

DOYLESTOWN TOWNSHIP
ANNUAL FINANCIAL REPORT
Year Ended December 31, 2023

DOYLESTOWN TOWNSHIP
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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, 2023, 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, 2023, 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.



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- 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 2023 the Township adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", Statement No. 96, "Subscription-Based Information Technology Arrangements", and Statement No. 99, "Omnibus 2022". 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 49, and pension and OPEB plan information ("required supplementary information") on pages 50 through 56 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 Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
September 25, 2024

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
DECEMBER 31, 2023

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, 2023.

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 Doylestown Township exceeded its liabilities at the close of the most recent fiscal year by \$39,498,701 for 2023 and \$29,538,554 for 2022 (*net position*). Of this amount \$13,701,572 and \$6,344,019 for 2023 and 2022, respectively (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- \$24,238,595 and \$21,626,783 for 2023 and 2022, respectively is net investment in capital assets, \$8,487 and \$14,086 is restricted for public safety, \$326,593 and \$707,103 is restricted for culture and recreation, and \$1,223,454 and \$846,563 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 \$15,577,877 and \$8,797,377 for 2023 and 2022, respectively.
- At the end of the current fiscal year, unassigned fund balance for general fund was \$5,607,598 or 56% of total general fund expenditures; in 2022 this amount was \$6,358,550 or 66%.

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.

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
DECEMBER 31, 2023

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 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.

Roads and Bridges Fund: The Roads and Bridges Fund accounts for maintenance and improvements to Township roads and bridges.

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
DECEMBER 31, 2023

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

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 \$39,498,701 and \$29,538,554 for 2023 and 2022, respectively at the close of the year.

By far the largest portion of Doylestown Township's net position (61% and 73% for 2023 and 2022, 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 (\$1,558,534 and \$1,567,752 for 2023 and 2022, respectively) represents resources that are subject to external restrictions on how they may be used.

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
DECEMBER 31, 2023

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

	<u>Governmental Activities</u>		<u>Component Units</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 20,840,928	\$ 14,166,863	\$ 9,254,065	\$ 8,783,029
Capital assets	<u>45,353,567</u>	<u>40,401,316</u>	<u>11,387,615</u>	<u>11,177,155</u>
Total assets	<u>\$ 66,194,495</u>	<u>\$ 54,568,179</u>	<u>\$ 20,641,680</u>	<u>\$ 19,960,184</u>
Deferred Outflows of Resources	<u>\$ 3,136,432</u>	<u>\$ 6,218,739</u>	<u>\$ -</u>	<u>\$ -</u>
Long-term liabilities outstanding	\$ 25,755,438	\$ 27,719,731	\$ -	\$ -
Other liabilities	<u>2,477,595</u>	<u>2,496,905</u>	<u>321,383</u>	<u>426,981</u>
	<u>\$ 28,233,033</u>	<u>\$ 30,216,636</u>	<u>\$ 321,383</u>	<u>\$ 426,981</u>
Deferred Inflows of Resources	<u>\$ 1,599,193</u>	<u>\$ 1,031,728</u>	<u>\$ -</u>	<u>\$ -</u>
Net Position:				
Net Investment in				
Capital Assets	\$ 24,238,595	\$ 21,626,783	\$ 11,387,615	\$ 11,177,155
Restricted	1,558,534	1,567,752	7,925,487	7,446,829
Unrestricted	<u>13,701,572</u>	<u>6,344,019</u>	<u>1,007,195</u>	<u>909,219</u>
	<u>\$ 39,498,701</u>	<u>\$ 29,538,554</u>	<u>\$ 20,320,297</u>	<u>\$ 19,533,203</u>

The remaining balances of *unrestricted net position* (\$13,701,572 and \$6,344,019 for 2023 and 2022, 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 \$9,960,147 for 2023 and increased \$94,134 for 2022.

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 2023 and 2022 is presented below:

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
DECEMBER 31, 2023

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

	<u>Governmental Activities</u>		<u>Component Units</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 9,003,567	\$ 2,669,024	\$ 2,914,726	\$ 3,005,849
Operating grants and Contributions	1,934,420	2,737,231	-	-
Capital grants and Contributions	-	-	157,831	450,931
General Revenues:				
Property Taxes	4,236,157	4,583,842	-	-
Earned Income and other taxes	7,080,221	6,804,405	-	-
Investment earnings	420,883	81,998	297,213	15,687
Gain (loss) on sale of capital assets	-	(98,846)	-	-
Total Revenues	<u><u>22,675,248</u></u>	<u><u>16,777,654</u></u>	<u><u>3,369,770</u></u>	<u><u>3,472,467</u></u>
Expenditures/Expenses:				
General Government	2,089,785	2,632,567	-	-
Public Safety	3,986,962	4,989,725	-	-
Public Works	2,515,075	4,279,033	-	-
Culture and Recreation	623,527	1,869,829	-	-
Benefits and Insurance	2,748,478	2,194,466	-	-
Interest on long-term debt	751,274	717,900	-	-
Doylestown Township Municipal Authority	-	-	2,582,676	2,409,138
Total Expenditures/Expenses	<u><u>12,715,101</u></u>	<u><u>16,683,520</u></u>	<u><u>2,582,676</u></u>	<u><u>2,409,138</u></u>
Change in Net Position	9,960,147	94,134	787,094	1,063,329
Net Position - Beginning of Year, restated	29,538,554	29,444,420	19,533,203	18,469,874
Net Position - End of Year	<u><u>\$ 39,498,701</u></u>	<u><u>\$ 29,538,554</u></u>	<u><u>\$ 20,320,297</u></u>	<u><u>\$ 19,533,203</u></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)
DECEMBER 31, 2023

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 \$15,577,877 and \$9,797,377 for 2023 and 2022, respectively. \$5,392,455 and \$6,294,740 for 2023 and 2022, respectively constitutes *unassigned fund balance*, which is available for spending at the government's discretion. *Nonspendable fund balance* \$146,655 and \$136,448 for 2023 and 2022 respectively, represents amounts that are not in spendable form. Fund balance of \$8,480,233 and \$798,437 has been *assigned* for capital projects for 2023 and 2022, respectively. The remainder of fund balance of \$1,558,534 and \$1,567,752 for 2023 and 2022 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, and highway and street 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 \$5,607,598 and at the end of 2022 this number was \$6,358,550. 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 56% and 66% for 2023 and 2022, respectively of total general fund expenditures.

The fund balance of the General Fund decreased by \$740,745 during the current fiscal year and decreased \$221,505 for 2022. Key factors in this 2023 decrease were an increase in overall expenditures.

General Fund Budgetary Highlights

General Fund actual revenues exceeded final budgeted revenues for 2023 by \$831,054 or approximately 8.3%. Earned income taxes were over budget by 6.2%, local services taxes were over budget by 4.2%, and property taxes were under budget by .56%.

Differences between the final budgeted expenditures and actual expenditures resulted in a favorable variance of \$324,976 or approximately 3.24%. The variance in excess of expenditures under revenues amounted to \$1,156,030.

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

Expenditures for Public Safety exceeded budget by approximately \$148,107 but it was offset by Benefits and Insurance expenditures which were under budget by approximately \$100,907.

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
DECEMBER 31, 2023

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 \$1,341,736 and \$1,685,335 for 2023 and 2022, 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, 2023, amounts to \$45,353,567 and \$40,401,316 for 2022 (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, 2023, amounts to \$11,387,615 and \$11,177,155 for 2022. 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)
DECEMBER 31, 2023**

	Balance January 1, 2023	Increases	Decreases	Balance December 31, 2023
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 3,750,000	\$ -	\$ -	\$ 3,750,000
Construction in Progress	1,002,706	2,354,013	(511,864)	2,844,855
Total Capital Assets Not Being Depreciated	4,752,706	2,354,013	(511,864)	6,594,855
Capital Assets Being Depreciated				
Land Improvements	4,285,042	-	-	4,285,042
Buildings and Improvements	13,582,526	13,643	(23,689)	13,572,480
Infrastructure	41,348,395	4,487,826	-	45,836,221
Machinery, Vehicles and Equipment	6,799,744	487,528	(215,728)	7,071,544
Total Capital Assets Being Depreciated	66,015,707	4,988,997	(239,417)	70,765,287
Accumulated Depreciation				
Land Improvements	(4,024,670)	(19,465)	-	(4,044,135)
Buildings and Improvements	(2,183,970)	(311,088)	2,369	(2,492,689)
Infrastructure	(20,125,672)	(1,100,692)	-	(21,226,364)
Machinery, Vehicles and Equipment	(4,032,785)	(421,573)	210,971	(4,243,387)
Total Accumulated Depreciation	(30,367,097)	(1,852,818)	213,340	(32,006,575)
Total Capital Assets Being Depreciated, Net	35,648,610	3,136,179	(26,077)	38,758,712
Governmental Activities Capital Assets, Net	\$ 40,401,316	\$ 5,490,192	\$ (537,941)	\$ 45,353,567

Long-term debt: At year-end, the Township had total long-term debt outstanding (Bonds and Notes) of \$20,788,417 and \$18,429,749 for 2023 and 2022, respectively. Additional information on Doylestown Township's long-term debt can be found in the footnotes.

