriations, awarding bids and contracts, and making appointments to various boards and commissions.

Financial Highlights

- The net position of the Governmental Activities of Doylestown Township exceeded its liabilities at the close of the most recent fiscal year by \$43,839,886 for 2024 and \$38,544,076 for 2023 (*net position*). Of this amount \$13,039,981 and \$13,701,572 for 2024 and 2023, respectively (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- \$28,797,382 and \$24,238,595 for 2024 and 2023, respectively is net investment in capital assets, \$12,022 and \$8,487 is restricted for public safety, \$645,191 and \$326,593 is restricted for culture and recreation, and \$1,345,310 and \$1,223,454 is restricted for Highways and Streets, respectively.
- As of the close of the current fiscal year, Doylestown Township's governmental funds reported combined ending fund balances of \$15,651,807 and \$15,577,877 for 2024 and 2023, respectively.
- At the end of the current fiscal year, unassigned fund balance for general fund was \$5,545,696 or 52% of total general fund expenditures; in 2023 this amount was \$5,607,598 or 56%.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Doylestown Township. The financial statements are comprised of four components:

- **Government-wide financial statements**, which provide both long-term and short-term information about the Township's overall financial condition.
- **Fund financial statements**, which provide a detailed look at major individual portions, or funds, of the Township.
- **Notes to the financial statements**, which explain some of the information contained in the financial statements and provide detailed data.
- **Other supplementary information**, which further explains and supports the information in the financial statements, is also included.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Doylestown Township's finances, in a manner similar to a private-sector business.

The **Statement of Net Position** presents information on all Township assets and liabilities, with differences between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The **Statement of Activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024

expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of Doylestown Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of Doylestown Township include general government, public safety, highways and streets, economic development and culture and recreation.

The government-wide financial statements include Doylestown Township itself (known as the *primary government*) and Doylestown Township Municipal Authority, a Component Unit, for which Doylestown Township is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government. Separate financial statements for the component unit are available from the Township upon request.

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

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *government activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in the fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Doylestown Township maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, capital projects fund, roads & bridges fund, and debt service fund, all of which are considered to be major funds.

General Fund: The General Fund is the general operating fund of the Township. All activities of the Township are accounted for through this fund, except for those required to be accounted for in another fund.

Capital Projects Fund: The Capital Projects Fund accounts for financial resources that are assigned to expenditures to be used for the acquisition or construction of major capital facilities and other capital assets.

Capital Reserve Fund: The Capital Reserve Fund accumulates financial resources to be used for future capital activity.

Debt Service Fund: The Debt Service fund collects real estate taxes to fund debt service payments.

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024

Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Doylestown Township adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

Proprietary Funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among functions. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements.

Fiduciary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Doylestown Township's programs. The fiduciary funds are presented using the accrual method of accounting.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Doylestown Township's pension liability and benefits to its employees and progress in funding its obligations to provide other post-employment benefits.

Other Supplementary Information. The combining statements referred to earlier in connection with non-major governmental funds and pension trust funds are presented immediately following the required supplementary information on pensions.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Doylestown Township's assets exceeded liabilities by \$43,839,886 and \$38,544,076 for 2024 and 2023, respectively at the close of the year.

By far the largest portion of Doylestown Township's net position (66% and 61% for 2024 and 2023, respectively) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. Doylestown Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Doylestown Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Doylestown Township's net position (\$2,002,523 and \$1,558,534 for 2024 and 2023, respectively) represents resources that are subject to external restrictions on how they may be used.

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024

**Township of Doylestown - Net Position
December 31,**

	<u>Governmental Activities</u>		<u>Component Units</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 19,441,160	\$ 20,840,928	\$ 8,642,380	\$ 9,254,065
Capital assets	<u>52,570,306</u>	<u>45,353,567</u>	<u>12,507,301</u>	<u>11,387,615</u>
Total assets	<u>\$ 72,011,466</u>	<u>\$ 66,194,495</u>	<u>\$ 21,149,681</u>	<u>\$ 20,641,680</u>
Deferred Outflows of Resources	<u>\$ 3,561,236</u>	<u>\$ 3,136,432</u>	<u>\$ -</u>	<u>\$ -</u>
Long-term liabilities outstanding	\$ 29,673,946	\$ 25,755,438	\$ -	\$ -
Other liabilities	<u>931,075</u>	<u>2,477,595</u>	<u>613,025</u>	<u>321,383</u>
	<u>\$ 30,605,021</u>	<u>\$ 28,233,033</u>	<u>\$ 613,025</u>	<u>\$ 321,383</u>
Deferred Inflows of Resources	<u>\$ 1,127,795</u>	<u>\$ 1,599,193</u>	<u>\$ -</u>	<u>\$ -</u>
Net Position:				
Net Investment in				
Capital Assets	\$ 28,797,382	\$ 24,238,595	\$ 12,507,301	\$ 11,387,615
Restricted	2,002,523	1,558,534	7,440,267	7,925,487
Unrestricted	<u>13,039,981</u>	<u>13,701,572</u>	<u>589,088</u>	<u>1,007,195</u>
	<u>\$ 43,839,886</u>	<u>\$ 39,498,701</u>	<u>\$ 20,536,656</u>	<u>\$ 20,320,297</u>

The remaining balances of *unrestricted net position* (\$13,039,981 and \$13,701,572 for 2024 and 2023, respectively) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Doylestown Township is able to report a positive balance in the category of *net position* for the government as a whole. The same situation held true for the prior fiscal year.

Governmental Activities: Governmental activities increased Doylestown Township's net position by \$5,295,810 for 2024 and increased \$9,960,147 for 2023.

Complete financial statements of the Component Unit may be obtained at the Township.

The government's capital assets are recorded at actual historical cost or estimated historical cost as determined by professional engineers.

A condensed Statement of Changes in Net Position for 2024 and 2023 is presented below:

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024

**Township of Doylestown - Changes in Net Position
December 31,**

	<u>Governmental Activities</u>		<u>Component Units</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 2,335,273	\$ 9,003,567	\$ 2,598,801	\$ 2,914,726
Operating grants and Contributions	5,164,375	1,934,240	-	-
Capital grants and Contributions	-	-	-	157,831
General Revenues:				
Property Taxes	5,217,248	4,236,157	-	-
Earned Income and other taxes	7,650,061	7,080,221	-	-
Investment earnings	699,731	420,883	321,730	297,213
Gain (loss) on sale of capital assets	-	-	-	-
Total Revenues	<u>21,066,688</u>	<u>22,675,068</u>	<u>2,920,531</u>	<u>3,369,770</u>
Expenditures/Expenses:				
General Government	3,086,840	2,089,785	-	-
Public Safety	4,695,116	3,986,962	-	-
Public Works	3,680,388	2,515,075	-	-
Culture and Recreation	714,485	623,527	-	-
Benefits and Insurance	2,905,973	2,748,478	-	-
Interest on long-term debt	688,076	751,274	-	-
Doylestown Township Municipal Authority	-	-	2,704,172	2,582,676
Total Expenditures/Expenses	<u>15,770,878</u>	<u>12,715,101</u>	<u>2,704,172</u>	<u>2,582,676</u>
Change in Net Position	5,295,810	9,960,147	216,359	787,094
Net Position - Beginning of Year, restated	<u>38,544,076</u>	<u>29,538,554</u>	<u>20,320,297</u>	<u>19,533,203</u>
Net Position - End of Year	<u>\$ 43,839,886</u>	<u>\$ 39,498,701</u>	<u>\$ 20,536,656</u>	<u>\$ 20,320,297</u>

Financial Analysis of the Government's Funds

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

The Township has adopted Governmental Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as part of its reporting. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

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

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024

The modified accrual basis of accounting is used for all governmental fund types. Revenues are recorded when susceptible to accrual, both measurable and available, and expenditures are recorded when the fund liabilities are incurred, except for interest on long-term debt, which is recorded when due for payment. Financial statements for the pension trust funds are maintained on the accrual basis, with revenue recognized when earned and expenses recorded when incurred.

At the end of the current fiscal year, Doylestown Township's governmental funds reported combined ending fund balances of \$15,651,807 and \$15,577,877 for 2024 and 2023, respectively. \$5,545,696 and \$5,392,455 for 2024 and 2023, respectively constitutes *unassigned fund balance*, which is available for spending at the government's discretion. *Nonspendable fund balance* \$157,651 and \$146,655 for 2024 and 2023 respectively, represents amounts that are not in spendable form. Fund balance of \$7,899,689 and \$8,480,233 has been *assigned* for capital projects for 2024 and 2023, respectively. The remainder of fund balance of \$2,048,771 and \$1,558,534 for 2024 and 2023 respectively is *restricted* to indicate that it is not available for new spending because it has already been committed to pay for public safety, culture and recreation, highway and street, and debt service expenditures.

General Fund

The *General Fund* is the chief operating fund of Doylestown Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,545,696 and at the end of 2023 this number was \$5,607,598. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund to total fund expenditures. Unassigned fund balance represents 52% and 56% for 2024 and 2023, respectively of total general fund expenditures.

The fund balance of the General Fund remained relatively flat as it decreased by \$50,906 during the current fiscal year and decreased \$740,745 for 2023.

General Fund Budgetary Highlights

General Fund actual revenues exceeded final budgeted revenues for 2024 by \$1,332,470 or approximately 12.4%. Earned income taxes exceeded budget by 7.6%, local services taxes exceeded budget by 3.4%, and property taxes were lower than budget by .95%.

Differences between the final budgeted expenditures and actual expenditures resulted in a favorable variance of \$527,011 or approximately 4.69%. The variance in excess of expenditures under revenues amounted to \$1,859,481.

Overall greater revenues than originally expected due to the following: larger revenues from Transfer Taxes, Earned Income Taxes, and Fines Forfeits and Fees than expected, offset slightly by revenues being lower than expected for Property Taxes and Cable Franchise Fees.

Expenditures for General Government and Benefits and Insurance exceeded budget by approximately \$116,680 and \$397,608 but this was offset by Public Safety and Public Works expenditures which were under budget by approximately \$415,840 and \$522,459.

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024

Nonmajor Funds

The *Nonmajor Governmental Funds* are shown on the Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, in the Supplementary Information. These funds are the special revenue funds and the capital projects funds. The year-end fund balance of the non-major funds total \$2,253,434 and \$1,341,736 for 2024 and 2023, respectively.

Three of the nonmajor funds are supported by real estate tax millage: Fire Protection (1.25), Ambulance Fund (.375), and Park and Recreation (2.50).

Fire Fund: The Township receives real estate tax revenues that are deposited into the *Fire Fund* and then transferred to the pertained Fire Companies. The funds are used for fire apparatus, housing for the apparatus, training of personnel and all associated expenses. Under Pennsylvania law the funds are restricted to fire protection purposes and cannot be used for any other function.

Ambulance Fund: The Township receives real estate tax revenues that are deposited into the *Ambulance Fund* and then transferred to the Ambulance service.

Park and Recreation Fund: The Township levies a 2.5 mill real estate tax to support functions paid from the *Parks and Recreation Fund*. The Township owns 740 acres of open space of which 383 acres is developed parkland. The budget for this fund separates recreation administration from parks administration. Doylestown Township offers recreation programs to the public that are self-sufficient. This means that user fees pay the cost of recreation program services.

Proprietary Fund

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Doylestown Township functions. Doylestown Township uses internal service funds to account for its water charges.

The Component Unit – Doylestown Township Municipal Authority is an enterprise fund used to account for the Authority's water operation.

Capital Asset and Debt Administration

Capital Assets: Doylestown Township's investment in capital assets for governmental activities as of December 31, 2024, amounts to \$52,570,306 and \$44,398,942 for 2023 (net of accumulated depreciation). This investment in capital assets includes construction in progress and land, which are not depreciated. Depreciable assets include land improvements, infrastructure, buildings and building improvements, and machinery and equipment. Capital asset additions during the year consisted of road and bridge improvements, traffic improvements, trail improvements parks multi-use vehicle.

The Component Unit's investment in capital assets as of December 31, 2024, amounts to \$12,507,301 and \$11,387,615 for 2023. This amount includes land, land improvements, buildings, plant, systems and equipment, infrastructure, and vehicles. Capital asset additions during the year consisted mainly of upgrades, equipment, and infrastructure.

Additional information on Doylestown Township's capital assets can be found in the footnotes.

