

**DOYLESTOWN BOROUGH  
BUCKS COUNTY, PENNSYLVANIA**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**



DOYLESTOWN BOROUGH  
BUCKS COUNTY, PENNSYLVANIA

December 31, 2023

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## INDEPENDENT AUDITORS' REPORT

Borough Council  
Doylestown Borough, Pennsylvania

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Doylestown Borough (Borough), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough'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 Borough's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the historical trend information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

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



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

Warrington, PA  
October 22, 2024

**BOROUGH OF DOYLESTOWN**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2023**

As management of the Borough of Doylestown, we offer readers of the Borough's financial statements this narrative overview and analysis of the financial activities of Doylestown Borough for the fiscal year ended December 31, 2023. Please read in conjunction with the Borough's financial statements which follow this section.

**FINANCIAL HIGHLIGHTS**

- The assets of Doylestown Borough exceeded its liabilities at the close of the most recent fiscal year by \$15,605,414 (*net position*). Of this amount, \$6,970,438 (*unrestricted net position*) may be used to meet the Borough's ongoing obligations to citizens and creditors.
- The Borough's total net position increased \$1,710,856.
- At the close of the current fiscal year, the Borough's governmental funds reported combined fund balances of \$6,481,004, an increase of \$280,324 in comparison with the prior year. Approximately 13% of the fund balance (\$831,285) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the total of the *assigned* and *unassigned* components of *fund balance* for the general fund was \$1,676,046 or 21.9% of total general fund expenditures.
- The Borough of Doylestown formally adopted a Fund Balance Policy to establish the appropriate level of reserves of fund balance for the General Fund.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to Doylestown Borough's basic financial statements. The Borough's basic financial statements comprise three components:

1. Governmental-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide Financial Statements**

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

The *statement of net position* presents financial information on all of the Borough's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the Borough's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the Borough'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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Borough that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The governmental and business-type activities of the Borough include:

- General Government
- Public Safety
- Highways and Streets
- Parking
- Culture and Recreation
- Debt Service
- Water
- Water Capital
- Fanny Chapman Pool

The government wide financial statements can be found on pages 20 to 22 of this report.

**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 Borough, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Borough 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 on *balance of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of 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 *governmental 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 fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Doylestown Borough maintains eight 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 balances for the General, Capital Projects, and Bond/Capital Reserve funds, which are considered to be major funds.

Data from the Other Governmental Funds (Fire, Ambulance, Debt Service, Highway Aid and Road) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Borough adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison has been provided for the general fund to demonstrate compliance with this budget.

***Proprietary Funds.*** Proprietary funds are used to account for services for which the Borough charges a fee. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Water Fund, Water Capital Fund and the Fanny Chapman Pool Fund are the Borough's three proprietary funds. The basic proprietary fund financial statements can be found on pages 28 to 30 of this report.

***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 and fund financial statements because the resources of those funds are *not* available to support the Borough's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 31 and 32 of this report.

**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. The notes to the financial statements can be found on pages 33 to 62 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Borough's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds and fiduciary 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. In the case of Doylestown Borough, assets exceeded liabilities by \$15,605,414 at the close of the most recent fiscal year. This represents a \$1,710,856 or 12.4% increase from previous year.

A significant portion of the Borough's net position (\$8,231,193 or 52.8%) reflects its investment in capital assets (e.g. land, buildings & improvements, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Borough uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Borough's investment in its capital assets is reported net of related debt, and net of accumulated depreciation, it should be noted that the resources needed to repay this debt may be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## THE BOROUGH AS A WHOLE

The following table reflects the condensed statement of net position:

**Table 1**  
**Consolidated Statement of Net Position – December 31, 2023**

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$ 10,149,260	\$ 9,700,416	\$ 2,416,622	\$ 1,365,618	\$ 12,565,882	\$ 11,066,034
Capital Assets	<u>12,772,132</u>	<u>12,645,863</u>	<u>1,541,141</u>	<u>1,625,712</u>	<u>14,313,273</u>	<u>14,271,575</u>
Total Assets	<u>22,921,392</u>	<u>22,346,279</u>	<u>3,957,763</u>	<u>2,991,330</u>	<u>26,879,155</u>	<u>25,337,609</u>
Deferred Outflows of Resources	<u>1,160,600</u>	<u>1,141,305</u>	<u>-</u>	<u>-</u>	<u>1,160,600</u>	<u>1,141,305</u>
Long-Term Liabilities	7,757,363	7,981,468	630,912	669,633	8,388,275	8,651,101
Other Liabilities	<u>1,549,771</u>	<u>1,561,707</u>	<u>112,141</u>	<u>228,679</u>	<u>1,661,912</u>	<u>1,790,386</u>
Total Liabilities	<u>9,307,134</u>	<u>9,543,175</u>	<u>743,053</u>	<u>898,312</u>	<u>10,050,187</u>	<u>10,441,487</u>
Deferred Inflows of Resources	<u>2,384,154</u>	<u>2,142,869</u>	<u>-</u>	<u>-</u>	<u>2,384,154</u>	<u>2,142,869</u>
Net Position						
Net Investment in Capital Assets	7,303,390	6,935,932	927,803	947,883	8,231,193	7,883,815
Restricted	384,591	175,120	19,192	18,947	403,783	194,067
Unrestricted	<u>4,702,723</u>	<u>4,690,488</u>	<u>2,267,715</u>	<u>1,126,188</u>	<u>6,970,438</u>	<u>5,816,676</u>
Total Net Position	<u>\$ 12,390,704</u>	<u>\$ 11,801,540</u>	<u>\$ 3,214,710</u>	<u>\$ 2,093,018</u>	<u>\$ 15,605,414</u>	<u>\$ 13,894,558</u>

An additional portion of the Borough's net position (\$403,783 or 2.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$6,970,438 or 44.6%) may be used to meet the Borough's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Borough is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental activities. The Borough's net position increased by \$1,710,856 during the current fiscal year.