	Balance January 1, 2023	Increases	Decreases	Balance December 31, 2023	Due Within One Year
Governmental Activities					
General Obligation Bonds and Notes					
Promissory Note - 2018	7,076,749	602,264	(7,679,013)	-	-
General Obligation Note - 2020	2,938,000	-	(97,000)	2,841,000	100,000
General Obligation Bonds - Series 2022	8,415,000	-	(390,000)	8,025,000	345,000
General Obligation Note - 2023	-	3,000,000	(72,583)	2,927,417	149,821
General Obligation Bonds - Series 2023	-	6,995,000	-	6,995,000	5,000
Total General Obligation Bonds and Notes	18,429,749	10,597,264	(8,238,596)	20,788,417	599,821
Bond Premiums	344,784	3,119	(21,348)	326,555	-
Compensated Absences	1,490,742	-	(143,606)	1,347,136	-
Net Pension Liability	7,207,206	-	(4,175,202)	3,032,004	-
Net OPEB Obligation	247,250	14,076	-	261,326	-
Total Governmental Activities Long-Term Liabilities	\$ 27,719,731	\$ 10,614,459	\$ (12,578,752)	\$ 25,755,438	\$ 599,821

Economic Factors and the 2024 Budgets

In 2024, the economy continues to be stable with low unemployment as in previous years, and moderating inflation. Projected growth in 2024 is expected to be at 2.2%, 2.0% in 2025 and 1.8% in 2026. Unemployment has increased at the date of this report to 4.3% though recent inflationary moderation 2.9% have prompted the Federal Reserve to possibly lower interest rates in the third quarter 2024 by .25 to .50 basis points, the Fed Funds rate is currently at 5.50%. Through 2023 economic conditions continued to remain stable in Doylestown Township. The housing market even with high mortgage rates and tight inventory pushed transfer tax receipts to over a million dollars in 2023. Earned income tax receipts, the primary source of income for the Township General Fund, remain stable at \$5.3M with a slight increase over 2022 by .6% which will be monitored going forward to see if this a trend. Local Services Taxes were down slightly over 2022.

DOYLESTOWN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
DECEMBER 31, 2023

Real estate transfer tax increased by \$249,406 due to the sale of the Pine Run Community property. Charges for services decreased over 2022 revenue by \$76,457, the Code Department recorded 779 permits in 2023.

In 2023, the Township due to its solid financial condition was able to borrow \$3M (bank note) for the accelerated road program and \$7M (general bond obligation) for the community recreation center park improvements project.

In establishing the 2024 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 2024 along with pension funding (maintaining the recommended Pension Advisory Committee course of action), funds being allocated for an expanded and accelerated road program, park projects (Community Center park improvement in the construction phase), and bike and hike maintenance and projects. Appropriated funds were set aside for storm water management mandates. Parks Maintenance, Technology, Public works, and the Police department submitted budgets to purchase additional equipment. The 2024 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, pending national elections, 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 April) 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, 2023**

	Primary <u>Government</u> Governmental <u>Activities</u>	Component <u>Unit</u> Doylestown Township Municipal Authority	<u>Totals</u>
Assets			
Cash and Cash Equivalents	\$ 13,158,531	\$ 718,344	\$ 13,876,875
Investments	2,715,059	-	2,715,059
Receivables			
Taxes	4,103,318	-	4,103,318
Accounts	717,365	572,061	1,289,426
Notes Receivable	-	8,000	8,000
Prepaid Expenses	146,655	30,173	176,828
Restricted Assets			
Cash and Investments	-	7,925,487	7,925,487
Capital Assets			
Construction in Progress	2,844,855	665,695	3,510,550
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	45,836,221	22,234,636	68,070,857
Machinery, Vehicles and Equipment	7,071,544	2,366,042	9,437,586
Accumulated Depreciation	<u>(32,006,575)</u>	<u>(15,912,052)</u>	<u>(47,918,627)</u>
Total Assets	<u>66,194,495</u>	<u>20,641,680</u>	<u>86,836,175</u>
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	3,092,863	-	3,092,863
Deferred Outflows Related to OPEB	<u>43,569</u>	<u>-</u>	<u>43,569</u>
Total Deferred Outflows of Resources	<u>3,136,432</u>	<u>-</u>	<u>3,136,432</u>
Liabilities			
Accounts Payable	987,616	118,919	1,106,535
Payroll Withholdings	25,640	-	25,640
Accrued Payroll	163,602	-	163,602
Unearned Revenue	1,255,162	-	1,255,162
Escrows Deposits	-	202,464	202,464
Other Liabilities	45,575	-	45,575
Long Term Liabilities:			
Portion Due or Payable Within One Year			
General Obligation Bonds and Notes	599,821	-	599,821
Portion Due or Payable After One Year			
General Obligation Bonds and Notes	20,515,151	-	20,515,151
Net Pension Liability	3,032,004	-	3,032,004
OPEB Obligation	261,326	-	261,326
Compensated Absences	<u>1,347,136</u>	<u>-</u>	<u>1,347,136</u>
Total Liabilities	<u>28,233,033</u>	<u>321,383</u>	<u>28,554,416</u>
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	1,249,260	-	1,249,260
Deferred Inflows Related to OPEB	<u>349,933</u>	<u>-</u>	<u>349,933</u>
Total Deferred Inflows of Resources	<u>1,599,193</u>	<u>-</u>	<u>1,599,193</u>
Net Position			
Net Investment in Capital Assets	24,238,595	11,387,615	35,626,210
Restricted for:			
Public Safety	8,487	-	8,487
Culture and recreation	326,593	-	326,593
Highway and Streets	1,223,454	-	1,223,454
Capital Improvements	-	7,925,487	7,925,487
Unrestricted	<u>13,701,572</u>	<u>1,007,195</u>	<u>14,708,767</u>
Total Net Position	<u>\$ 39,498,701</u>	<u>\$ 20,320,297</u>	<u>\$ 59,818,998</u>

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

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	\$ 2,089,785	\$ 1,051,272	\$ 454,221	\$ -	\$ (584,292)	\$ -	\$ (584,292)	
Public Safety	3,986,962	574,547	173,223	-	(3,239,192)	-	(3,239,192)	
Public Works	2,515,075	7,074,284	1,306,976	-	5,866,185	-	5,866,185	
Culture/Recreation	623,527	303,464	-	-	(320,063)	-	(320,063)	
Benefits and Insurance	2,748,478	-	-	-	(2,748,478)	-	(2,748,478)	
Interest on Long-Term Debt	751,274	-	-	-	(751,274)	-	(751,274)	
Total Governmental Activities	12,715,101	9,003,567	1,934,420	-	(1,777,114)	-	(1,777,114)	
Component Unit								
Doylestown Township Municipal Authority	2,582,676	2,914,726	-	157,831	-	489,881	489,881	
Total Township Activities	\$ 15,297,777	\$ 11,918,293	\$ 1,934,420	\$ 157,831	-	489,881	-	
General Revenues:								
Taxes								
Property Taxes					4,236,157	-	4,236,157	
Transfer Tax					1,074,606	-	1,074,606	
Earned income and Local Services Tax					6,005,615	-	6,005,615	
Other Taxes					-	-	-	
Interest, Investment Earnings and Royalties					420,883	297,213	718,096	
Total General Revenues and Transfers					11,737,261	297,213	12,034,474	
					Change in Net Position	9,960,147	787,094	10,747,241
					Net Position - Beginning	29,538,554	19,533,203	49,071,757
					Net Position - Ending	\$ 39,498,701	\$ 20,320,297	\$ 59,818,998