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024

	Balance January 1, 2024	Increases	Decreases	Balance December 31, 2024
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 3,750,000	\$ -	\$ -	\$ 3,750,000
Construction in Progress	1,890,230	7,289,837	(92,020)	9,088,047
Total Capital Assets Not Being Depreciated	5,640,230	7,289,837	(92,020)	12,838,047
Capital Assets Being Depreciated				
Land Improvements	4,285,042	-	-	4,285,042
Buildings and Improvements	13,572,480	-	-	13,572,480
Infrastructure	45,836,221	2,674,713	-	48,510,934
Machinery, Vehicles and Equipment	7,071,544	227,261	(62,618)	7,236,187
Total Capital Assets Being Depreciated	70,765,287	2,901,974	(62,618)	73,604,643
Accumulated Depreciation				
Land Improvements	(4,044,135)	(19,465)	-	(4,063,600)
Buildings and Improvements	(2,492,689)	(307,444)	-	(2,800,133)
Infrastructure	(21,226,364)	(1,187,085)	-	(22,413,449)
Machinery, Vehicles and Equipment	(4,243,387)	(414,433)	62,618	(4,595,202)
Total Accumulated Depreciation	(32,006,575)	(1,928,427)	62,618	(33,872,384)
Total Capital Assets Being Depreciated, Net	38,758,712	973,547	-	39,732,259
Governmental Activities Capital Assets, Net	\$ 44,398,942	\$ 8,263,384	\$ (92,020)	\$ 52,570,306

Long-term debt: At year-end, the Township had total long-term debt outstanding (Bonds and Notes) of \$23,306,000 and \$20,788,417 for 2024 and 2023, respectively. Additional information on Doylestown Township's long-term debt can be found in the footnotes.

	Balance January 1, 2024	Increases	Decreases	Balance December 31, 2024	Due Within One Year
Governmental Activities					
General Obligation Bonds and Notes					
General Obligation Note - 2020	\$ 2,841,000	\$ -	\$ (100,000)	\$ 2,741,000	\$ 102,000
General Obligation Bonds - Series 2022	8,025,000	-	(345,000)	7,680,000	365,000
General Obligation Note - 2023	2,927,417	-	(2,927,417)	-	-
General Obligation Bonds - Series 2023	6,995,000	-	(5,000)	6,990,000	170,000
General Obligation Bonds - Series 2024	-	5,895,000	-	5,895,000	145,000
Total General Obligation Bonds and Notes	20,788,417	5,895,000	(3,377,417)	23,306,000	782,000
Bond Premiums	326,555	162,257	(21,888)	466,924	-
Compensated Absences	1,347,136	117,586	-	1,464,722	-
Net Pension Liability	3,032,004	1,131,559	-	4,163,563	-
Net OPEB Obligation	261,326	11,411	-	272,737	-
Total Governmental Activities Long-Term Liabilities	\$ 25,755,438	\$ 7,317,813	\$ (3,399,305)	\$ 29,673,946	\$ 782,000

Economic Factors and the 2025 Budgets

In 2025, the economy continues to be stable with unemployment at historical lows, and moderating inflation. Projected growth in 2025 is expected to be at 3.3%, 2.0% in 2026 and 2.2% in 2027. Unemployment has increased at the date of this report to 4.3% though recent inflationary moderation 2.92% down from the previous year of 3.28% have prompted the Federal Reserve to lower interest rates in the third quarter 2025 by .25, the Fed Funds rate is currently at 4.50%. Through 2024 economic conditions continued to remain stable in Doylestown Township. The resilient housing market even with high mortgage rates and tight inventory pushed transfer tax receipts to over a million dollars in 2024. Earned income tax receipts, the primary source of income for the Township General Fund, continued to grow at \$5.9M with a increase over 2023 by 11% which will be monitored going forward to see if this a trend. Local Services Taxes were up slightly over 2023.

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2024

Real estate transfer tax increased by \$224,769 due to the strong sales at the Doylestown Walk development. Charges for services decreased over 2023 revenue by \$168,317, the Code Department recorded 831 permits in 2024.

In 2024, the Township due to its solid financial condition was able to borrow \$5.9M (GOB) general bond obligation) for the community recreation center park improvements project and pay off the 2023 \$3M note due to better interest rate environment

In establishing the 2025 budget, historical trends and vendor inquiries, department head budgets and forecasting were used as the basis for estimating the cost of goods and services to be purchased in the year. Capital expenditures will be the main topic for 2025 along with pension funding (maintaining the recommended Pension Advisory Committee course of action), funds being allocated for the road program, Green Light Go signal improvement projects at Edison Furlong and Swamp Road 313 corridor, park projects (Community Center Park improvements in the final construction phase), and bike and hike maintenance and projects New Britain Road. Appropriated funds were set aside for basins. Parks Maintenance, Technology, Public works, and the Police department submitted budgets to purchase additional equipment and vehicles. The Township's first EV was purchased for various department use as part of the zero emissions by 2050 plan. The 2025 budget provides the necessary resources for the Township organization to achieve the goals, vision and priorities established by The Board of Supervisors. It maintains accustomed service levels and represents an accurate estimate in dollar terms of the Township's commitment to deliver quality municipal services to Township residents. As of this report date, Federal Government reductions in State funding may have a direct effect on Local Governments in the near term reducing the ability to obtain grants, and other state aids for pensions and firefighting companies. Worldwide social and economic turbulence, climate change risk as well as cyber threats has changed the Township's perspective on the short and long-term effects on revenue and expenditures. The Township has instituted measures (Finance Committee meetings, Pension Advisory Committee meetings and budget workshops starting in June) to control future spending while closely monitoring revenues.

Request for information

The financial report is designed to provide a general overview of the Township's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, address: Doylestown Township, 425 Wells Road, Doylestown, PA 18901.

**DOYLESTOWN TOWNSHIP
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Primary <u>Governmental</u> Governmental <u>Activities</u>	Component <u>Unit</u> Doylestown Township <u>Municipal Authority</u>	<u>Totals</u>
Assets			
Cash and Cash Equivalents	\$ 14,175,034	\$ 584,450	\$ 14,759,484
Receivables			
Taxes	4,571,291	-	4,571,291
Accounts	534,684	577,765	1,112,449
Notes Receivable	-	8,000	8,000
Prepaid Expenses	160,151	31,898	192,049
Restricted Assets			
Cash and Investments	-	7,440,267	7,440,267
Capital Assets			
Construction in Progress	9,088,047	1,818,405	10,906,452
Land	3,750,000	144,586	3,894,586
Land Improvements	4,285,042	28,012	4,313,054
Buildings and Improvements	13,572,480	1,860,696	15,433,176
Infrastructure	48,510,934	22,718,842	71,229,776
Machinery, Vehicles and Equipment	7,236,187	2,316,106	9,552,293
Accumulated Depreciation	<u>(33,872,384)</u>	<u>(16,379,346)</u>	<u>(50,251,730)</u>
Total Assets	<u>72,011,466</u>	<u>21,149,681</u>	<u>93,161,147</u>
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	3,519,402	-	3,519,402
Deferred Outflows Related to OPEB	<u>41,834</u>	<u>-</u>	<u>41,834</u>
Total Deferred Outflows of Resources	<u>3,561,236</u>	<u>-</u>	<u>3,561,236</u>
Liabilities			
Accounts Payable	644,219	288,660	932,879
Payroll Withholdings	12,515	-	12,515
Accrued Payroll	264,185	-	264,185
Unearned Revenue	5,000	184,626	189,626
Escrows Deposits	-	139,739	139,739
Other Liabilities	5,156	-	5,156
Long Term Liabilities:			
Portion Due or Payable Within One Year			
General Obligation Bonds and Notes	782,000	-	782,000
Portion Due or Payable After One Year			
General Obligation Bonds and Notes	22,990,924	-	22,990,924
Net Pension Liability	4,163,563	-	4,163,563
OPEB Obligation	272,737	-	272,737
Compensated Absences	<u>1,464,722</u>	<u>-</u>	<u>1,464,722</u>
Total Liabilities	<u>30,605,021</u>	<u>613,025</u>	<u>31,218,046</u>
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	807,004	-	807,004
Deferred Inflows Related to OPEB	<u>320,791</u>	<u>-</u>	<u>320,791</u>
Total Deferred Inflows of Resources	<u>1,127,795</u>	<u>-</u>	<u>1,127,795</u>
Net Position			
Net Investment in Capital Assets	28,797,382	12,507,301	41,304,683
Restricted for:			
Public Safety	12,022	-	12,022
Culture and recreation	645,191	-	645,191
Highway and Streets	1,345,310	-	1,345,310
Capital Improvements	-	7,440,267	7,440,267
Unrestricted	<u>13,039,981</u>	<u>589,088</u>	<u>13,629,069</u>
Total Net Position	<u>\$ 43,839,886</u>	<u>\$ 20,536,656</u>	<u>\$ 64,376,542</u>

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit	Total
Governmental Activities:							
General Government	\$ 3,086,840	\$ 868,178	\$ 556,215	\$ -	\$ (1,662,447)	\$ -	\$ (1,662,447)
Public Safety	4,695,116	1,035,250	173,223	-	(3,486,643)	-	(3,486,643)
Public Works	3,680,388	172,717	4,434,937	-	927,266	-	927,266
Culture/Recreation	714,485	259,128	-	-	(455,357)	-	(455,357)
Benefits and Insurance	2,905,973	-	-	-	(2,905,973)	-	(2,905,973)
Interest on Long-Term Debt	688,076	-	-	-	(688,076)	-	(688,076)
Total Governmental Activities	15,770,878	2,335,273	5,164,375	-	(8,271,230)	-	(8,271,230)
Component Unit							
Doylestown Township Municipal Authority	2,704,172	2,598,801	-	-	-	(105,371)	(105,371)
Total Township Activities	\$ 18,475,050	\$ 4,934,074	\$ 5,164,375	\$ -	-	(105,371)	-
General Revenues:							
Taxes							
Property Taxes					5,217,248	-	5,217,248
Transfer Tax					1,049,769	-	1,049,769
Earned income and Local Services Tax					6,600,292	-	6,600,292
Other Taxes					-	-	-
Interest, Investment Earnings and Royalties					699,731	321,730	1,021,461
Total General Revenues and Transfers					13,567,040	321,730	13,888,770
Change in Net Position					5,295,810	216,359	5,512,169
Net Position - Beginning , restated (as previously repored)					39,498,701	-	39,498,701
Restatement - Error Correction (See Note 12)					(954,625)	-	(954,625)
Net Position - Beginning (as restated)					38,544,076	20,320,297	58,864,373
Net Position - Ending					\$ 43,839,886	\$ 20,536,656	\$ 64,376,542

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2024

<u>Assets</u>	General Fund	Capital Projects Fund	Capital Reserve Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 3,532,452	\$ 6,955,921	\$ 548,489	\$ 423,172	\$ 2,674,055	\$ 14,134,089
Taxes Receivable	4,489,028	-	-	31,454	50,809	4,571,291
Other Receivables	259,684	150,000	100,000	-	25,000	534,684
Due From Other Funds	514,730	-	-	-	10,240	524,970
Prepaid Expenses	157,651	-	-	-	2,500	160,151
Total Assets	<u>\$ 8,953,545</u>	<u>\$ 7,105,921</u>	<u>\$ 648,489</u>	<u>\$ 454,626</u>	<u>\$ 2,762,604</u>	<u>\$ 19,925,185</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 159,869	\$ 43,034	\$ 62,598	\$ 123,648	\$ 255,070	\$ 644,219
Accrual Benefits	9,205	-	-	-	1,769	10,974
Accrued Payroll	218,047	-	-	-	17,331	235,378
Due to Other Funds	24,168	-	-	284,730	230,000	538,898
Unearned Revenues	-	-	-	-	5,000	5,000
Other Liabilities	5,156	-	-	-	-	5,156
Total Liabilities	<u>416,445</u>	<u>43,034</u>	<u>62,598</u>	<u>408,378</u>	<u>509,170</u>	<u>1,439,625</u>
<u>Deferred Inflow of Resources</u>						
Unavailable Revenues - Taxes	<u>2,833,753</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,833,753</u>
Total Liabilities	<u>2,833,753</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,833,753</u>
<u>Fund Balances</u>						
Nonspendable, Prepaid Expenses	157,651	-	-	-	-	157,651
Restricted						
Public Safety	-	-	-	-	12,022	12,022
Culture and Recreation	-	-	-	-	645,191	645,191
Highways and Streets	-	-	-	-	1,345,310	1,345,310
Debt Service	-	-	-	46,248	-	46,248
Assigned						
Capital Projects	-	7,062,887	585,891	-	250,911	7,899,689
Unassigned	5,545,696	-	-	-	-	5,545,696
Total Fund Balances	<u>5,703,347</u>	<u>7,062,887</u>	<u>585,891</u>	<u>46,248</u>	<u>2,253,434</u>	<u>15,651,807</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 8,953,545</u>	<u>\$ 7,105,921</u>	<u>\$ 648,489</u>	<u>\$ 454,626</u>	<u>\$ 2,762,604</u>	<u>\$ 19,925,185</u>

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024

Total Governmental Funds Balances	\$ 15,651,807
Capital Assets used in governmental activities are not current financial resources and are not reported in the funds. These assets consist of:	
Capital Assets, Non-Depreciable	12,838,047
Capital Assets, Depreciable, Net	39,732,259
Deferred inflows and outflows related to pension activities are not financial resources and therefore are not reported in the governmental funds.	2,712,398
Deferred inflows and outflows related to OPEB activities are not financial resources and therefore are not reported in the governmental funds.	(278,956)
Internal Service Funds are combined in to Governmental Activities column for the but are not reported in the governmental funds	(15,787)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Bonds, Notes and Leases	(23,306,000)
Bond Premiums	(466,924)
Compensated Absences	(1,424,410)
Net Pension Liability	(4,163,563)
OPEB Obligation	(272,737)
Some of the Township's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	<u>2,833,753</u>
Net Position of Governmental Activities	<u>\$ 43,839,887</u>

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General Fund	Capital Projects Fund	Capital Reserve Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
Revenues						
Taxes						
Property	\$ 1,398,578	\$ -	\$ -	\$ 1,406,969	\$ 2,272,688	\$ 5,078,235
Transfer	1,049,769	-	-	-	-	1,049,769
Earned Income	5,972,274	-	-	-	-	5,972,274
Local Services	628,018	-	-	-	-	628,018
Licenses and Permits	1,000	-	-	-	-	1,000
Cable Franchise Fees	363,566	-	-	-	-	363,566
Fines, Forfeits and Fees	1,034,250	-	-	-	-	1,034,250
Investment Income and Rent	216,991	332,981	10,370	21,065	115,603	697,010
Intergovernmental	800,382	1,416,185	2,378,247	-	569,561	5,164,375
Charges for Services	493,324	-	-	-	270,416	763,740
Miscellaneous	137,306	14,549	-	-	20,862	172,717
Total Revenues	<u>12,095,458</u>	<u>1,763,715</u>	<u>2,388,617</u>	<u>1,428,034</u>	<u>3,249,130</u>	<u>20,924,954</u>
Expenditures						
Current						
General Government	2,498,158	54	-	157,174	-	2,655,386
Public Safety	3,807,995	-	-	-	453,823	4,261,818
Public Works	1,490,471	-	90,689	-	889,746	2,470,906
Culture and Recreation	-	-	-	-	448,914	448,914
Benefits and Insurance	2,905,973	-	-	-	-	2,905,973
Capital Outlay	-	4,590,304	3,690,741	-	1,818,746	10,099,791
Debt Service						
Principal	-	-	-	3,377,417	-	3,377,417
Interest and Other Charges	-	-	-	688,076	-	688,076
Total Expenditures	<u>10,702,597</u>	<u>4,590,358</u>	<u>3,781,430</u>	<u>4,222,667</u>	<u>3,611,229</u>	<u>26,908,281</u>
Excess of Revenues Over (Under) Expenditures	<u>1,392,861</u>	<u>(2,826,643)</u>	<u>(1,392,813)</u>	<u>(2,794,633)</u>	<u>(362,099)</u>	<u>(5,983,327)</u>
Other Financing Sources (Uses)						
Issuance of Long Term Debt, Net	-	-	-	5,895,000	-	5,895,000
Premium	-	-	-	162,257	-	162,257
Transfers In	-	3,100,000	1,583,000	98,767	773,567	5,555,334
Transfers Out	(1,443,767)	(984,881)	(4,612)	(3,100,000)	(22,074)	(5,555,334)
Total Other Financing Sources (Uses)	<u>(1,443,767)</u>	<u>2,115,119</u>	<u>1,578,388</u>	<u>3,056,024</u>	<u>751,493</u>	<u>6,057,257</u>
Net Change in Fund Balances	(50,906)	(711,524)	185,575	261,391	389,394	73,930
Fund Balances - Beginning of Year	<u>5,754,253</u>	<u>7,774,411</u>	<u>400,316</u>	<u>(215,143)</u>	<u>1,864,040</u>	<u>15,577,877</u>
Fund Balances - End of Year	<u>\$ 5,703,347</u>	<u>\$ 7,062,887</u>	<u>\$ 585,891</u>	<u>\$ 46,248</u>	<u>\$ 2,253,434</u>	<u>\$ 15,651,807</u>

See accompanying Notes to Financial Statements.

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

Net Change in Fund Balances - Total Governmental Funds	\$ 73,930
Capital outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$10,099,791) is exceeded by depreciation (\$1,928,427) in the current period	8,171,364
Internal Service Funds are combined in to Governmental Activities column for the but are not reported in the governmental funds. This is the net income for the internal service fund in 2024	(67,737)
Governmental Funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	139,013
The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net position. The items are as follows:	
Issuance of Long-Term Debt	(5,895,000)
Payments on Long Term Debt	3,377,417
Net change in bond premium	(140,369)
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in Governmental Funds:	
Pension plan expense	(262,764)
OPEB plan expense	15,996
In the statement of activities, certain operating expenses - compensated absences (vacations, compensated absences and sick leave) - 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 (essentially, the amounts actually paid).	(116,040)
Change in Net Position of Governmental Activities	<u>\$ 5,295,810</u>

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2024

	Governmental Activities
	Internal Service Fund
	<u>Water Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 40,945
Due From Other Funds	<u>13,928</u>
Total Current Assets	<u>54,873</u>
 <u>LIABILITIES</u>	
Current Liabilities	
Accrued Payroll	28,807
Accrual Liabilities	<u>1,541</u>
Total Current Liabilities	<u>30,348</u>
Non-Current Liabilities	
Compensated Absences	<u>40,312</u>
Total Non-Current Liabilities	<u>40,312</u>
Total Liabilities	<u>70,660</u>
Net Position	
Unrestricted	<u>(15,787)</u>
Total Net Position	<u><u>\$ (15,787)</u></u>

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2024

	Governmental Activities Internal Service Fund <u>Water Fund</u>
Operating Revenues	
Charges for Services	\$ 714,191
Total Operating Revenues	<u>714,191</u>
Operating Expenses	
General and Administrative	219,200
Public Works	<u>565,449</u>
Total Operating Expenses	<u>784,649</u>
Operating Income (Loss)	<u>(70,458)</u>
Nonoperating Revenues and Expenses	
Interest Income	<u>2,721</u>
Total Nonoperating Revenues and Expenses	<u>2,721</u>
Change in Net Position	(67,737)
Net Position - Beginning of Year	<u>51,950</u>
Net Position - End of Year	<u><u>\$ (15,787)</u></u>

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2024

	Governmental Activities Internal Service Fund <u>Water Fund</u>
Cash Flow From Operating Activities	
Cash Received from Charges for Services	\$ 714,191
Payments to Employees	<u>(763,704)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(49,513)</u>
Cash Flows from Investing Activities	
Earnings on Investments	<u>2,721</u>
Net Cash Provided by (Used in) Investing Activities	<u>2,721</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(46,792)
Cash and Cash Equivalents- Beginning of Year	<u>87,737</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 40,945</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (70,458)
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities	
(Increase) Decrease in	
Due From Other Fund	-
Increase (Decrease) in	
Accrued Payroll	19,399
Compensated Absences	<u>1,546</u>
Net Cash Used In Operating Activities	<u><u>\$ (49,513)</u></u>

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024

	Pension Trust Funds	Custodial Fund
Assets		
Cash and Cash Equivalents	\$ 518,070	\$ 535,508
DROP Assets	156,344	-
Investments	31,272,955	-
Accounts Receivable	<u>-</u>	<u>1,227</u>
Total Assets	<u>\$ 31,947,369</u>	<u>\$ 536,735</u>
Liabilities		
Accounts Payable	<u>\$ -</u>	<u>\$ 51,422</u>
Total Liabilities	<u>-</u>	<u>51,422</u>
Net Position		
Restricted for Custodial Purposes	-	485,313
Held in Trust for Benefits and Other Purposes	<u>31,947,369</u>	<u>-</u>
Total Net Position	<u>31,947,369</u>	<u>485,313</u>
Total Liabilities and Net Position	<u>\$ 31,947,369</u>	<u>\$ 536,735</u>

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2024

	Pension Trust Funds	Custodial Fund
Additions		
Contributions:		
Employer	\$ 1,247,008	\$ -
Plan Members	204,864	-
State Aid	471,866	-
Developers	-	275,262
	<u>1,923,738</u>	<u>275,262</u>
Total Contributions		
	<u>1,923,738</u>	<u>275,262</u>
Investment Earnings		
Net Increase in Fair Value of Investments	1,556,832	-
Investment and Dividends Income	1,169,732	-
	<u>2,726,564</u>	<u>-</u>
Investment Earnings		
	<u>2,726,564</u>	<u>-</u>
Investment Activity Expense	(65,364)	-
	<u>2,661,200</u>	<u>-</u>
Net Investment Income		
	<u>2,661,200</u>	<u>-</u>
Total Additions	<u>4,584,938</u>	<u>275,262</u>
Deductions		
Benefits Paid	1,295,496	-
Administrative	12,900	-
Escrow Payments	-	353,583
	<u>1,308,396</u>	<u>353,583</u>
Total Deductions		
	<u>1,308,396</u>	<u>353,583</u>
Change in Net Position	3,276,542	(78,321)
Net Position, Beginning of Year	<u>28,670,827</u>	<u>563,634</u>
Net Position, End of Year	<u>\$ 31,947,369</u>	<u>\$ 485,313</u>

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Doylestown (the "Township") is located in the central section of Bucks County, Pennsylvania. The Township covers an area of approximately 16 square miles.

Reporting Entity

The Township is governed by an elected five-member Board of Supervisors. The accompanying financial statements present the primary government. In evaluating the Township (the primary government) as a reporting entity, all potential component units that may or may not fall within the financial accountability of the Township have been addressed. Financial accountability is present if the Township appoints a voting majority of a component unit's governing body and has the ability to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Township.

As required by Generally Accepted Accounting Principles ("GAAP"), the Township presents two pension plans that it is financially accountable for as Fiduciary Component Units.

As required by GAAP, these financial statements present the discretely presented component unit, the Doylestown Township Municipal Authority ("DTMA"), an entity for which the Township is considered to be financially accountable.

The discretely presented unit, DTMA, is reported in a separate column in the government wide financial statements to emphasize it is a legally separate from the government. DTMA provides water service for residents of the Township. DTMA is included in the Township's reporting entity in order to conform with GAAP, because of the significance of its relationship with the Township. The Township's Board of Supervisors reviews the budget of DTMA, the Township is ultimately responsible for DTMA's debt and the Township's employees provide the services for DTMA. Therefore, there is a fiscal interdependence and control over DTMA by the Township. Separately issued financial statements of DTMA may be obtained by contacting the Township's administrative office.

DTMA is a proprietary fund type that is accounted for on a flow of economic resources measurement focus, using the accrual basis of accounting. Under this method, all assets and liabilities associated with operations are included on the balance sheet, and revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Government-Wide and Fund Financial Statements

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

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

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Separate financial statements are provided for Governmental Funds, the Proprietary Fund and Fiduciary Funds, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds are reported as separate columns in the fund financial statements.

Measurement Focus. Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 Funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. For this purpose, the Township considers revenues to be available if they are collected within 60 days after the end of the fiscal period. Under this basis, certain revenues (those susceptible to accrual, readily measurable and available as to amount and anticipated as being readily collectible) are recorded on the accrual basis. Property taxes, franchise taxes and licenses 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 revenues are recognized only when received in cash. Expenditures, with the exception of interest requirements on long-term debt, are accounted for on the accrual basis of accounting.

The Township reports the following major Governmental Funds;

- The General Fund is the Township's primary operating fund and accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Capital Projects Fund is used to account for financial resources that are assigned to expenditures to be used for the acquisition or construction of major capital facilities and other capital assets.
- The Capital Reserve Fund accumulates financial resources to be used for future capital activity.
- The Debt Service Fund collects real estate taxes to fund debt service payments.

The Township reports the following major Proprietary Fund:

- The Internal Service Fund is used by management to charge the costs of certain activities to the discretely presented component unit.