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023

<u>Assets</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Road and Bridges Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents	\$ 1,255,345	\$ 8,816,991	\$ 1,491,657	\$ 131,106	\$ 1,375,695	\$ 13,070,794
Investments	2,715,059	-	-	-	-	2,715,059
Taxes Receivable	4,064,928	-	13,134	10,103	15,153	4,103,318
Other Receivables	126,548	185,000	-	-	405,817	717,365
Due From Other Funds	486,730	-	-	-	10,240	496,970
Prepaid Expenses	146,655	-	-	-	-	146,655
Total Assets	<u>\$ 8,795,265</u>	<u>\$ 9,001,991</u>	<u>\$ 1,504,791</u>	<u>\$ 141,209</u>	<u>\$ 1,806,905</u>	<u>\$ 21,250,161</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>						
Liabilities						
Accounts Payable	\$ 149,359	\$ 317,063	\$ 201,699	\$ 99,622	\$ 219,873	\$ 987,616
Payroll Liabilities	20,589	-	-	-	2,237	22,826
Accrued Payroll	147,408	-	-	-	8,059	155,467
Due to Other Funds	24,168	-	-	256,730	230,000	510,898
Unearned Revenues	-	910,517	339,645	-	5,000	1,255,162
Other Liabilities	4,748	-	40,827	-	-	45,575
Total Liabilities	<u>346,272</u>	<u>1,227,580</u>	<u>582,171</u>	<u>356,352</u>	<u>465,169</u>	<u>2,977,544</u>
 <u>Deferred Inflow of Resources</u>						
Unavailable Revenues - Taxes	2,694,740	-	-	-	-	2,694,740
Total Liabilities	<u>2,694,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,694,740</u>
 <u>Fund Balances</u>						
Nonspendable, Prepaid Expenses	146,655	-	-	-	-	146,655
Restricted						
Public Safety	-	-	-	-	8,487	8,487
Culture and Recreation	-	-	-	-	326,593	326,593
Highways and Streets	-	-	922,620	-	300,834	1,223,454
Assigned						
Capital Projects	-	7,774,411	-	-	705,822	8,480,233
Unassigned	5,607,598	-	-	(215,143)	-	5,392,455
Total Fund Balances	<u>5,754,253</u>	<u>7,774,411</u>	<u>922,620</u>	<u>(215,143)</u>	<u>1,341,736</u>	<u>15,577,877</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 8,795,265</u>	<u>\$ 9,001,991</u>	<u>\$ 1,504,791</u>	<u>\$ 141,209</u>	<u>\$ 1,806,905</u>	<u>\$ 21,250,161</u>

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total Governmental Funds Balances	\$ 15,577,877
<p>Capital Assets used in governmental activities are not current financial resources and are not reported in the funds. These assets consist of:</p>	
Capital Assets, Non-Depreciable	6,594,855
Capital Assets, Depreciable, Net	38,758,712
<p>Deferred inflows and outflows related to pension activities are not financial resources and therefore are not reported in the governmental funds.</p>	
	1,843,603
<p>Deferred inflows and outflows related to OPEB activities are not financial resources and therefore are not reported in the governmental funds.</p>	
	(306,364)
<p>Internal Service Funds are combined in to Governmental Activities column for the but are not reported in the governmental funds</p>	
	51,950
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:</p>	
Bonds, Notes and Leases	(20,788,417)
Bond Premiums	(326,555)
Compensated Absences	(1,308,370)
Net Pension Liability	(3,032,004)
OPEB Obligation	(261,326)
<p>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.</p>	
	2,694,740
Net Position of Governmental Activities	\$ 39,498,701

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General Fund	Capital Projects Fund	Road and Bridges Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
Revenues						
Taxes						
Property	\$ 1,394,821	\$ -	\$ 997,297	\$ 767,152	\$ 1,150,728	\$ 4,309,998
Transfer	1,074,606	-	-	-	-	1,074,606
Earned Income	5,379,609	-	-	-	-	5,379,609
Local Services	626,006	-	-	-	-	626,006
Licenses and Permits	1,550	-	-	-	-	1,550
Cable Franchise Fees	361,383	-	-	-	-	361,383
Fines, Forfeits and Fees	532,042	-	-	-	-	532,042
Investment Income and Rent	166,505	91,368	76,256	9,916	72,950	416,995
Intergovernmental	698,388	285,424	-	-	950,608	1,934,420
Charges for Services	661,641	-	40,955	-	331,712	1,034,308
Miscellaneous	-	-	6,982,894	-	91,390	7,074,284
Total Revenues	10,896,551	376,792	8,097,402	777,068	2,597,388	22,745,201
Expenditures						
Current						
General Government	2,341,685	-	-	-	-	2,341,685
Public Safety	3,525,139	-	-	-	462,382	3,987,521
Public Works	1,411,382	-	-	-	-	1,411,382
Culture and Recreation	-	-	-	-	255,002	255,002
Benefits and Insurance	2,748,478	-	-	-	-	2,748,478
Capital Outlay	-	634,267	3,499,806	-	2,697,073	6,831,146
Debt Service						
Principal	-	-	7,679,013	559,583	-	8,238,596
Interest and Other Charges	-	-	202,247	549,027	-	751,274
Total Expenditures	10,026,684	634,267	11,381,066	1,108,610	3,414,457	26,565,084
Excess of Revenues Over (Under) Expenditures	869,867	(257,475)	(3,283,664)	(331,542)	(817,069)	(3,819,883)
Other Financing Sources (Uses)						
Issuance of Long Term Debt, Net	-	70,000	3,602,264	6,925,000	-	10,597,264
Premium	-	-	-	3,119	-	3,119
Transfers In	-	7,885,052	-	-	895,750	8,780,802
Transfers Out	(1,610,612)	-	-	(6,747,910)	(422,280)	(8,780,802)
Total Other Financing Sources (Uses)	(1,610,612)	7,955,052	3,602,264	180,209	473,470	10,600,383
Net Change in Fund Balances	(740,745)	7,697,577	318,600	(151,333)	(343,599)	6,780,500
Fund Balances - Beginning of Year	6,494,998	76,834	604,020	(63,810)	1,685,335	8,797,377
Fund Balances - End of Year	\$ 5,754,253	\$ 7,774,411	\$ 922,620	\$ (215,143)	\$ 1,341,736	\$ 15,577,877

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, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 6,780,500
<p>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 (\$6,831,146) is exceeded by depreciation (\$1,852,818) in the current period netted by the loss on disposal of assets (\$26,077)</p>	
	4,952,251
<p>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 2023</p>	
	(16,570)
<p>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.</p>	
	(73,841)
<p>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:</p>	
Issuance of Long-Term Debt	(10,597,264)
Payments on Long Term Debt	8,238,596
Net change in bond premium	18,229
<p>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:</p>	
Pension plan expense	486,874
OPEB plan expense	24,480
<p>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).</p>	
	146,892
Change in Net Position of Governmental Activities	\$ 9,960,147

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2023

	Governmental Activities
	Internal Service Fund
	Water Fund
<u>ASSETS</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 87,737
Due From Other Funds	13,928
Total Current Assets	101,665
 <u>LIABILITIES</u>	
Current Liabilities	
Accrued Payroll	8,135
Payroll Liabilities	2,814
Total Current Liabilities	10,949
Non-Current Liabilities	
Compensated Absences	38,766
Total Non-Current Liabilities	38,766
Total Liabilities	49,715
Net Position	
Unrestricted	51,950
Total Net Position	\$ 51,950

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2023

	Governmental Activities
	Internal Service Fund
	Water Fund
Operating Revenues	
Charges for Services	\$ 602,411
Total Operating Revenues	602,411
Operating Expenses	
General and Administrative	235,534
Public Works	387,335
Total Operating Expenses	622,869
Operating Income (Loss)	(20,458)
Nonoperating Revenues and Expenses	
Interest Income	3,888
Total Nonoperating Revenues and Expenses	3,888
Change in Net Position	(16,570)
Net Position - Beginning of Year	68,520
Net Position - End of Year	\$ 51,950

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2023

	Governmental Activities
	Internal Service Fund
	Water Fund
Cash Flow From Operating Activities	
Cash Received from Charges for Services	\$ 599,923
Payments to Employees	(623,683)
Net Cash Provided by (Used in) Operating Activities	(23,760)
Cash Flows from Investing Activities	
Earnings on Investments	3,888
Net Cash Provided by (Used in) Investing Activities	3,888
Net Increase (Decrease) in Cash and Cash Equivalents	(19,872)
Cash and Cash Equivalents- Beginning of Year	107,609
Cash and Cash Equivalents - End of Year	\$ 87,737
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (20,458)
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities	
(Increase) Decrease in	
Due From Other Fund	(2,488)
Increase (Decrease) in	
Accrued Payroll	(4,100)
Compensated Absences	3,286
Net Cash Used In Operating Activities	\$ (23,760)

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	Pension Trust Funds	Custodial Fund
Assets		
Cash and Cash Equivalents	\$ 111,805	\$ 566,434
DROP Assets	87,545	-
Investments	28,471,478	-
Accounts Receivable	-	1,227
Total Assets	\$ 28,670,828	\$ 567,661
Liabilities		
Accounts Payable	\$ -	\$ 24,989
Total Liabilities	-	24,989
Net Position		
Restricted for Custodial Purposes	-	542,672
Held in Trust for Benefits and Other Purposes	28,670,828	-
Total Net Position	28,670,828	542,672
Total Liabilities and Net Position	\$ 28,670,828	\$ 567,661

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2023

	Pension Trust Funds	Custodial Fund
Additions		
Contributions:		
Employer	\$ 1,174,871	\$ -
Plan Members	189,137	-
State Aid	413,780	-
Developers	-	332,621
	1,777,788	332,621
Total Contributions		
Investment Earnings		
Net Increase in Fair Value of Investments	3,105,077	-
Investment and Dividends Income	875,214	-
	3,980,291	-
Investment Earnings		
Investment Activity Expense	(80,183)	-
	3,900,108	-
Net Investment Income		
Total Additions	5,677,896	332,621
Deductions		
Benefits Paid	1,358,607	-
Administrative	22,900	-
Escrow Payments	-	353,583
	1,381,507	353,583
Total Deductions		
Change in Net Position	4,296,389	(20,962)
Net Position, Beginning of Year	24,374,439	563,634
Net Position, End of Year	\$ 28,670,828	\$ 542,672

See accompanying Notes to Financial Statements.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 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, 2023

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 Roads and Bridges Fund accounts for maintenance and improvements to Township roads and bridges.
- 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, 2023

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 2023.
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 2023 the following functions incurred expenditures in excess of appropriations in the adopted budget:

Public Safety \$148,107

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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, 2023 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, 2023, 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 2.75, Roads and Bridges 3.575 and Parks and Recreation 2.50.

DOYLESTOWN TOWNSHIP
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2023

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:

	Years
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.

Compensated Absences – Certain unused vacation and sick benefits do not lapse at year-end without approval of the Township and are recorded as a liability on the governmental activities column in the government-wide financial statements.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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, 2023, 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, 2023

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 provisions of GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The adoption of this statement had no effect on previously reported amounts.

The Township adopted the provisions of GASB Statement No. 96, "Subscription-Based Information Technology Arrangements". The adoption of this statement had no effect on previously reported amounts.

The Township adopted the remaining provisions of GASB Statement No. 99 "Omnibus 2022." The adoption of this statement had no effect on previously reported amounts.

Pending Changes in Accounting Principles

In June 2022, the GASB issued Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62". This Statement is required to be adopted for the Township's 2024 financial statements.

The June 2022, the GASB issued Statement No. 101, "Compensated Absences". This Statement is required to be adopted for the Township's 2024 financial statements.

In December 2023, the GASB issued Statement No. 102, "Certain Risk Disclosures". This Statement is required to be adopted for the Township's 2025 financial statements.

In April 2024, the GASB issued Statement No. 103, "Financial Reporting Model Improvements." This Statement is required to be adopted for the Township's 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, 2023

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, 2023, \$558,334 of the Township's bank balance of \$6,932,048 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. \$6,872,223 was held in PLGIT state investment pools which is both uninsured and not collateralized.

The Component Unit has a bank balance of \$2,093,253, of which \$298,164 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, 2023:

<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	\$ 2,715,059	\$ 2,715,059	\$ -	\$ -
Fiduciary Funds				
Equity Mutual Funds	18,583,105	18,583,105	-	-
Fixed Income Mutual Funds	9,888,374	9,888,374	-	-
Total	<u>\$ 31,186,538</u>	<u>\$ 31,186,538</u>	<u>\$ -</u>	<u>\$ -</u>

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	\$ 2,715,059	\$ 2,715,059	\$ -	\$ -
Fiduciary Funds				
Fixed Income Mutual Funds	9,888,374	-	1,133,578	8,754,796
Total	<u>\$ 12,603,433</u>	<u>\$ 2,715,059</u>	<u>\$ 1,133,578</u>	<u>\$ 8,754,796</u>

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

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.

Investment Type	Fair Value	Credit Quality
Fiduciary Funds		
Fixed Income Mutual Funds	\$ 3,967,011	AA
Fixed Income Mutual Funds	5,921,363	A
	\$ 9,888,374	

NOTE 3 CAPITAL ASSETS

Changes in capital asset activity for the year ended December 31, 2023, were as follows:

	Balance January 1, 2023	Increases	Decreases	Balance December 31, 2023
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 3,750,000	\$ -	\$ -	\$ 3,750,000
Construction in Progress	1,002,706	2,354,013	(511,864)	2,844,855
Total Capital Assets Not Being Depreciated	4,752,706	2,354,013	(511,864)	6,594,855
Capital Assets Being Depreciated				
Land Improvements	4,285,042	-	-	4,285,042
Buildings and Improvements	13,582,526	13,643	(23,689)	13,572,480
Infrastructure	41,348,395	4,487,826	-	45,836,221
Machinery, Vehicles and Equipment	6,799,744	487,528	(215,728)	7,071,544
Total Capital Assets Being Depreciated	66,015,707	4,988,997	(239,417)	70,765,287
Accumulated Depreciation				
Land Improvements	(4,024,670)	(19,465)	-	(4,044,135)
Buildings and Improvements	(2,183,970)	(311,088)	2,369	(2,492,689)
Infrastructure	(20,125,672)	(1,100,692)	-	(21,226,364)
Machinery, Vehicles and Equipment	(4,032,785)	(421,573)	210,971	(4,243,387)
Total Accumulated Depreciation	(30,367,097)	(1,852,818)	213,340	(32,006,575)
Total Capital Assets Being Depreciated, Net	35,648,610	3,136,179	(26,077)	38,758,712
Governmental Activities Capital Assets, Net	\$ 40,401,316	\$ 5,490,192	\$ (537,941)	\$ 45,353,567

Depreciation expense was charged as follows:

Governmental Activities	
General Government	\$ 99,891
Public Safety	280,709
Public Works	1,103,693
Culture and Recreation	368,525
Total Governmental Activities	\$ 1,852,818

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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	\$ 486,730	\$ 24,168
Debt Service Fund	-	256,730
Nonmajor Funds	10,240	230,000
Internal Service Fund	13,928	-
	\$ 510,898	\$ 510,898

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	\$ 1,610,612	\$ -
Capital Projects Fund	-	7,885,052
Debt Service	6,747,910	
Nonmajor Funds	422,280	895,750
	\$ 8,780,802	\$ 8,780,802

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, 2023

NOTE 5 LONG-TERM DEBT

Summary of Activity

Long-term liability activity for the year ended December 31, 2023, was as follows:

	Balance January 1, 2023	Increases	Decreases	Balance December 31, 2023	Due Within One Year
Governmental Activities					
General Obligation Bonds and Notes					
Promissory Note - 2018	7,076,749	602,264	(7,679,013)	-	-
General Obligation Note - 2020	2,938,000	-	(97,000)	2,841,000	100,000
General Obligation Bonds - Series 2022	8,415,000	-	(390,000)	8,025,000	345,000
General Obligation Note - 2023	-	3,000,000	(72,583)	2,927,417	149,821
General Obligation Bonds - Series 2023	-	6,995,000	-	6,995,000	5,000
Total General Obligation Bonds and Notes	18,429,749	10,597,264	(8,238,596)	20,788,417	599,821
Bond Premiums	344,784	3,119	(21,348)	326,555	-
Compensated Absences	1,490,742	-	(143,606)	1,347,136	-
Net Pension Liability	7,207,206	-	(4,175,202)	3,032,004	-
Net OPEB Obligation	247,250	14,076	-	261,326	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 27,719,731</u>	<u>\$ 10,614,459</u>	<u>\$ (12,578,752)</u>	<u>\$ 25,755,438</u>	<u>\$ 599,821</u>

Promissory Note – 2018

In 2018, the Township entered into an agreement with the Pennsylvania Infrastructure Investment Authority for a loan not to exceed \$8,599,354 for a sewer project. The note is secured by a pledge of taxing authority and is guaranteed by a lien on the sewer revenues of Bucks County Water and Sewer Authority (“BCWSA”). Upon completion of the project, BCWSA will assume the loan. The loan provides for interest-only payments for the first five years at 1.706%.