Additionally, the Township reports the following Fiduciary Fund Types:

- The Pension Trust Funds are used to account for the activities of the Police and Non-Uniform Employees' Pension Plans, which accumulate resources for pension benefit payments to qualified employees and are component units of the Township.
- The Custodial Fund is used to account for funds received from individuals and private organizations for specific uses within the Township's boundaries.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus. Basis of Accounting and Basis of Presentation (Continued)

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

The Proprietary Fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Water Fund are charges to customers for sales and services. The Proprietary Fund also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the Enterprise Fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting - The Township follows the procedures outlined below, which comply with legal requirements in establishing the budgetary data reflected in the financial statements:

1. Budgets are legally adopted on an annual basis for most Township funds, which is consistent with U.S. generally accepted accounting principles. The operating budget includes proposed expenditures and the means of financing them.
2. During October and November, the Township holds budget hearings for the purpose of receiving oral and written comments from interested parties in regard to the proposed budget for the following year. The Township makes available to the public its proposed operating budget for all funds.
3. No later than December 31, the budget is legally adopted through the passage of an ordinance.
4. All budget revisions require the approval of the Township's Board of Supervisors. There were no budget revisions made during the year. The Board authorized the use of the unallocated fund balance in 2024.
5. Budgets for the funds are prepared on the modified accrual basis of accounting.

All appropriations lapse at year-end. Supplemental appropriations may be made at any time.

As a matter of state law, expenditures cannot exceed total appropriations by fund.

During 2024 the following functions incurred expenditures in excess of appropriations in the adopted budget:

General Government \$116,680
Benefits and Insurance \$397,608

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus. Basis of Accounting and Basis of Presentation (Continued)

Encumbrance Accounting - Encumbrance accounting, under which purchase orders and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all funds for which budgets are prepared. Encumbrances outstanding at year-end lapse. Encumbrances do not constitute expenditures or liabilities under accounting principles generally accepted in the United States of America.

Assets, Liabilities and Equity

Deposits and investments - 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.

Statutes authorize the Township to invest in: 1) obligations, participations and other instruments of any Federal agency, 2) repurchase agreements with respect to U.S. Treasury bills or obligations, 3) negotiable certificates of deposit, 4) bankers' acceptances, 5) commercial paper, 6) shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933, and 7) savings or demand deposits. The specific conditions under which the Township may invest in these categories are detailed in Pennsylvania Act No. 53 of 1973, as amended by Pennsylvania Act No. 10 of 2016. Investments are stated at fair value.

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

Accounts Receivable – The Township and DTMA expect that all accounts receivable at December 31, 2024 are fully collectible. Therefore, no allowance for doubtful accounts is recorded.

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

Real Estate Taxes - Real estate taxes are recorded as revenues when the taxes are levied. All property tax receivables are shown net of an allowance for uncollectibles. At December 31, 2024, all tax receivables were deemed to be fully collectible. There is no tax receivable allowance due to the materiality of the outstanding receivables.

Real estate taxes are levied on February 1st on property values assessed as of the same date. Taxes are billed March 1 and are due by January 15th of each subsequent year. A 2% discount is provided for taxes paid prior to April 30. A 10% penalty is applied to taxes paid after July 1. Any unpaid bills at January of subsequent year are subject to lien, and penalties and interest are assessed. Remittances from the tax collector are distributed to appropriate funds based on following millage rates; General 5.0, Ambulance 0.375, Fire Protection 1.25, Debt Service 5.030, Roads and Bridges 4.00 and Parks and Recreation 2.50.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Equity (Continued)

Earned Income Taxes - A 1% earned income tax is imposed on all residents and on nonresidents who work within the Township limits. This tax is recorded as revenue when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first.

Capital Assets - Capital assets, which include land, land improvements, buildings, building improvements and machinery and equipment are reported in the governmental activities and discretely presented component unit columns in the government-wide financial statements. The Township defines a capital asset as an asset with an initial, individual cost equal to or greater than \$15,000 and must have an estimated useful life in excess of five years. DTMA defines a capital asset as an asset with an initial, individual cost equal to or greater than \$5,000 and must have an estimated useful life in excess of five years. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair value at the time of donation.

Depreciation has been provided over the estimated useful lives of property, plant and equipment using the straight-line method as follows:

	<u>Years</u>
Land Improvements	15-50
Building and Building Improvements	15-50
Infrastructure	20-50
Machinery and Equipment	5-20
Water System	50-75

Unavailable Revenues – Governmental Funds unavailable revenues consist primarily of delinquent taxes not collected within 60 days subsequent to the Township's year-end. It is expected that these receivables will be collected and included in revenue of future fiscal years.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. The Township's Long-term Debt consists of general obligation bonds, notes and capital leases.

Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond premiums or discounts are reported as deferred charges. Bonds payable are reported net of deferred amounts on refunding, which represent the difference between the reacquisition price and the net carrying amount of old debt that has been defeased in refunding transactions since 1993. A deferred charge is amortized as a component of interest expense over the lesser of the remaining life of the old debt or the life of the new debt.

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

Township employees earn vacation and sick leave in accordance with Township policy and collective bargaining agreements. Certain unused vacation and sick leave benefits accumulate and carry forward to future periods, and payment of these benefits is made upon separation from service or as the benefits are used. In accordance with GASB Statement No. 101, *Compensated Absences*, the Township records a liability for compensated absences when the leave is attributable to services already rendered, accumulates, and is more likely than not to be used or paid. The liability is reported in the governmental activities column of the government-wide financial statements.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Equity (Continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Concentrations of Credit Risk - The Township's revenues and receivables for taxes are mostly derived from residents and businesses located in the Township and are, therefore, subject to the economic conditions of the area.

Fund Balances

The Township has adopted GASB Statement No. 54, which defines how fund balances of the Governmental Funds are presented in the financial statements. Fund balances are classified as follows:

- Nonspendable - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.
- Committed - Amounts that can be used only for specific purposes determined by the passage of a resolution by the Board of Supervisors.
- Assigned - Amounts that are intended to be used for a specific purpose, as expressed by the Board of Supervisors or by an official or body to which the Board of Supervisors delegates the authority. As of December 31, 2024, the Board has not delegated the authority to assign fund balance.
- Unassigned - All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds balance. Restricted funds are used first as appropriate, followed by committed resources and then assigned resources, to the extent that expenditure authority has been budgeted by the Board of Supervisors. The Township does reserve the right to first reduce unassigned fund balance to defer the use of these other classified funds. In the event that unassigned fund balance is reduced to zero, then assigned and committed fund balances are used in that order.

Deferred Outflows/inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflow of resources related to pensions and other postemployment benefits (OPEB) are reported in the government-wide statement of net position and the proprietary fund statement of net position and are the result of differences between expected and actual experience of the pension plan, the net difference between projected and actual earnings on investments and changes in plan assumptions and contributions subsequent to measurement date.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Equity (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflow of resources related to pension and OPEB plans are reported in the government-wide statement of net position and the proprietary fund statement of net position and are the result of differences between expected and actual experience of the pension and OPEB plans, and the net difference between projected and actual earnings on pension plan investments and the change of assumptions. The deferred gain on defeasance of debt is reported in the government-wide statement of net position and results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Adoption of Governmental Accounting Standards Board (GASB) Statements

The Township adopted the required provisions of GASB Statement No. 99, "*Omnibus 2022*", GASB Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*" and GASB Statement No. 101, "*Compensated Absences*". The adoption of these GASB's had no effect on previously reported amounts.

Pending Changes in Accounting Principles

In December 2023, the GASB issued Statement No. 102, "*Certain Risk Disclosures*". The Township is required to adopt the provisions of Statement No. 102 for its fiscal year 2025 financial statements.

In April 2024, the GASB issued Statement No. 103, "*Financial Reporting Model Improvements*". The Township is required to adopt Statement No. 103 for its calendar year 2026 financial statements.

In September 2024, the GASB issued Statement No. 104, "*Disclosure of Certain Capital Assets*". The Township is required to adopt Statement No. 104 for its calendar year 2026 financial statements.

The effect of implementation of these Statements has not yet been determined.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits

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. As of December 31, 2024, \$369,607 of the Township's bank balance of \$11,988,700 was insured by the FDIC. The remaining amount was exposed to custodial credit risk, collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania Legislature, which permits the institution to pool collateral for all governmental deposits and has the collateral held by a custodian in the institution's name. \$5,669,549 was held in PLGIT state investment pools which is both uninsured and not collateralized.

The Component Unit has a bank balance of \$1,122,537, of which \$257,043 is covered by FDIC and the remaining amount was exposed to custodial credit risk, collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania Legislature, which permits the institution to pool collateral for all governmental deposits and has the collateral held by a custodian in the institution's name.

Investments

Fair Value Measurement - The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are those that lack significant observable inputs. The Township had the following Level 1 inputs as of December 31, 2024:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Governmental Activities				
Certificates of Deposit	\$ 2,484,611	\$ 2,484,611	\$ -	\$ -
Fiduciary Funds				
Equity Mutual Funds	20,278,722	20,278,722	-	-
Bond Mutual Funds	10,994,233	10,994,233	-	-
Total	<u>\$ 33,757,566</u>	<u>\$ 33,757,566</u>	<u>\$ -</u>	<u>\$ -</u>

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair market value of an investment. The Township's formal investment policy does not address interest rate risk:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>1-5</u>	<u>6-10</u>
Governmental Activities				
Certificates of Deposit	\$ 2,484,611	\$ 2,484,611	\$ -	\$ -
Fiduciary Funds				
Bond Mutual Funds	10,994,233	-	1,250,991	9,743,242
Total	<u>\$ 13,478,844</u>	<u>\$ 2,484,611</u>	<u>\$ 1,250,991</u>	<u>\$ 9,743,242</u>

Credit Risk - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the investment of Government Funds as described in Note 1. It is the Township's formal investment policy that the investment portfolio maintains an average AA rating by Standard & Poor's.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Quality</u>
Fiduciary Funds		
Bond Mutual Funds	\$ 6,626,493	AA
Bond Mutual Funds	1,564,465	A
Bond Mutual Funds	2,803,275	NR
	<u>\$ 10,994,233</u>	

NOTE 3 CAPITAL ASSETS

Changes in capital asset activity for the year ended December 31, 2024, were as follows:

	<u>Balance January 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2024</u>
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 3,750,000	\$ -	\$ -	\$ 3,750,000
Construction in Progress	1,890,230	7,289,837	(92,020)	9,088,047
Total Capital Assets Not Being Depreciated	<u>5,640,230</u>	<u>7,289,837</u>	<u>(92,020)</u>	<u>12,838,047</u>
Capital Assets Being Depreciated				
Land Improvements	4,285,042	-	-	4,285,042
Buildings and Improvements	13,572,480	-	-	13,572,480
Infrastructure	45,836,221	2,674,713	-	48,510,934
Machinery, Vehicles and Equipment	7,071,544	227,261	(62,618)	7,236,187
Total Capital Assets Being Depreciated	<u>70,765,287</u>	<u>2,901,974</u>	<u>(62,618)</u>	<u>73,604,643</u>
Accumulated Depreciation				
Land Improvements	(4,044,135)	(19,465)	-	(4,063,600)
Buildings and Improvements	(2,492,689)	(307,444)	-	(2,800,133)
Infrastructure	(21,226,364)	(1,187,085)	-	(22,413,449)
Machinery, Vehicles and Equipment	(4,243,387)	(414,433)	62,618	(4,595,202)
Total Accumulated Depreciation	<u>(32,006,575)</u>	<u>(1,928,427)</u>	<u>62,618</u>	<u>(33,872,384)</u>
Total Capital Assets Being Depreciated, Net	<u>38,758,712</u>	<u>973,547</u>	<u>-</u>	<u>39,732,259</u>
Governmental Activities Capital Assets, Net	<u>\$ 44,398,942</u>	<u>\$ 8,263,384</u>	<u>\$ (92,020)</u>	<u>\$ 52,570,306</u>

Depreciation expense was charged as follows:

Governmental Activities	
General Government	\$ 379,965
Public Safety	73,409
Public Works	1,209,482
Culture and Recreation	265,571
Total Governmental Activities	<u>\$ 1,928,427</u>

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables are as follows:

	Due from Other Funds	Due to Other Funds
Governmental Funds		
General Fund	\$ 514,730	\$ 24,168
Debt Service Fund	-	284,730
Nonmajor Funds	10,240	230,000
Internal Service Fund	13,928	-
	<u>\$ 538,898</u>	<u>\$ 538,898</u>

Interfund balances are primarily a result of:

1. Reimbursement of payroll and payables charged to other funds.
2. Cash receipts collected in one fund but belonging to another.
3. Funding cash deficits.
4. In-transit budgeted operating transfers.