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.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

NOTE 5 LONG-TERM DEBT (Continued)

General Obligation Note – 2023

In 2023, the Township issued a General Obligation Note for an amount not to exceed \$3,000,000 with an interest rate of 4.20% 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 and interest is payable monthly, beginning in 2023 and continuing through 2038.

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
2024	\$ 599,821	\$ 663,588	\$ 1,263,409
2025	793,236	670,642	1,463,878
2026	832,926	634,764	1,467,690
2027	866,902	597,029	1,463,931
2028	887,177	569,697	1,456,874
2029-2033	4,874,388	2,427,723	7,302,111
2034-2038	5,520,967	1,651,937	7,172,904
2039-2043	3,979,000	897,873	4,876,873
2044-2046	2,434,000	325,733	2,759,733
	<u>\$ 20,788,417</u>	<u>\$ 8,438,986</u>	<u>\$ 29,227,403</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, 2023, plan membership consisted of the following:

Active Plan Members	20
Inactive Plan Members Currently Receiving Benefits	19
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>3</u>
	<u>42</u>

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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

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
- 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 2023, the MMO obligation for the plan was \$501,767. Contributions of \$700,697 were made by the Township to the plan and state aid of \$221,460 was contributed 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, 2023:

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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

Investments (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
U.S. Equities	40.00%	3.96%
International Equities	25.00%	6.15%
U.S. Aggregate Bonds	25.00%	2.41%
International Bonds	10.00%	2.07%

* Excludes 2.23% Inflation Assumption

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, 2023, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 16.05%. 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, 2023, were as follows:

Total Pension Liability	\$ 19,006,758
Plan Fiduciary Net Position	<u>16,820,536</u>
Net Pension Liability	<u>\$ 2,186,222</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>88.5%</u>

Actuarial Assumptions – The net pension liability was measured as of December 31, 2023 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	2.23%
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.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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

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 2023 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, 2023 are listed below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
U.S. Equities	40.00%	3.96%
International Equities	25.00%	6.15%
U.S. Aggregate Bonds	25.00%	2.41%
International Bonds	10.00%	2.07%

* Excludes 2.23% Inflation Assumption

Discount Rate – The discount rate used to measure the total pension liability was 6.75%. 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, 2022	\$ 18,818,069	\$ 14,263,942
Changes for the Year:			
Service Cost	553,213	-	553,213
Interest Cost	1,191,152	-	1,191,152
Changes for Experience	(787,076)	-	(787,076)
Changes of Assumptions	-	-	-
Contributions			
Employer	-	922,157	(922,157)
Member	-	124,120	(124,120)
Net Investment Income	-	2,290,017	(2,290,017)
Benefit Payments, including refunds of member contributions	(768,600)	(768,600)	-
Administrative Expenses	-	(11,100)	11,100
Net Changes	188,689	2,556,594	(2,367,905)
Balance at December 31, 2023	\$ 19,006,758	\$ 16,820,536	\$ 2,186,222

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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

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 6.75%, 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 4,762,473	\$ 2,186,222	\$ 57,060

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

For the year ended December 31, 2023, the Township recognized pension expense of \$795,455. At December 31, 2023, 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	\$ -	\$ 1,093,777
Change of Assumptions	1,661,706	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	828,565	-
	\$ 2,490,271	\$ 1,093,777

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
2024	\$ 379,978
2025	489,556
2026	672,831
2027	(106,487)
2028	(39,384)
Thereafter	-
	\$ 1,396,494

DOYLESTOWN TOWNSHIP
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2023

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. 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, 2023, plan membership consisted of the following:

Active Plan Members	15
Inactive Plan Members Currently Receiving Benefits	25
Inactive Plan Members Entitled to but not yet Receiving Benefits	8
	48

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.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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

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 2023, the MMO obligation for the plan was \$208,693. Contributions of \$474,174 were made by the Township to the plan and state aid of \$192,320 was contributed to the plan.

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, 2023:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
U.S. Equities	40.00%	3.96%
International Equities	25.00%	6.15%
U.S. Aggregate Bonds	25.00%	2.41%
International Bonds	10.00%	2.07%

* Excludes 2.23% 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, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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

Net Pension Liability of the Township

The components of the net pension liability of the Township at December 31, 2023, were as follows:

Total Pension Liability	\$	12,696,074
Plan Fiduciary Net Position		11,850,292
Net Pension Liability	\$	845,782
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		93.3%

Actuarial Assumptions - The net pension liability was measured as of December 31, 2023, 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		2.23%
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 2023 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, 2023 are listed below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
U.S. Equities	40.00%	3.96%
International Equities	25.00%	6.15%
U.S. Aggregate Bonds	25.00%	2.41%
International Bonds	10.00%	2.07%

* Excludes 2.23% Inflation Assumption

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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

Discount Rate – The discount rate used to measure the total pension liability was 6.75%. 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, 2022	\$ 12,763,576	\$ 10,110,497	\$ 2,653,079
Changes for the Year:			
Service Cost	134,085	-	134,085
Interest Cost	807,436	-	807,436
Changes for Experience	(419,016)	-	(419,016)
Changes of Assumptions	-	-	-
Contributions			
Employer	-	666,494	(666,494)
Member	-	65,017	(65,017)
Net Investment Income	-	1,610,091	(1,610,091)
Benefit Payments, including refunds of member contributions	(590,007)	(590,007)	-
Administrative Expenses	-	(11,800)	11,800
Net Changes	<u>(67,502)</u>	<u>1,739,795</u>	<u>(1,807,297)</u>
Balance at December 31, 2023	<u>\$ 12,696,074</u>	<u>\$ 11,850,292</u>	<u>\$ 845,782</u>

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

The following presents the net pension liability of the plan, calculated using the discount rate of 6.75%, 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 2,104,502	\$ 845,782	\$ (233,804)

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

For the year ended December 31, 2023, the Township recognized pension expense of \$306,322. At December 31, 2023, 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	\$ -	\$ 155,483
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	602,592	-
	\$ 602,592	\$ 155,483

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
2024	\$ 24,102
2025	241,680
2026	368,181
2027	(186,854)
2028	-
Thereafter	-
	\$ 447,109

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, 2023, membership consisted of 22 active members and contributions of \$56,088 and \$59,303 were made to this plan by the Township and employees, respectively.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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 Insurance Trust Fund (“DVHIT”). 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 DVHIT, 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:

	Police	Non-Uniformed
Active Plan Members	21	36
Inactive Plan Members, or Beneficiaries Currently Receiving Benefits	3	1
	24	37

Actuarial Assumptions

A summary of the actuarial assumptions for both plans used in the January 1, 2023 valuations is presented below:

Actuarial Assumptions - Both Plans	
Valuation Method	Entry Age Normal
Discount Rate	4.00%
Salary Increases	5.00%
Investment Rate of Return	N/A
Mortality Rates	2010 Public Safety Amount 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 -10% in fiscal 2022, 0% in fiscal 2023, 8% in 2024 grading down to the ultimate trend rate of 3.45% in fiscal 2075.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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

The OPEB liability of the plans for measurement date December 31, 2023, was as follows:

	Police OPEB Plan Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balance at December 31, 2022	\$ 147,497	\$ -	\$ 147,497
Changes for the Year:			
Service Cost	7,391	-	7,391
Interest Cost	6,500	-	6,500
Changes for Experience	-	-	-
Changes of Assumptions	4,866	-	4,866
Contributions			
Employer	-	8,234	(8,234)
Member	-	-	-
Net Investment Income	-	-	-
Benefit Payments, including refunds of member contributions	(8,234)	(8,234)	-
Administrative Expenses	-	-	-
Net Changes	10,523	-	10,523
Balance at December 31, 2023	<u>\$ 158,020</u>	<u>\$ -</u>	<u>\$ 158,020</u>

	Non-Uniform OPEB Plan Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balance at December 31, 2022	\$ 99,753	\$ -	\$ 99,753
Changes for the Year:			
Service Cost	11,051	-	11,051
Interest Cost	4,474	-	4,474
Changes for Experience	-	-	-
Changes of Assumptions	2,164	-	2,164
Contributions			
Employer	-	14,136	(14,136)
Member	-	-	-
Net Investment Income	-	-	-
Benefit Payments, including refunds of member contributions	(14,136)	(14,136)	-
Administrative Expenses	-	-	-
Net Changes	3,553	-	3,553
Balance at December 31, 2023	<u>\$ 103,306</u>	<u>\$ -</u>	<u>\$ 103,306</u>

Changes in Assumptions

In 2023, the change in assumption reflects a change in the discount rate from 4.31% for the reporting period December 31, 2022, to 4.00% for the reporting period ending December 31, 2023.

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

At December 31, 2023, the Township reported total OPEB liabilities for the Police Plan and Non-Uniformed Plan of \$158,020 and \$103,306, respectively. The total OPEB liabilities were measured as of December 31, 2023, and the total OPEB liability was determined by rolling forward the total OPEB liability as of January 1, 2023 to December 31, 2023.

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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, 2023, the Township recognized OPEB expense for the Police Plan and Non-Uniformed Plan of (\$2,726) and \$616, respectively. At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

POLICE OPEB PLAN	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 149,599
Change of Assumptions	31,300	58,335
	\$ 31,300	\$ 207,934

NON-UNIFORM OPEB PLAN	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 115,739
Change of Assumptions	12,269	26,260
	\$ 12,269	\$ 141,999

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

Year Ending December 31,	Police	Non-Uniformed
2024	\$ (16,617)	\$ (14,909)
2025	(16,617)	(14,909)
2026	(16,617)	(14,909)
2027	(16,617)	(14,909)
2028	(16,617)	(14,909)
Thereafter	(93,549)	(55,185)
	\$ (176,634)	\$ (129,730)

Discount Rate

The discount rate is 4.00% and is based on the December 31, 2023 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 4.00%, 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 (3.00%) or 1-percent-point higher (5.00%) than the current rate:

DOYLESTOWN TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

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

Police	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Net OPEB Liability	<u>\$ 175,164</u>	<u>\$ 158,020</u>	<u>\$ 143,029</u>
Non-Uniform	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Net OPEB Liability	<u>\$ 110,558</u>	<u>\$ 103,306</u>	<u>\$ 96,468</u>

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:

Police	1% Decrease	Current Trend Rates	1% Increase
Net OPEB Liability	<u>\$ 137,387</u>	<u>\$ 158,020</u>	<u>\$ 182,947</u>
Non-Uniform Plan	1% Decrease	Current Trend Rates	1% Increase
Net OPEB Liability	<u>\$ 91,405</u>	<u>\$ 103,306</u>	<u>\$ 117,194</u>

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 2023.

NOTE 12 SUBSEQUENT EVENTS

The Township has evaluated subsequent events for disclosure or recording through September 25, 2024 the date the audit was ready for release.

REQUIRED SUPPLEMENTARY INFORMATION

DOYLESTOWN TOWNSHIP
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Property	\$ 1,402,567	\$ 1,402,567	\$ 1,394,821	\$ (7,746)
Transfer	800,000	800,000	1,074,606	274,606
Earned Income	5,043,748	5,043,748	5,379,609	335,861
Local Services	600,000	600,000	626,006	26,006
Licenses and Permits	900	900	1,550	650
Cable Franchise Fees	369,300	369,300	361,383	(7,917)
Fines, Forfeits and Fees	637,950	637,950	532,042	(105,908)
Investment Income and Rent	35,000	35,000	166,505	131,505
Intergovernmental	607,687	607,687	698,388	90,701
Charges for Services	565,745	565,745	661,641	95,896
Miscellaneous	2,600	2,600	-	(2,600)
Total Revenues	<u>10,065,497</u>	<u>10,065,497</u>	<u>10,896,551</u>	<u>831,054</u>
Expenditures				
Current				
General Government	2,524,413	2,524,413	2,341,685	182,728
Public Safety	3,377,032	3,377,032	3,525,139	(148,107)
Public Works	1,531,830	1,531,830	1,411,382	120,448
Culture and Recreation	69,000	69,000	-	69,000
Benefits and Insurance	2,849,385	2,849,385	2,748,478	100,907
Total Expenditures	<u>10,351,660</u>	<u>10,351,660</u>	<u>10,026,684</u>	<u>324,976</u>
Excess of Revenues Over Expenditures	<u>(286,163)</u>	<u>(286,163)</u>	<u>869,867</u>	<u>1,156,030</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(1,731,700)</u>	<u>(1,731,700)</u>	<u>(1,610,612)</u>	<u>121,088</u>
Total Other Financing Sources (Uses)	<u>(1,731,700)</u>	<u>(1,731,700)</u>	<u>(1,610,612)</u>	<u>121,088</u>
Net Change in Fund Balance	(2,017,863)	(2,017,863)	(740,745)	1,277,118
Fund Balance at Beginning of Year	<u>4,525,607</u>	<u>4,495,467</u>	<u>6,494,998</u>	<u>1,999,531</u>
Fund Balance at End of Year	<u>\$ 2,507,744</u>	<u>\$ 2,477,604</u>	<u>\$ 5,754,253</u>	<u>\$ 3,276,649</u>

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 553,213	\$ 512,254	\$ 454,882	\$ 361,895	\$ 344,662	\$ 301,562	\$ 287,202	\$ 258,314	\$ 246,013	\$ 284,652
Interest	1,191,152	1,186,015	1,153,336	1,096,559	1,033,238	1,007,729	949,605	908,143	855,633	807,706
Changes of Benefit Terms										
Changes for Experience	(787,076)	-	(494,551)	-	(423,587)	-	(235,466)	-	(222,683)	-
Changes of Assumptions		1,124,268	1,339,331	-	375,087	-	27,032	-	188,340	-
Benefit Payments	(768,600)	(726,587)	(678,588)	(595,986)	(560,203)	(576,595)	(472,650)	(464,623)	(450,499)	(390,094)
Net Change in Total Pension Liability	188,689	2,095,950	1,774,410	862,468	769,197	732,696	555,723	701,834	616,804	702,264
Total Pension Liability - Beginning	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	10,006,723
Total Pension Liability - Ending (a)	\$ 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
Plan Fiduciary Net Position										
Contributions										
Employer	\$ 922,157	\$ 834,926	\$ 736,956	\$ 704,042	\$ 650,368	\$ 637,435	\$ 394,187	\$ 376,141	\$ 423,269	\$ 418,958
Member	124,120	116,135	114,239	106,957	103,492	102,807	99,852	94,463	87,169	83,134
Net Investment Income	2,290,017	(2,706,119)	1,954,750	1,461,215	2,071,199	(696,188)	1,492,663	532,750	(169,153)	322,045
Benefit Payments, Including Refunds of Member Contributions	(768,600)	(726,587)	(678,588)	(595,986)	(560,203)	(576,595)	(472,650)	(464,623)	(450,499)	(390,094)
Administrative Expense	(11,100)	(5,780)	(9,950)	(11,626)	(17,192)	(13,441)	(18,096)	(11,505)	(14,912)	(11,002)
Net Change in Plan Fiduciary Net Position	2,556,594	(2,487,425)	2,117,407	1,664,602	2,247,664	(545,982)	1,495,956	527,226	(124,126)	423,041
Plan Fiduciary Net Position - Beginning	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	8,945,579
Plan Fiduciary Net Position - Ending (b)	\$ 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
Net Pension Liability (Asset), Ending (a)-(b)	\$ 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	\$ 1,340,367
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.50%	75.80%	100.17%	97.90%	92.08%	80.52%	89.54%	81.24%	81.62%	87.48%
Covered Payroll	\$ 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	\$ 1,558,918
Net Pension Liability (Asset) as a Percentage of Covered Payroll	96.78%	227.71%	-1.43%	15.69%	55.79%	138.38%	73.79%	140.68%	130.33%	85.98%

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 changed to 6.75% in 2023 from 7.25% in 2022.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 501,767	\$ 459,619	\$ 664,956	\$ 647,792	\$ 530,368	\$ 517,435	\$ 394,187	\$ 376,141	\$ 423,269	\$ 418,958
Contributions in Relation to Actuarially Determined Contribution	922,157	834,926	736,956	704,042	650,368	637,435	394,187	376,141	423,269	418,958
Contribution deficiency (excess)	\$ (420,390)	\$ (375,307)	\$ (72,000)	\$ (56,250)	\$ (120,000)	\$ (120,000)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 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	\$ 1,558,918
Contribution as a Percentage of Covered Payroll	40.82%	41.75%	36.13%	35.20%	32.52%	34.00%	22.11%	23.46%	26.50%	26.87%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	16.05%	-16.15%	13.36%	11.27%	19.32%	-6.18%	15.28%	5.76%	-1.90%	3.63%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 134,085	\$ 159,656	\$ 141,774	\$ 120,810	\$ 115,057	\$ 196,606	\$ 187,244	\$ 196,440	\$ 187,086	\$ 195,018
Interest	807,436	817,404	792,795	775,130	747,703	750,452	713,805	687,964	644,921	603,688
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Changes for Experience	(419,016)	-	(541,931)	-	(318,662)	-	(165,606)	-	(190,864)	-
Changes of Assumptions	747,390	747,390	979,753	-	221,214	-	29,232	-	213,504	-
Benefit Payments	(590,007)	(470,824)	(435,901)	(406,691)	(622,544)	(379,323)	(525,321)	(306,318)	(300,341)	(295,649)
Net Change in Total Pension Liability	(67,502)	1,253,626	936,490	489,249	142,768	567,735	239,354	578,086	554,306	503,057
Total Pension Liability - Beginning	12,763,576	11,509,950	10,573,460	10,084,211	9,941,443	9,373,708	9,134,354	8,556,268	8,001,962	7,498,905
Total Pension Liability - Ending (a)	<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>
Plan Fiduciary Net Position										
Contributions										
Employer	\$ 666,494	\$ 569,945	\$ 531,295	\$ 514,887	\$ 583,318	\$ 576,994	\$ 327,506	\$ 328,165	\$ 308,458	\$ 316,557
Member	65,017	66,981	73,172	74,929	75,857	72,793	70,302	68,888	68,051	72,876
Net Investment Income	1,610,091	(1,919,011)	1,377,786	1,015,736	1,446,535	(493,991)	1,043,748	383,040	(116,743)	222,564
Benefit Payments, Including Refunds of Member Contributions	(590,007)	(470,824)	(435,901)	(406,691)	(622,544)	(379,323)	(525,321)	(306,318)	(300,341)	(295,649)
Administrative Expense	(11,800)	(5,680)	(10,700)	(5,700)	(10,600)	(5,400)	(11,600)	(5,400)	(9,200)	(4,100)
Net Change in Plan Fiduciary Net Position	1,739,795	(1,758,589)	1,535,652	1,193,161	1,472,566	(228,927)	904,635	468,375	(49,775)	312,248
Plan Fiduciary Net Position - Beginning	10,110,497	11,869,086	10,333,434	9,140,273	7,667,707	7,896,634	6,991,999	6,523,624	6,573,399	6,261,151
Plan Fiduciary Net Position - Ending (b)	<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>
Net Pension Liability (Asset), Ending (a)-(b)	<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>	<u>\$ 1,428,563</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.34%	79.21%	103.12%	97.73%	90.64%	77.13%	84.24%	76.55%	76.24%	82.15%
Covered Payroll	<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>	<u>\$ 1,700,666</u>
Net Pension Liability (Asset) as a Percentage of Covered Payroll	58.69%	189.51%	-24.94%	15.61%	63.57%	161.10%	105.56%	152.34%	129.86%	84.00%

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 IMP-2000. In 2023, the discount rate changed to 6.75% in 2023 from 7.25% in 2022.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 208,693	\$ 206,781	\$ 443,295	\$ 446,137	\$ 428,318	\$ 421,994	\$ 327,506	\$ 328,165	\$ 308,458	\$ 316,557
Contributions in Relation to Actuarially Determined Contribution	666,494	569,945	531,295	514,887	583,318	576,994	327,506	328,165	308,458	316,557
Contribution Deficiency (Excess)	\$ (457,801)	\$ (363,164)	\$ (88,000)	\$ (68,750)	\$ (155,000)	\$ (155,000)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 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	\$ 1,700,666
Contribution as a Percentage of Covered Payroll	46.25%	40.71%	36.90%	33.48%	39.28%	40.88%	23.41%	23.34%	19.71%	18.61%

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	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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	15.92%	-16.17%	13.33%	11.11%	18.87%	-6.26%	15.25%	5.87%	-1.79%	3.60%

DOYLESTOWN TOWNSHIP
SCHEDULE OF CHANGES IN THE NET OPEB PLAN LIABILITY
LAST 10 FISCAL YEARS*
DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018
POLICE						
Service Cost	\$ 7,391	\$ 13,524	\$ 28,032	\$ 26,697	\$ 21,608	\$ 20,579
Interest	6,500	4,863	7,320	6,700	10,644	10,286
Difference between Projected and Actual Experience	-	(123,950)	-	(66,227)	-	-
Changes of Assumptions	4,866	(68,941)	-	39,704	-	-
Benefit Payments	(8,234)	(9,169)	(2,926)	(11,510)	(22,763)	(20,551)
Net Change in Total OPEB Liability	10,523	(183,673)	32,426	(4,636)	9,489	10,314
Total OPEB Liability, Beginning of Year	147,497	331,170	298,744	303,380	293,891	283,577
Total OPEB Liability, End of Year	\$ 158,020	\$ 147,497	\$ 331,170	\$ 298,744	\$ 303,380	\$ 293,891
Plan Fiduciary Net Position as % of Total OPEB Liability	0%	0%	0%	0%	0%	0%
Covered Employee Payroll	2,675,930	2,548,505	2,448,335	2,331,748	2,151,368	2,048,922
Total OPEB Liability as % of Employee Covered Payroll	5.91%	5.79%	13.53%	12.81%	14.10%	14.34%

Notes to Schedule:

Valuation Date: January 1, 2023 projected to measurement date of December 31, 2023

Methods and Assumptions:

Participant Data	Based on census information as of January 1, 2022
Interest Rate	4.31% 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 Retiree lives projected 5 years past the valuation date using Mortality Improvement Scale MP-2021.
Retirement	Minimum age of 50 with 25 Years of 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 -10% in fiscal 2022, 0% in fiscal 2023, 8% in 2024 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
SCHEDULE OF CHANGES IN THE NET OPEB PLAN LIABILITY
LAST 10 FISCAL YEARS*
DECEMBER 31, 2023

Non-Uniform	2023	2022	2021	2020	2019	2018
Service Cost	\$ 11,051	\$ 15,536	\$ 24,887	\$ 23,702	\$ 22,870	\$ 21,781
Interest	4,474	3,075	5,330	4,891	7,835	7,119
Difference between Projected and Actual Experience	-	(108,382)	-	(42,143)	-	-
Changes of Assumptions	2,164	(32,096)	-	16,042	-	-
Benefit Payments	(14,136)	(15,702)	(9,751)	(10,846)	(12,954)	(6,107)
Net Change in Total OPEB Liability	3,553	(137,569)	20,466	(8,354)	17,751	22,793
Total OPEB Liability, Beginning of Year	99,753	237,322	216,856	225,210	207,459	184,666
Total OPEB Liability, End of Year	\$ 103,306	\$ 99,753	\$ 237,322	\$ 216,856	\$ 225,210	\$ 207,459
Plan Fiduciary Net Position as % of Total OPEB Liability	0%	0%	0%	0%	0%	0%
Covered Employee Payroll	2,709,021	2,580,020	2,568,711	2,446,391	2,406,951	2,292,334
Total OPEB Liability as % of Employee Covered Payroll	3.81%	3.87%	9.24%	8.86%	9.36%	9.05%

Notes to Schedule:

Valuation Date: January 1, 2023 projected to measurement date of December 31, 2023

Methods and Assumptions:

Participant Data	Based on census information as of January 1, 2020
Interest Rate	4.31% Based on S&P Municipal 20 Year AA Municipal Bond Rate
Salary	5% increase compounded annually
Mortality	2010 Public General Amount Weighted Mortality for Male and Female Employees and Retiree projected 5 years past the valuation date using Mortality Improvement Scale MP-2021.
Retirement	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 -10% in fiscal 2022, 0% in fiscal 2023, 8% in 2024 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, 2023

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, 2023.