Interfund transfers are as follows:

	Transfer Out	Transfer In
Governmental Funds		
General Fund	\$ 1,443,767	\$ -
Capital Projects Fund	984,881	3,100,000
Debt Service	3,100,000	98,767
Capital Reserve Fund	4,612	1,583,000
Nonmajor Funds	22,074	773,567
	<u>\$ 5,555,334</u>	<u>\$ 5,555,334</u>

Interfund transfers are primarily a result of:

1. Reimbursement of payroll and payables charged to other funds.
2. Reimbursement for debt payments.
3. Various funds financing capital projects.
4. Budgeted operating transfers.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 5 LONG-TERM DEBT

Summary of Activity

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

	Balance January 1, 2024	Increases	Decreases	Balance December 31, 2024	Due Within One Year
Governmental Activities					
General Obligation Bonds and Notes					
General Obligation Note - 2020	\$ 2,841,000	\$ -	\$ (100,000)	\$ 2,741,000	\$ 102,000
General Obligation Bonds - Series 2022	8,025,000	-	(345,000)	7,680,000	365,000
General Obligation Note - 2023	2,927,417	-	(2,927,417)	-	-
General Obligation Bonds - Series 2023	6,995,000	-	(5,000)	6,990,000	170,000
General Obligation Bonds - Series 2024	-	5,895,000	-	5,895,000	145,000
Total General Obligation Bonds and Notes	20,788,417	5,895,000	(3,377,417)	23,306,000	782,000
Bond Premiums	326,555	162,257	(21,888)	466,924	-
Compensated Absences	1,347,136	117,586	-	1,464,722	-
Net Pension Liability	3,032,004	1,131,559	-	4,163,563	-
Net OPEB Obligation	261,326	11,411	-	272,737	-
Total Governmental Activities Long-Term Liabilities	\$ 25,755,438	\$ 7,317,813	\$ (3,399,305)	\$ 29,673,946	\$ 782,000

General Obligation Note – 2020

In 2020, the Township issued a General Obligation Note for an amount not to exceed \$3,040,000 with an interest rate of 2.39% per year to provide funding for: capital projects for the Township, including but not limited to the Township's municipal building project and certain road projects. Principal is payable annually on October 1st, beginning in 2021 and continuing through 2045. Interest is payable annually on April 1 and October 1.

General Obligation Bonds– Series 2022

In 2022, the Township issued a Bond of \$8,880,000 with interest rates ranging from 2% to 5%. Proceeds of the Bonds were used to currently refund the 2017 General Obligation Bond and pay related costs of issuance. Principal is payable annually on October 1st of each year, beginning in 2022 and continuing through 2041. Interest is payable April 1st and October 1st. The Bond decreased debt service payments by \$1,211,683 and resulted in an economic gain of \$957,451.

General Obligation Bonds– Series 2023

In 2023, the Township issued a Bond of \$6,995,000 with interest rates ranging from 4% to 5%. Proceeds of the Bonds were used to fund various capital projects throughout the Township and pay the related costs of issuance. Principal is payable annually on October 1st of each year, beginning in 2024 and continuing through 2048. Interest is payable April 1st and October 1st.

General Obligation Bonds – Series 2024

In 2024, the Township issued a Bond of \$5,895,000 with interest rates ranging from 4% to 5% to provide funding for: various capital improvement needs and refund a portion of the township's General Obligation Notes, Series 2023, and to pay the cost of issuing the Bonds. Principal is payable annually on October 1st of each year, beginning in 2025 and continuing through 2048. Interest is payable April 1st and October 1st.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 5 LONG-TERM DEBT (Continued)

Total Scheduled Annual Debt Service

The Township's total scheduled annual debt service on long-term debt is as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 782,000	\$ 768,359	\$ 1,550,359
2026	915,000	770,861	1,685,861
2027	952,000	727,852	1,679,852
2028	980,000	695,044	1,675,044
2029	1,012,000	661,065	1,673,065
2030-2034	5,562,000	2,813,412	8,375,412
2035-2039	6,057,000	1,914,452	7,971,452
2040-2044	4,377,000	1,040,575	5,417,575
2045-2048	2,669,000	302,052	2,971,052
	<u>\$ 23,306,000</u>	<u>\$ 9,693,671</u>	<u>\$ 32,999,671</u>

NOTE 6 COMMITMENTS AND CONTINGENCIES

The Township is defendant in various civil actions. The Township intends to defend these actions. The ultimate resolution of these matters is not ascertainable at this time. No provision has been made in the financial statements related to these claims.

NOTE 7 DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

Plan Description

Plan Administration - The Township administers the Police Pension Plan—a single employer defined benefit pension plan that provides pensions for all regular, full-time sworn police officers. The plan is part of the Township's financial reporting entity and is included in the Township's financial statements as a Pension Trust Fund. The plan does not issue separate, stand-alone financial statements. Management of the plan is vested in the Board of Supervisors as to the administrative, operation and investment of the plan. The Board of Supervisors has delegated the authority to manage plan assets to a third-party.

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

Active Plan Members	22
Inactive Plan Members Currently Receiving Benefits	21
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>2</u>
	<u>45</u>

Benefits Provided - The plan provides retirement benefits as well as death and disability benefits as follows:

- Eligibility Requirements
 - o Normal Retirement – Age 50 with 25 years of credited service
 - o Early Retirement – None
 - o Vesting – 100% after 12 years of credited service
- Retirement Benefit – 50% of final 36 months of average compensation, plus \$100 per month for each full year of service over 25 years

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 7 DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) – (Continued)

- Survivor Benefit – Post-retirement – 50% of retirement benefit; Vested – refund of contributions with interest or 50% of vested benefit payable beginning at officer's superannuation retirement date.
- Disability Benefit Service Related – 50% of salary at time disability was incurred offset by any social security disability benefit received for the same injury
- Post Retirement Adjustments – Effective 1/1/1995, adjustment equal to lesser of CPI or 3%. Aggregate total increase will not exceed the lesser of 30% or 75% of final average salary.
- Pre ACT 44 Deferred Retirement Option Program (DROP) – An active member who has met the eligibility requirements for normal retirement may elect to participate in the DROP for a period of up to 48 months.
- Member Contributions – 5% contribution rate and 4% interest rate credited to member contributions

Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

The benefit provisions of the Township's plan are established by Township ordinances.

Contributions - Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the Minimum Municipal Obligation (MMO), which is based on the plan's actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds, which must be used for pension funding. A financial requirement established by the MMO, which exceeds state and member contributions, must be funded by the employer. In 2024, the MMO obligation for the plan was \$862,909. Contributions of \$1,015,330 were made by the Township and State Aid to the plan.

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

Investments

Investment Policy - The plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Supervisors and its third-party provider. It is the policy to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
U.S. Equities	40.00%	1.62%
International Equities	25.00%	1.47%
U.S. Aggregate Bonds	25.00%	0.41%
International Bonds	10.00%	0.20%

* Excludes 2.10% Inflation Assumption

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 7 DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (CONTINUED)

Investments (Continued)

Method Used to Value Investments - Police Pension Plan investments are carried at fair value as reported by the investment managers. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Rate of Return - For the year ended December 31, 2024, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 9.28%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Township

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

Total Pension Liability	\$ 22,064,136
Plan Fiduciary Net Position	<u>18,774,273</u>
Net Pension Liability	<u><u>\$ 3,289,863</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u><u>85.1%</u></u>

Actuarial Assumptions – The net pension liability was measured as of December 31, 2024 and the total pension liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions	
Inflation	2.25%
Salary Increases	5.00%
Investment Rate Return	6.75%
Mortality Rates	Pub-2010 Safety Amount-Weighted Mortality Tables, projected to 2026 using Mortality Improvement Scale MP-2020.

The long-term expected rate of return on pension plan investments was determined using an asset allocation study conducted by the Plan's investment management consultant in December 2024 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. Those ranges were combined to produce the long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. Best-estimates or arithmetic real rates of returns for each major asset included in the Plan's target asset allocation as of December 31, 2024 are listed below:

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 7 DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
U.S. Equities	40.00%	1.62%
International Equities	25.00%	1.47%
U.S. Aggregate Bonds	25.00%	0.41%
International Bonds	10.00%	0.20%

* Excludes 2.10% Inflation Assumption

Discount Rate – The discount rate used to measure the total pension liability was 6.00%. The discount rate is based on the long-term expected rate of return on plan investments that are expected to be used to finance the payments of benefits. The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

Changes in the Net Pension Liability

	Governmental Activities Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2023	\$ 19,006,758	\$ 16,820,536	\$ 2,186,222
Changes for the Year:			
Service Cost	580,874	-	580,874
Interest Cost	1,257,608	-	1,257,608
Changes for Experience	-	-	-
Changes of Assumptions	1,969,965	-	1,969,965
Contributions			
Employer	-	1,015,330	(1,015,330)
Member	-	135,256	(135,256)
Net Investment Income	-	1,560,720	(1,560,720)
Benefit Payments, including refunds of member contributions	(751,069)	(751,069)	-
Administrative Expenses	-	(6,500)	6,500
Net Changes	<u>3,057,378</u>	<u>1,953,737</u>	<u>1,103,641</u>
Balance at December 31, 2024	<u>\$ 22,064,136</u>	<u>\$ 18,774,273</u>	<u>\$ 3,289,863</u>

Changes in Assumptions

In 2024, the interest rate assumption was lowered from 6.75% to 6.00% per annum.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Township, calculated using the discount rate of 6.00%, as well as what the Township's net pension would be if it were calculated using a discount rate that is one percentage point lower (5.00%) or one percentage point higher (7.00%) than the current rate:

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 7 DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (CONTINUED)

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net Pension Liability	\$ 6,417,577	\$ 3,289,863	\$ 723,620

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 \$1,257,633. At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 807,004
Change of Assumptions	2,822,831	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	242,005	-
	<u>\$ 3,064,836</u>	<u>\$ 807,004</u>

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

Year Ending December 31,	Governmental Activities
2025	\$ 789,283
2026	972,558
2027	193,240
2028	260,346
2029	42,405
Thereafter	-
	<u>\$ 2,257,832</u>

NOTE 8 DEFINED BENEFIT PENSION PLAN (NON-UNIFORM EMPLOYEES' PENSION PLAN)

Plan Description

Plan Administration - The Township administers the Non-Uniform Employees' Pension Plan—a single employer defined benefit pension plan that provides pensions for all regular, full-time non-uniformed employees as stated in the Township Code Section 28. The plan is part of the Township's financial reporting entity and is included in the Township's financial statements as a Pension Trust Fund. The plan does not issue separate, stand-alone financial statements. Management of the plan is vested in the Board of Supervisors as to the administrative, operation and investment of the plan. The Board of Supervisors has delegated the authority to manage plan assets to a third-party.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 8 DEFINED BENEFIT PENSION PLAN (NON-UNIFORM EMPLOYEES' PENSION PLAN)
(CONTINUED)

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

Active Plan Members	14
Inactive Plan Members Currently Receiving Benefits	27
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>7</u>
	<u>48</u>

Benefits Provided - The plan provides retirement benefits as well as death and disability benefits as follows:

- Eligibility Requirements
 - o Normal Retirement – Age 60 (Effective 1/1/12 plan participation is frozen)
 - o Early Retirement – Age 55 with 15 years of credited service
 - o Vesting – 100% after 5 years of credited service
- Retirement Benefit – 50% of highest 36 months of average compensation, reduced by 1/25 for each year of credited service less than 25 years, plus \$100 per month for each full year of service over 25 years. The maximum increase shall be \$500.
- Survivor Benefit – Refund of contributions with 4% interest or if vested, spouse entitled to 100% joint and survivor payable when participant would have met early retirement eligibility further reduced for early commencement. If eligible for early retirement: 100% of the benefit the participant would have received had he/she retired on the date of death and elected a 100% joint and survivor benefit.
- Disability Benefit Service & Non-Service Related – Same as normal retirement benefit, based on service and final compensation to date of disability. Minimum benefit is \$3,600/year. Must have 10 years of credited service to be eligible.
- Post Retirement Adjustments – Effective 1/1/1995, adjustment equal to lesser of CPI or 3%. Aggregate total increase will not exceed the lesser of 30% or 75% of final average salary.
- ACT 44 Deferred Retirement Option Program (DROP) – An active member who has met the eligibility requirements for normal retirement may elect to participate in the DROP for a period of up to 48 months.
- Member Contributions – 5% contribution rate and 4% interest rate credited to member contributions

Eligibility – Any non-uniform employee hired on or after January 1, 2012 is not eligible to participate in the plan.

Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

The benefit provisions of the Township's plan are established by Township ordinances.

Contributions - Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the Minimum Municipal Obligation (MMO), which is based on the plan's actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds, which must be used for pension funding. A financial requirement established by the MMO, which exceeds state and member contributions, must be funded by the employer. In 2024, the MMO obligation for the plan was \$549,884. Contributions of \$703,544 were made by the Township and State Aid to the plan.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 8 DEFINED BENEFIT PENSION PLAN (NON-UNIFORM EMPLOYEES' PENSION PLAN)
(CONTINUED)

As a condition of participation, participants are required to make contributions equal to 5% of compensation to the plan.