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, 2022, rolled forward to December 31, 2023.

OTHER SUPPLEMENTARY INFORMATION

DOYLESTOWN TOWNSHIP
 COMBINING STATEMENT OF FIDUCIARY NET POSITION – PENSION TRUST FUNDS
 DECEMBER 31, 2023

	Pension Trust Funds		
	Non-Uniform Employees Pension Fund	Police Pension Fund	Total Pension Trust Funds
Assets			
Cash and Cash Equivalents	\$ 48,364	\$ 63,441	\$ 111,805
DROP Assets	87,545	-	87,545
Investments	11,714,383	16,757,095	28,471,478
Total Assets	\$ 11,850,292	\$ 16,820,536	\$ 28,670,828
Net Position			
Held in Trust for Benefits and Other Purposes	\$ 11,850,292	\$ 16,820,536	\$ 28,670,828
Total Liabilities and Net Position	\$ 11,850,292	\$ 16,820,536	\$ 28,670,828

DOYLESTOWN TOWNSHIP
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION TRUST FUNDS
 YEAR ENDED DECEMBER 31, 2023

	Pension Trust Funds		
	Non-Uniform Employees Pension Fund	Police Pension Fund	Total Pension Trust Funds
Additions			
Contributions:			
Employer	\$ 474,174	\$ 700,697	\$ 1,174,871
Plan Members	65,017	124,120	189,137
State	192,320	221,460	413,780
Total Contributions	<u>731,511</u>	<u>1,046,277</u>	<u>1,777,788</u>
Investment Earnings			
Net Decrease in Fair Value of Investments	1,285,522	1,819,555	3,105,077
Dividends	359,644	515,570	875,214
Investment Earnings (Losses)	1,645,166	2,335,125	3,980,291
Investment Activity Expense	(35,075)	(45,108)	(80,183)
Net Investment Income	<u>1,610,091</u>	<u>2,290,017</u>	<u>3,900,108</u>
Total Additions	<u>2,341,602</u>	<u>3,336,294</u>	<u>5,677,896</u>
Deductions			
Benefits Paid	590,007	768,600	1,358,607
Administrative	11,800	11,100	22,900
Total Deductions	<u>601,807</u>	<u>779,700</u>	<u>1,381,507</u>
Change in Net Position	1,739,795	2,556,594	4,296,389
Net Position, Beginning of Year	<u>10,110,497</u>	<u>14,263,942</u>	<u>24,374,439</u>
Net Position, End of Year	<u>\$ 11,850,292</u>	<u>\$ 16,820,536</u>	<u>\$ 28,670,828</u>

DOYLESTOWN TOWNSHIP
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Special Revenue Funds					Capital Projects Funds			Total Other Governmental Funds	
	Fire Fund	State Liquid Fuels Fund	Parks and Recreation Fund	Ambulance Fund	Community Service Fund	Capital Fund Raising Aid Fund	Capital Reserve Fund	Offsite Improvement Fund		Bike and Hike Fund
Assets										
Cash and Cash Equivalents	\$ 1,869	\$ 306,064	\$ 589,794	\$ 649	\$ -	\$ 66,482	\$ 37,166	\$ 335,828	\$ 37,843	\$ 1,375,695
Taxes Receivable	4,592	-	9,184	1,377	-	-	-	-	-	15,153
Other Receivables	-	-	25,000	-	-	-	380,817	-	-	405,817
Due from Other Funds	-	317	9,923	-	-	-	-	-	-	10,240
Total Assets	\$ 6,461	\$ 306,381	\$ 633,901	\$ 2,026	\$ -	\$ 66,482	\$ 417,983	\$ 335,828	\$ 37,843	\$ 1,806,905
Liabilities and Fund Balances										
Liabilities										
Accounts Payable	\$ -	\$ 5,494	\$ 62,065	\$ -	\$ -	\$ -	\$ 17,667	\$ 134,647	\$ -	\$ 219,873
Accrued Payroll	-	53	8,006	-	-	-	-	-	-	8,059
Payroll Liabilities	-	-	2,237	-	-	-	-	-	-	2,237
Unearned Revenue	-	-	5,000	-	-	-	-	-	-	5,000
Due to Other Funds	-	-	230,000	-	-	-	-	-	-	230,000
Total Liabilities	-	5,547	307,308	-	-	-	17,667	134,647	-	465,169
Fund Balances										
Restricted										
Public Safety	6,461	-	-	2,026	-	-	-	-	-	8,487
Culture and Recreation	-	-	326,593	-	-	-	-	-	-	326,593
Highways and Streets	-	300,834	-	-	-	-	-	-	-	300,834
Assigned										
Capital Projects	-	-	-	-	-	66,482	400,316	201,181	37,843	705,822
Total Fund Balances	6,461	300,834	326,593	2,026	-	66,482	400,316	201,181	37,843	1,341,736
Total Liabilities and Fund Balances	\$ 6,461	\$ 306,381	\$ 633,901	\$ 2,026	\$ -	\$ 66,482	\$ 417,983	\$ 335,828	\$ 37,843	\$ 1,806,905

DOYLESTOWN TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds				Community Service Fund	Capital Projects Fund				Total Other Governmental Funds
	Fire Fund	State Liquid Fuels Fund	Parks and Recreation Fund	Ambulance Fund		Capital Fund Raising Aid Fund	Capital Reserve Fund	Offsite Improvement Fund	Bike and Hike Fund	
Revenues										
Real Estate Taxes	\$ 348,705	\$ -	\$ 697,411	\$ 104,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,150,728
Interest Earnings	2,283	14,783	32,586	1,183	-	4,788	6,634	10,019	674	72,950
Intergovernmental Services	-	569,791	-	-	-	-	380,817	-	-	950,608
Charges for Services	-	-	303,464	-	-	26,248	-	2,000	-	331,712
Contributions	-	-	1,406	-	-	-	-	-	25,000	26,406
Miscellaneous	-	-	7,520	-	-	-	57,464	-	-	64,984
Total Revenues	350,988	584,574	1,042,387	105,795	-	31,036	444,915	12,019	25,674	2,597,388
Expenditures										
Public Safety	354,564	-	-	107,818	-	-	-	-	-	462,382
Public Works	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	229,754	-	-	25,248	-	-	-	255,002
Capital Outlay	-	526,283	1,141,613	-	-	-	875,291	153,886	-	2,697,073
Total Expenditures	354,564	526,283	1,371,367	107,818	-	25,248	875,291	153,886	-	3,414,457
Deficiency of Revenues Over Expenditures	(3,576)	58,291	(328,980)	(2,023)	-	5,788	(430,376)	(141,867)	25,674	(817,069)
Other Financing Sources (Uses)										
Transfers In	-	-	270,750	-	-	-	625,000	-	-	895,750
Transfers Out	-	-	(301,530)	-	(20,750)	(100,000)	-	-	-	(422,280)
Total Other Financing Sources (Uses)	-	-	(30,780)	-	(20,750)	(100,000)	625,000	-	-	473,470
Net Change in Fund Balances	(3,576)	58,291	(359,760)	(2,023)	(20,750)	(94,212)	194,624	(141,867)	25,674	(343,599)
Fund Balances at Beginning of Year	10,037	242,543	686,353	4,049	20,750	160,694	205,692	343,048	12,169	1,685,335
Fund Balances at End of Year	\$ 6,461	\$ 300,834	\$ 326,593	\$ 2,026	\$ -	\$ 66,482	\$ 400,316	\$ 201,181	\$ 37,843	\$ 1,341,736