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

Investments

Investment Policy - The plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Advisory Board. It is the policy of the Pension Advisory Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
US Equity	40.00%	1.62%
International Equity	25.00%	1.47%
US Aggregate Bonds	25.00%	0.41%
International Aggregate Bonds	10.00%	0.20%

* Excludes 2.10% Inflation Assumption

Method Used to Value Investments - Non-Uniform Employees' Pension Plan investments are carried at fair value as reported by the investment managers. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Rate of Return - For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Township

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

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 8 DEFINED BENEFIT PENSION PLAN (NON-UNIFORM EMPLOYEES' PENSION PLAN)
(CONTINUED)

Total Pension Liability	\$ 14,046,796
Plan Fiduciary Net Position	<u>13,173,096</u>
Net Pension Liability	<u>\$ 873,700</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>93.8%</u>

Actuarial Assumptions - The net pension liability was measured as of December 31, 2024, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions

Inflation	2.25%
Salary Increases	5.00%
Investment Rate Return	6.75%
Mortality Rates	Pub-2010 Safety Amount-Weighted Mortality Tables, projected to 2026 using Mortality Improvement Scale MP-2020.

The long-term expected rate of return on pension plan investments was determined using an asset allocation study conducted by the Plan's investment management consultant in December 2024 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. Those ranges were combined to produce the long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. Best-estimates or arithmetic real rates of returns for each major asset included in the Plan's target asset allocation as of December 31, 2024 are listed below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
US Equity	40.00%	1.62%
International Equity	25.00%	1.47%
US Aggregate Bonds	25.00%	0.41%
International Aggregate Bonds	10.00%	0.20%

* Excludes 2.10% Inflation Assumption

Discount Rate – The discount rate used to measure the total pension liability was 6.00%. The discount rate is based on the long-term expected rate of return on plan investments that are expected to be used to finance the payments of benefits. The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 8 DEFINED BENEFIT PENSION PLAN (NON-UNIFORM EMPLOYEES' PENSION PLAN)
(CONTINUED)

Changes in the Net Pension Liability

	Governmental Activities Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2023	\$ 12,696,074	\$ 11,850,292	\$ 845,782
Changes for the Year:			
Service Cost	140,789	-	140,789
Interest Cost	838,611	-	838,611
Changes for Experience	-	-	-
Changes of Assumptions	915,749	-	915,749
Contributions			-
Employer	-	703,544	(703,544)
Member	-	69,608	(69,608)
Net Investment Income	-	1,100,479	(1,100,479)
Benefit Payments, including refunds of member contributions	(544,427)	(544,427)	-
Administrative Expenses	-	(6,400)	6,400
Net Changes	1,350,722	1,322,804	27,918
Balance at December 31, 2024	\$ 14,046,796	\$ 13,173,096	\$ 873,700

Changes in Assumptions

In 2024, the interest rate assumption was lowered from 6.75% to 6.00% per annum.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the plan, calculated using the discount rate of 6.00%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.00%) or one percentage point higher (7.00%) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net Pension Liability	\$ 2,276,157	\$ 873,700	\$ (324,619)

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 \$724,005. At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources;

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 8 DEFINED BENEFIT PENSION PLAN (NON-UNIFORM EMPLOYEES' PENSION PLAN)
(CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ -
Change of Assumptions	275,365	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	179,201	-
	<u>\$ 454,566</u>	<u>\$ -</u>

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

Year Ending December 31,	Governmental Activities
2025	\$ 456,093
2026	307,229
2027	(247,806)
2028	(60,950)
2029	-
Thereafter	-
	<u>\$ 454,566</u>

NOTE 9 DEFINED CONTRIBUTION PLAN

The Township has established a defined contribution pension plan to provide pension benefits for its regular, full-time, non-uniformed employees. Under the plan, an individual received his own account to which all contributions are made. The employee determines how his account is invested.

Under the plan, the Township contributes 5% and the participant is required to contribute 5% of the employee's compensation to the Plan.

This plan was established effective January 1, 2012. Each full-time, permanent, non-uniformed employee hired on or after January 1, 2012, shall be eligible for the plan. For the year ended December 31, 2024, membership consisted of 25 active members and contributions of \$79,122 and \$83,258 were made to this plan by the Township and employees, respectively.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The Township provides postemployment healthcare benefits, in accordance with Township policies and collective bargaining agreements, for Police employees in accordance with a collectively bargained agreement between the Township and the Police Department most recently revised on January 1, 2019. The Township also provides postretirement healthcare benefits to Non-Uniformed Employees. The plans are single-employer defined benefit plans. Separate financial statements are not issued for the plan.

Police officers who retire and are age 50 with 25 years of service are eligible for medical and prescription drug coverage, including dental coverage, under Delaware Valley Health Trust ("DVHT"). Police Officers also receive \$10,000 life insurance for 5 years from effective date of retirement. Non-uniformed employees who retire and are age 60, with no minimum service requirement, are eligible for medical and prescription drug coverage, including dental coverage under DVHT, with no provision for life insurance. Retirees can continue on the plan by paying 100% of the cost of coverage and the Township subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at blended group (implicitly subsidized) premium rates based up the combined demographics of both active and retired employees. The rates that are charges to retirees are actually lower than the rates that would have been charged if the retiree group was rated separately because, on an actuarial basis, the retiree group has a higher average age and higher medical costs than the overall combined population of active and retired employees. Surviving spouses are eligible for survivor benefits and may continue in coverage by paying 100% of the cost of coverage.

The following eligible employees and retirees were covered by the plans:

Inactive Members, or Beneficiaries Currently Receiving Benefits	4
Inactive Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	57
	61

Actuarial Assumptions

A summary of the actuarial assumptions for both plans used in the January 1, 2024 valuations is presented below:

Actuarial Assumptions	
Valuation Method	Entry Age Normal
Discount Rate	4.28%
Salary Increases	5.00%
Investment Rate of Return	N/A
Mortality Rates	2010 Weighted Mortality for Male and Female Employees and Retiree projected 5 years past the valuation date using mortality improvement scale MP-2021.
Healthcare Cost Trend Rate	Initial Rate of 8% in fiscal 2024, 7.90% in fiscal 2025, 7.35% in 2026 grading down to the ultimate trend rate of 3.45% in fiscal 2075.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

The OPEB liability of the plans for measurement date December 31, 2024, was as follows:

	OPEB Plan Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at December 31, 2023	\$ 261,326	\$ -	\$ 261,326
Changes for the Year:			
Service Cost	18,852		18,852
Interest Cost	10,608		10,608
Changes for Experience	(8,249)		(8,249)
Changes of Assumptions	3,786		3,786
Contributions			-
Employer		17,636	(17,636)
Member			-
Net Investment Income			-
Benefit Payments, including refunds of member contributions	(13,586)	(13,586)	-
Administrative Expenses	-	(4,050)	4,050
Net Changes	11,411	-	11,411
Balance at December 31, 2024	\$ 272,737	\$ -	\$ 272,737

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows or Resources Related to OPEB:

At December 31, 2024, the Township reported total OPEB liability of \$272,737. The total OPEB liabilities were measured as of December 31, 2024, and the total OPEB liability was determined by rolling forward the total OPEB liability as of January 1, 2024 to December 31, 2024.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows or Resources Related to OPEB (Continued):

For the year ended December 31, 2024, the Township recognized OPEB expense of 1,640, respectively. At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 244,417
Change of Assumptions	41,834	76,374
	<u>\$ 41,834</u>	<u>\$ 320,791</u>

The Township's benefit paid subsequent to the measurement date will be recognized in expense in the subsequent year.

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

Year Ending December 31,	
2025	\$ (31,870)
2026	(31,870)
2027	(31,870)
2028	(31,870)
2029	(31,870)
Thereafter	(119,607)
	<u>\$ (278,957)</u>

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Discount Rate

The discount rate is 4.28% and is based on the December 31, 2024 S&P Municipal Bond 20 Year High Grade Rate Index. The following presents the net OPEB liability of the Township, calculated using the discount rate of 4.28%, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower (3.28%) or 1-percent-point higher (5.28%) than the current rate:

	1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)
Net OPEB Liability	\$ 296,927	\$ 272,737	\$ 251,087

Healthcare Cost Trend Rate

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

	1% Decrease	Current Trend Rates	1% Increase
Net OPEB Liability	\$ 243,067	\$ 272,737	\$ 307,920

NOTE 11 RISK MANAGEMENT

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 for which the Township carries commercial insurance. The Township uses Delaware Valley Health Trust, a risk retention pool for worker's compensation insurance. The risk pool includes other municipalities. The Township pays an annual premium to the Trust for its worker's compensation coverage. The agreement for the Delaware Valley Health Trust provides that it will be self-sustaining through member premiums and will reinsure through commercial companies for excessive claims. There were no significant reductions in insurance coverage for the year 2024.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 12 RESTATEMENT OF NET POSITION

During fiscal year 2024, Township management determined that certain costs capitalized in the prior year did not meet the criteria for capitalization under generally accepted accounting principles for state and local governments. These costs should have been expensed in the period incurred. As a result, the beginning net position of the governmental activities as of January 1, 2024 has been restated to correct the error.

	<u>Governmental Activities</u>
Beginning Net Position, previously reported	\$ 39,498,701
Adjustment for over-capitalization of expenditures	<u>(954,625)</u>
Beginning Net Position, as restated.	<u>\$ 38,544,076</u>

NOTE 13 SUBSEQUENT EVENTS

In June 2025, the Township issued a General Obligation Note, Series of 2025, in the principal amount of \$2,435,000. The proceeds of the Note will be used to fund various capital projects within the Township and to pay costs related to the issuance of the Note.

REQUIRED SUPPLEMENTARY INFORMATION

DOYLESTOWN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues				
Taxes				
Property	\$ 1,412,014	\$ 1,412,014	\$ 1,398,578	\$ (13,436)
Transfer	825,000	825,000	1,049,769	224,769
Earned Income	5,553,000	5,553,000	5,972,274	419,274
Local Services	607,500	607,500	628,018	20,518
Licenses and Permits	900	900	1,000	100
Cable Franchise Fees	369,300	369,300	363,566	(5,734)
Fines, Forfeits and Fees	709,950	709,950	1,034,250	324,300
Investment Income and Rent	100,000	100,000	216,991	116,991
Intergovernmental	603,226	603,226	800,382	197,156
Charges for Services	454,998	454,998	493,324	38,326
Miscellaneous	127,100	127,100	137,306	10,206
Total Revenues	10,762,988	10,762,988	12,095,458	1,332,470
Expenditures				
Current				
General Government	2,381,478	2,381,478	2,498,158	(116,680)
Public Safety	4,223,835	4,223,835	3,807,995	415,840
Public Works	2,012,930	2,012,930	1,490,471	522,459
Culture and Recreation	103,000	103,000	-	103,000
Benefits and Insurance	2,508,365	2,508,365	2,905,973	(397,608)
Total Expenditures	11,229,608	11,229,608	10,702,597	527,011
Excess of Revenues Over Expenditures	(466,620)	(466,620)	1,392,861	1,859,481
Other Financing Sources (Uses)				
Transfers In	92,500	92,500	-	(92,500)
Transfers Out	(1,907,000)	(1,907,000)	(1,443,767)	463,233
Total Other Financing Sources (Uses)	(1,814,500)	(1,814,500)	(1,443,767)	370,733
Net Change in Fund Balance	(2,281,120)	(2,281,120)	(50,906)	2,230,214
Fund Balance at Beginning of Year	3,686,030	3,686,030	5,754,253	2,068,223
Fund Balance at End of Year	\$ 1,404,910	\$ 1,404,910	\$ 5,703,347	\$ 4,298,437

DOYLESTOWN TOWNSHIP
SCHEDULE OF CHANGES IN THE NET POLICE PENSION PLAN
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 580,874	\$ 553,213	\$ 512,254	\$ 454,882	\$ 361,895	\$ 344,662	\$ 301,562	\$ 287,202	\$ 258,314	\$ 246,013
Interest	1,257,608	1,191,152	1,186,015	1,153,336	1,096,559	1,033,238	1,007,729	949,605	908,143	855,633
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Changes for Experience	-	(787,076)	-	(494,551)	-	(423,587)	-	(235,466)	-	(222,683)
Changes of Assumptions	1,969,965	-	1,124,268	1,339,331	-	375,087	-	27,032	-	188,340
Benefit Payments	(751,069)	(768,600)	(726,587)	(678,588)	(595,986)	(560,203)	(576,595)	(472,650)	(464,623)	(450,499)
Net Change in Total Pension Liability	3,057,378	188,689	2,095,950	1,774,410	862,468	769,197	732,696	555,723	701,834	616,804
Total Pension Liability - Beginning	19,006,758	18,818,069	16,722,119	14,947,709	14,085,241	13,316,044	12,583,348	12,027,625	11,325,791	10,708,987
Total Pension Liability - Ending (a)	\$ 22,064,136	\$ 19,006,758	\$ 18,818,069	\$ 16,722,119	\$ 14,947,709	\$ 14,085,241	\$ 13,316,044	\$ 12,583,348	\$ 12,027,625	\$ 11,325,791
Plan Fiduciary Net Position										
Contributions										
Employer	\$ 1,015,330	\$ 922,157	\$ 834,926	\$ 736,956	\$ 704,042	\$ 650,368	\$ 637,435	\$ 394,187	\$ 376,141	\$ 423,269
Member	135,256	124,120	116,135	114,239	106,957	103,492	102,807	99,852	94,463	87,169
Net Investment Income	1,560,720	2,290,017	(2,706,119)	1,954,750	1,461,215	2,071,199	(696,188)	1,492,663	532,750	(169,153)
Benefit Payments, Including Refunds of Member Contributions	(751,069)	(768,600)	(726,587)	(678,588)	(595,986)	(560,203)	(576,595)	(472,650)	(464,623)	(450,499)
Administrative Expense	(6,500)	(11,100)	(5,780)	(9,950)	(11,626)	(17,192)	(13,441)	(18,096)	(11,505)	(14,912)
Net Change in Plan Fiduciary Net Position	1,953,737	2,556,594	(2,487,425)	2,117,407	1,664,602	2,247,664	(545,982)	1,495,956	527,226	(124,126)
Plan Fiduciary Net Position - Beginning	16,820,536	14,263,942	16,751,367	14,633,960	12,969,358	10,721,694	11,267,676	9,771,720	9,244,494	9,368,620
Plan Fiduciary Net Position - Ending (b)	\$ 18,774,273	\$ 16,820,536	\$ 14,263,942	\$ 16,751,367	\$ 14,633,960	\$ 12,969,358	\$ 10,721,694	\$ 11,267,676	\$ 9,771,720	\$ 9,244,494
Net Pension Liability (Asset), Ending (a)-(b)	\$ 3,289,863	\$ 2,186,222	\$ 4,554,127	\$ (29,248)	\$ 313,749	\$ 1,115,883	\$ 2,594,350	\$ 1,315,672	\$ 2,255,905	\$ 2,081,297
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.09%	88.50%	75.80%	100.17%	97.90%	92.08%	80.52%	89.54%	81.24%	81.62%
Covered Employee Payroll	\$ 2,400,000	\$ 2,259,062	\$ 2,000,000	\$ 2,040,000	\$ 2,000,000	\$ 2,000,000	\$ 1,874,800	\$ 1,783,088	\$ 1,603,540	\$ 1,596,996
Net Pension Liability (Asset) as a Percentage of Covered Payroll	137.08%	96.78%	227.71%	-1.43%	15.69%	55.79%	138.38%	73.79%	140.68%	130.33%

Notes to Schedule:

In 2015, the mortality assumptions were changed from the Blue Collar RP-2000 Table to the Blue Collar RP-2000 Table projected to 2015 using Scale AA. In 2017, the mortality assumptions were changed from the Blue Collar RP-2000 Table projected to 2015 using Scale AA to the Blue Collar RP-2000 Table projected to 2017 using Scale AA. In 2019, the interest rate assumption was lowered from 8.00% to 7.75% per annum. In 2021, the interest rate assumption was lowered from 7.75% to 7.25% per annum and the mortality assumption was changed to the PubS-2010 projected 5 years past 2021 valuation date using MP-2000. In 2023, the discount rate was lowered from 7.25% to 6.75%. In 2024, the discount rate was lowered from 6.75% to 6.00%.

**DOYLESTOWN TOWNSHIP
SCHEDULE OF POLICE PENSION PLAN
CONTRIBUTIONS & INVESTMENT RETURNS
LAST 10 FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 862,909	\$ 501,767	\$ 459,619	\$ 664,956	\$ 647,792	\$ 530,368	\$ 517,435	\$ 394,187	\$ 376,141	\$ 423,269
Contributions in Relation to Actuarially Determined Contribution	1,015,330	922,157	834,926	736,956	704,042	650,368	637,435	394,187	376,141	423,269
Contribution deficiency (excess)	\$ (152,421)	\$ (420,390)	\$ (375,307)	\$ (72,000)	\$ (56,250)	\$ (120,000)	\$ (120,000)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 2,400,000	\$ 2,259,062	\$ 2,000,000	\$ 2,040,000	\$ 2,000,000	\$ 2,000,000	\$ 1,874,800	\$ 1,783,088	\$ 1,603,540	\$ 1,596,996
Contribution as a Percentage of Covered Payroll	42.31%	40.82%	41.75%	36.13%	35.20%	32.52%	34.00%	22.11%	23.46%	26.50%

Notes to Schedule

Valuation Date for contribution rates

January 1, 2023

Actuarially determined contribution rates are calculated by September 30 of each year for the upcoming calendar year.

Methods and Assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	15 Years
Asset Valuation Method	Market Value
Inflation	2.25%
Salary Increases	5.00%
Investment Rate of Return	6.75%
Retirement Age	50
Mortality	PubS-2010 Mortality projected 5 years past the valuation date using scale MP-2020

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.28%	16.05%	-16.15%	13.36%	11.27%	19.32%	-6.18%	15.28%	5.76%	-1.90%

DOYLESTOWN TOWNSHIP
SCHEDULE OF CHANGES IN THE NET NON-UNIFORM EMPLOYEES'
PENSION PLAN LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 140,789	\$ 134,085	\$ 159,656	\$ 141,774	\$ 120,810	\$ 115,057	\$ 196,606	\$ 187,244	\$ 196,440	\$ 187,086
Interest	838,611	807,436	817,404	792,795	775,130	747,703	750,452	713,805	687,964	644,921
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Changes for Experience	-	(419,016)	-	(541,931)	-	(318,662)	-	(165,606)	-	(190,864)
Changes of Assumptions	915,749	-	747,390	979,753	-	221,214	-	29,232	-	213,504
Benefit Payments	<u>(544,427)</u>	<u>(590,007)</u>	<u>(470,824)</u>	<u>(435,901)</u>	<u>(406,691)</u>	<u>(622,544)</u>	<u>(379,323)</u>	<u>(525,321)</u>	<u>(306,318)</u>	<u>(300,341)</u>
Net Change in Total Pension Liability	1,350,722	(67,502)	1,253,626	936,490	489,249	142,768	567,735	239,354	578,086	554,306
Total Pension Liability - Beginning	<u>12,696,074</u>	<u>12,763,576</u>	<u>11,509,950</u>	<u>10,573,460</u>	<u>10,084,211</u>	<u>9,941,443</u>	<u>9,373,708</u>	<u>9,134,354</u>	<u>8,556,268</u>	<u>8,001,962</u>
Total Pension Liability - Ending (a)	<u>\$ 14,046,796</u>	<u>\$ 12,696,074</u>	<u>\$ 12,763,576</u>	<u>\$ 11,509,950</u>	<u>\$ 10,573,460</u>	<u>\$ 10,084,211</u>	<u>\$ 9,941,443</u>	<u>\$ 9,373,708</u>	<u>\$ 9,134,354</u>	<u>\$ 8,556,268</u>
Plan Fiduciary Net Position										
Contributions										
Employer	\$ 703,544	\$ 666,494	\$ 569,945	\$ 531,295	\$ 514,887	\$ 583,318	\$ 576,994	\$ 327,506	\$ 328,165	\$ 308,458
Member	69,608	65,017	66,981	73,172	74,929	75,857	72,793	70,302	68,888	68,051
Net Investment Income	1,100,479	1,610,091	(1,919,011)	1,377,786	1,015,736	1,446,535	(493,991)	1,043,748	383,040	(116,743)
Benefit Payments, Including Refunds of Member Contributions	(544,427)	(590,007)	(470,824)	(435,901)	(406,691)	(622,544)	(379,323)	(525,321)	(306,318)	(300,341)
Administrative Expense	<u>(6,400)</u>	<u>(11,800)</u>	<u>(5,680)</u>	<u>(10,700)</u>	<u>(5,700)</u>	<u>(10,600)</u>	<u>(5,400)</u>	<u>(11,600)</u>	<u>(5,400)</u>	<u>(9,200)</u>
Net Change in Plan Fiduciary Net Position	1,322,804	1,739,795	(1,758,589)	1,535,652	1,193,161	1,472,566	(228,927)	904,635	468,375	(49,775)
Plan Fiduciary Net Position - Beginning	<u>11,850,292</u>	<u>10,110,497</u>	<u>11,869,086</u>	<u>10,333,434</u>	<u>9,140,273</u>	<u>7,667,707</u>	<u>7,896,634</u>	<u>6,991,999</u>	<u>6,523,624</u>	<u>6,573,399</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 13,173,096</u>	<u>\$ 11,850,292</u>	<u>\$ 10,110,497</u>	<u>\$ 11,869,086</u>	<u>\$ 10,333,434</u>	<u>\$ 9,140,273</u>	<u>\$ 7,667,707</u>	<u>\$ 7,896,634</u>	<u>\$ 6,991,999</u>	<u>\$ 6,523,624</u>
Net Pension Liability (Asset), Ending (a)-(b)	<u>\$ 873,700</u>	<u>\$ 845,782</u>	<u>\$ 2,653,079</u>	<u>\$ (359,136)</u>	<u>\$ 240,026</u>	<u>\$ 943,938</u>	<u>\$ 2,273,736</u>	<u>\$ 1,477,074</u>	<u>\$ 2,142,355</u>	<u>\$ 2,032,644</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.78%	93.34%	79.21%	103.12%	97.73%	90.64%	77.13%	84.24%	76.55%	76.24%
Covered Employee Payroll	<u>\$ 1,300,000</u>	<u>\$ 1,441,204</u>	<u>\$ 1,400,000</u>	<u>\$ 1,440,000</u>	<u>\$ 1,537,978</u>	<u>\$ 1,484,970</u>	<u>\$ 1,411,338</u>	<u>\$ 1,399,216</u>	<u>\$ 1,406,308</u>	<u>\$ 1,565,242</u>
Net Pension Liability (Asset) as a Percentage of Covered Payroll	<u>67.21%</u>	<u>58.69%</u>	<u>189.51%</u>	<u>-24.94%</u>	<u>15.61%</u>	<u>63.57%</u>	<u>161.10%</u>	<u>105.56%</u>	<u>152.34%</u>	<u>129.86%</u>

Notes to Schedule:

In 2015, the mortality assumptions were changed from the Blue Collar RP-2000 Table to the Blue Collar RP-2000 Table projected to 2015 using Scale AA. In 2017, the mortality assumptions were changed from the Blue Collar RP-2000 Table projected to 2015 using Scale AA to the Blue Collar RP-2000 Table projected to 2017 using Scale AA. In 2019, the interest rate assumption was lowered from 8.00% to 7.75% per annum. In 2021, the interest rate assumption was lowered from 7.75% to 7.25% per annum and the mortality assumption was changed to the PubS-2010 projected 5 years past 2021 valuation date using MP-2000. In 2023, the discount rate was lowered from 7.25% to 6.75%. In 2024, the discount rate was lowered from 6.75% to 6.00%.

**DOYLESTOWN TOWNSHIP
SCHEDULE OF NON-UNIFORM EMPLOYEES'
PENSION PLAN CONTRIBUTIONS AND INVESTMENT RETURNS
LAST 10 FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 549,884	\$ 208,693	\$ 206,781	\$ 443,295	\$ 446,137	\$ 428,318	\$ 421,994	\$ 327,506	\$ 328,165	\$ 308,458
Contributions in Relation to Actuarially Determined Contribution	703,544	666,494	569,945	531,295	514,887	583,318	576,994	327,506	328,165	308,458
Contribution Deficiency (Excess)	\$ (153,660)	\$ (457,801)	\$ (363,164)	\$ (88,000)	\$ (68,750)	\$ (155,000)	\$ (155,000)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 1,300,000	\$ 1,441,204	\$ 1,400,000	\$ 1,440,000	\$ 1,537,978	\$ 1,484,970	\$ 1,411,338	\$ 1,399,216	\$ 1,406,308	\$ 1,565,242
Contribution as a Percentage of Covered Payroll	54.12%	46.25%	40.71%	36.90%	33.48%	39.28%	40.88%	23.41%	23.34%	19.71%

Notes to Schedule

Valuation Date January 1, 2023

Actuarially determined contribution rates are calculated by September 30 of each year for the upcoming calendar year.

Methods and Assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	6 Years
Asset Valuation Method	Market Value
Inflation	2.25%
Salary Increases	5.00%
Investment Rate of Return	6.75%
Retirement Age	60
Mortality	PubS-2010 Mortality projected 5 years past the valuation date using scale MP-2020

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.29%	15.92%	-16.17%	13.33%	11.11%	18.87%	-6.26%	15.25%	5.87%	-1.79%

DOYLESTOWN TOWNSHIP
SCHEDULE OF CHANGES IN THE TOTAL OPEB PLAN LIABILITY
DECEMBER 31, 2024

COMBINED

	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 18,852	\$ 18,442	\$ 29,060	\$ 52,919	\$ 50,399	\$ 44,478	\$ 42,360
Interest	10,608	10,974	7,938	12,650	11,591	18,479	17,405
Difference between Projected and Actual Experience	(8,249)	-	(232,332)	-	(108,370)	-	-
Changes of Assumptions	3,786	7,030	(101,037)	-	55,746	-	-
Benefit Payments	(13,586)	(22,370)	(24,871)	(12,677)	(22,356)	(35,717)	(26,658)
Net Change in Total OPEB Liability	11,411	14,076	(321,242)	52,892	(12,990)	27,240	33,107
Total OPEB Liability, Beginning of Year	261,326	247,250	568,492	515,600	528,590	501,350	468,243
Total OPEB Liability, End of Year	\$ 272,737	\$ 261,326	\$ 247,250	\$ 568,492	\$ 515,600	\$ 528,590	\$ 501,350
Plan Fiduciary Net Position as % of Total OPEB Liability	0%	0%	0%	0%	0%	0%	0%
Covered Payroll	5,729,332	5,384,951	5,128,525	5,017,046	4,778,139	4,558,319	4,341,256
Total OPEB Liability as % of Employee Covered Payroll	4.76%	4.85%	4.82%	11.33%	10.79%	11.60%	11.55%

Notes to Schedule:

Valuation Date: January 1, 2024 projected to measurement date of December 31, 2024

Methods and Assumptions:

Participant Data	Based on census information as of January 1, 2024
Discount Rate	4.28% Based on S&P Municipal 20 Year AA Municipal Bond Rate
Salary	5% increase compounded annually
Mortality	2010 Public Safety Amount Weighted Tables for Male and Female Active and Retire lives projected 5 years past the valuation date using Mortality Improvement Scale MP-2021.
Retirement - Police	Minimum age of 50 with 25 Years of Service
Retirement - Non-uniform	Minimum age of 60 with no minimum service.
Percent of Eligible Retiree Electing Coverage in Plan	15% of retirees who are eligible to participate are assumed to elect coverage.
Percent Married at Retirement	75% of employees are assumed to be married and have a spouse covered by the plan at retirement. Non-spouse dependents are deemed to be immaterial.
Spousal Participation	100% of all future retirees are assume to be married, and 75% of spouses of participating retirees are assumed to participate in coverage
Spouse Age	Wives are assumed to be three years younger than their husbands.
Health Care Cost Trend Rate	Initial rate of 8% in fiscal 2024, 7.90% in fiscal 2025, 7.35% in 2026 grading down to the ultimate trend rate of 3.45% in fiscal 2075.

* Schedules are intended to show information for 10 years. Additional years will be disclosed as they become available in future years.

DOYLESTOWN TOWNSHIP
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

Budgetary Data

The Township follows the procedures below in establishing the budgetary data in the General Fund:

During September, Township Department Heads are requested to submit preliminary operating budgets to the Township Manager for the fiscal year commencing the following January 1. The operating budgets submitted include proposed expenditures and the means of financing them as well as narrative justification for increases in the operating expenditures.

Budgets, as submitted, are subject to a detailed review by the Township Manager. The review process, which continues through November, includes meetings with the department heads, comparisons with prior year's spending patterns, and forecasting of future needs.

As required by the Township Code, the proposed budget is made available for public inspection for at least twenty days prior to the date of adoption, with the adoption required by December 31. Subsequent to the budget approval, the Township Board adopts the appropriation measures required to put the budget in to effect, and fixes the rate of taxation.

Legal budgetary control is maintained by the Township Board. Transfers between departments, whether between funds or within a fund, or revisions that alter the total revenues and expenditures of any fund must be approved by the Board of Supervisors.

Pension Data

The amounts reported in the schedules of changes in net pension liability are determined by an actuarial valuation as of January 1, 2023, rolled forward to December 31, 2024.

Other Post-Employment Benefits Data

The amounts reported in the schedules of changes in net pension liability are determined by an actuarial valuation as of January 1, 2024, rolled forward to December 31, 2024.

OTHER SUPPLEMENTARY INFORMATION

DOYLESTOWN TOWNSHIP
COMBINING STATEMENT OF FIDUCIARY NET POSITION – PENSION TRUST FUNDS
DECEMBER 31, 2024

	Pension Trust Funds		
	Non-Uniform Employees Pension Fund	Police Pension Fund	Total Pension Trust Funds
Assets			
Cash and Cash Equivalents	\$ 220,560	\$ 297,510	\$ 518,070
DROP Assets	156,344	-	156,344
Investments	<u>12,796,192</u>	<u>18,476,763</u>	<u>31,272,955</u>
Total Assets	<u>\$ 13,173,096</u>	<u>\$ 18,774,273</u>	<u>\$ 31,947,369</u>
Net Position			
Held in Trust for Benefits and Other Purposes	<u>\$ 13,173,096</u>	<u>\$ 18,774,273</u>	<u>\$ 31,947,369</u>
Total Liabilities and Net Position	<u>\$ 13,173,096</u>	<u>\$ 18,774,273</u>	<u>\$ 31,947,369</u>

DOYLESTOWN TOWNSHIP
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION TRUST FUNDS
YEAR ENDED DECEMBER 31, 2024

	Pension Trust Funds		
	Non-Uniform Employees Pension Fund	Police Pension Fund	Total Pension Trust Funds
Additions			
Contributions:			
Employer	\$ 483,340	\$ 763,668	\$ 1,247,008
Plan Members	69,608	135,256	204,864
State	220,204	251,662	471,866
Total Contributions	773,152	1,150,586	1,923,738
Investment Earnings			
Net Decrease in Fair Value of Investments	642,502	914,330	1,556,832
Dividends	487,040	682,692	1,169,732
Investment Earnings (Losses)	1,129,542	1,597,022	2,726,564
Investment Activity Expense	(29,063)	(36,301)	(65,364)
Net Investment Income	1,100,479	1,560,721	2,661,200
Total Additions	1,873,631	2,711,307	4,584,938
Deductions			
Benefits Paid	544,427	751,069	1,295,496
Administrative	6,400	6,500	12,900
Total Deductions	550,827	757,569	1,308,396
Change in Net Position	1,322,804	1,953,738	3,276,542
Net Position, Beginning of Year	11,850,292	16,820,535	28,670,827
Net Position, End of Year	\$ 13,173,096	\$ 18,774,273	\$ 31,947,369

DOYLESTOWN TOWNSHIP
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Special Revenue Funds				Capital Projects Funds				Total Other
	Fire	State	Parks	Ambulance	Capital Fund	Road and	Offsite	Bike and	Governmental
	Fund	Liquid Fuels	and Recreation	Fund	Raising	Bridges	Improvement	Hike	Funds
		Fund	Fund		Aid Fund	Fund	Fund	Fund	
Assets									
Cash and Cash Equivalents	\$ 1,667	\$ 364,559	\$ 887,260	\$ 193	67,364	1,136,970	\$ 176,647	\$ 39,395	\$ 2,674,055
Taxes Receivable	7,817	-	15,633	2,345	-	25,014	-	-	50,809
Other Receivables	-	-	25,000	-	-	-	-	-	25,000
Prepaid Expense	-	-	-	-	2,500	-	-	-	2,500
Due from Other Funds	-	317	9,923	-	-	-	-	-	10,240
Total Assets	<u>\$ 9,484</u>	<u>\$ 364,876</u>	<u>\$ 937,816</u>	<u>\$ 2,538</u>	<u>\$ 69,864</u>	<u>\$ 1,161,984</u>	<u>\$ 176,647</u>	<u>\$ 39,395</u>	<u>\$ 2,762,604</u>
Liabilities and Fund Balances									
Liabilities									
Accounts Payable	\$ -	\$ 15,907	\$ 38,578	\$ -	\$ -	\$ 165,590	\$ 34,995	\$ -	\$ 255,070
Accrued Payroll	-	53	17,278	-	-	-	-	-	17,331
Accrual Benefits	-	-	1,769	-	-	-	-	-	1,769
Unearned Revenue	-	-	5,000	-	-	-	-	-	5,000
Due to Other Funds	-	-	230,000	-	-	-	-	-	230,000
Total Liabilities	<u>-</u>	<u>15,960</u>	<u>292,625</u>	<u>-</u>	<u>-</u>	<u>165,590</u>	<u>34,995</u>	<u>-</u>	<u>509,170</u>
Fund Balances									
Restricted									
Public Safety	9,484	-	-	2,538	-	-	-	-	12,022
Culture and Recreation	-	-	645,191	-	-	-	-	-	645,191
Highways and Streets	-	348,916	-	-	-	996,394	-	-	1,345,310
Assigned									
Capital Projects	-	-	-	-	69,864	-	141,652	39,395	250,911
Total Fund Balances	<u>9,484</u>	<u>348,916</u>	<u>645,191</u>	<u>2,538</u>	<u>69,864</u>	<u>996,394</u>	<u>141,652</u>	<u>39,395</u>	<u>2,253,434</u>
Total Liabilities and Fund Balances	<u>\$ 9,484</u>	<u>\$ 364,876</u>	<u>\$ 937,816</u>	<u>\$ 2,538</u>	<u>\$ 69,864</u>	<u>\$ 1,161,984</u>	<u>\$ 176,647</u>	<u>\$ 39,395</u>	<u>\$ 2,762,604</u>

DOYLESTOWN TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	Special Revenue Funds				Capital Projects Fund				Total Other Governmental Funds
	Fire Fund	State Liquid Fuels Fund	Parks and Recreation Fund	Ambulance Fund	Capital Fund Raising Aid Fund	Road and Bridges Fund	Offsite Improvement Fund	Bike and Hike Fund	
Revenues									
Real Estate Taxes	\$ 349,645	\$ -	\$ 699,288	\$ 104,893	\$ -	\$ 1,118,862	\$ -	\$ -	\$ 2,272,688
Interest Earnings	1,978	20,270	30,816	842	3,344	49,901	7,170	1,282	115,603
Intergovernmental Services	-	569,561	-	-	-	-	-	-	569,561
Charges for Services	-	-	259,128	-	38	-	11,250	-	270,416
Contributions	-	-	1,062	-	-	-	-	-	1,062
Miscellaneous	-	-	18,800	-	-	-	-	1,000	19,800
Total Revenues	351,623	589,831	1,009,094	105,735	3,382	1,168,763	18,420	2,282	3,249,130
Expenditures									
Public Safety	348,600	-	-	105,223	-	-	-	-	453,823
Public Works	-	143,875	715,383	-	-	-	30,488	-	889,746
Culture and Recreation	-	-	448,184	-	-	-	-	730	448,914
Capital Outlay	-	397,874	31,929	-	-	1,341,482	47,461	-	1,818,746
Total Expenditures	348,600	541,749	1,195,496	105,223	-	1,341,482	77,949	730	3,611,229
Deficiency of Revenues Over Expenditures	3,023	48,082	(186,402)	512	3,382	(172,719)	(59,529)	1,552	(362,099)
Other Financing Sources (Uses)									
Transfers In	-	-	527,074	-	-	246,493	-	-	773,567
Transfers Out	-	-	(22,074)	-	-	-	-	-	(22,074)
Total Other Financing Sources (Uses)	-	-	505,000	-	-	246,493	-	-	751,493
Net Change in Fund Balances	3,023	48,082	318,598	512	3,382	73,774	(59,529)	1,552	389,394
Fund Balances at Beginning of Year	6,461	300,834	326,593	2,026	66,482	922,620	201,181	37,843	1,864,040
Fund Balances at End of Year	\$ 9,484	\$ 348,916	\$ 645,191	\$ 2,538	\$ 69,864	\$ 996,394	\$ 141,652	\$ 39,395	\$ 2,253,434