The following chart shows the revenues and expenses of the governmental activities and component unit business-type activities:

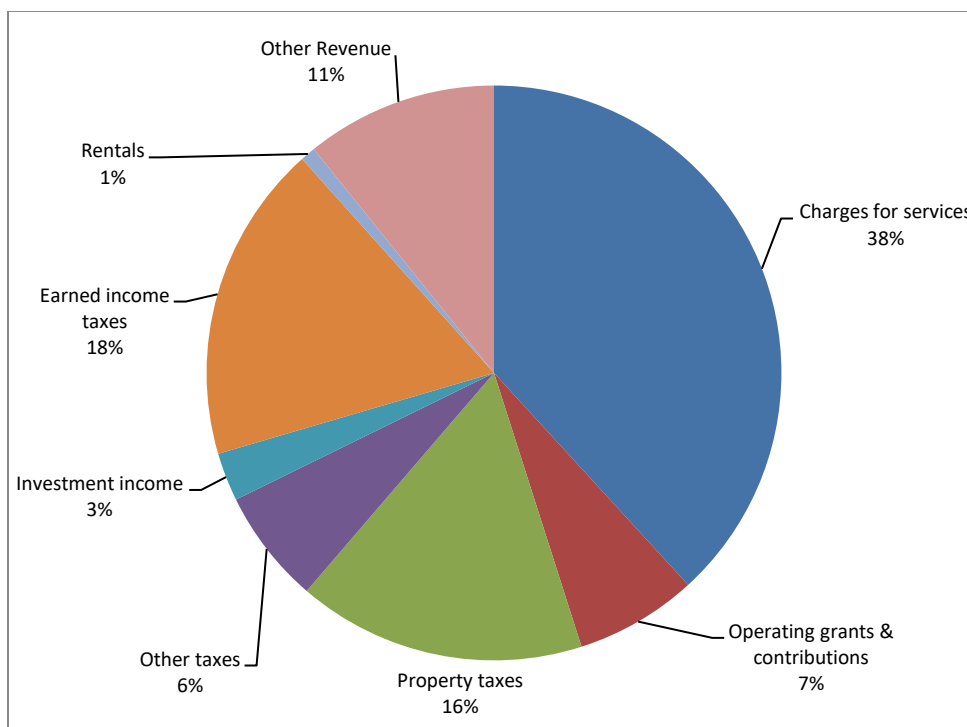
**Table 2**  
**Change in Net Position – 2023**

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues:						
Program revenues:						
Charges for services	\$ 2,927,635	\$ 1,991,564	\$ 2,204,534	\$ 1,996,583	\$ 5,132,169	\$ 3,988,147
Operating grants and contributions	615,046	527,343	31,069	28,795	646,115	556,138
Capital grants and contributions	277,600	1,440,900	-	118,295	277,600	1,559,195
General revenues:						
Property taxes	2,179,858	2,111,086	-	-	2,179,858	2,111,086
Other taxes	3,270,511	3,551,699	-	-	3,270,511	3,551,699
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Investment income	325,021	88,000	41,160	9,285	366,181	97,285
Rentals	101,720	146,507	12,000	12,000	113,720	158,507
Connection permits	-	-	1,203,528	334,427	1,203,528	334,427
Miscellaneous	<u>184,707</u>	<u>2,858,215</u>	<u>61,275</u>	<u>62,828</u>	<u>245,982</u>	<u>2,921,043</u>
Total Revenues	<u>9,882,098</u>	<u>12,715,314</u>	<u>3,553,566</u>	<u>2,562,213</u>	<u>13,435,664</u>	<u>15,277,527</u>
Expenses:						
General government	1,062,810	702,913	-	-	1,062,810	702,913
Public safety - Police	3,907,570	4,304,026	-	-	3,907,570	4,304,026
Public safety - Fire and Ambulance	262,741	257,786	-	-	262,741	257,786
Public safety - Zoning and Inspection	676,115	653,885	-	-	676,115	653,885
Highways and streets	1,826,557	1,670,733	-	-	1,826,557	1,670,733
Parking	641,541	671,909	-	-	641,541	671,909
Culture and recreation	464,162	294,736	-	-	464,162	294,736
Miscellaneous	431,190	390,331	-	-	431,190	390,331
Debt service interest	20,248	130,663	-	-	20,248	130,663
Water	-	-	1,777,201	1,595,952	1,777,201	1,595,952
Fanny Chapman Pool	-	-	654,673	627,635	654,673	627,635
Total Expenses	<u>9,292,934</u>	<u>9,076,982</u>	<u>2,431,874</u>	<u>2,223,587</u>	<u>11,724,808</u>	<u>11,300,569</u>
Change in Net Position	589,164	3,638,332	1,121,692	338,626	1,710,856	3,976,958
Net Position - Beginning of Year	<u>11,801,540</u>	<u>8,163,208</u>	<u>2,093,018</u>	<u>1,754,392</u>	<u>13,894,558</u>	<u>9,917,600</u>
Net Position - End of Year	<u>\$ 12,390,704</u>	<u>\$ 11,801,540</u>	<u>\$ 3,214,710</u>	<u>\$ 2,093,018</u>	<u>\$ 15,605,414</u>	<u>\$ 13,894,558</u>

## Revenue Overview

For the fiscal year ended December 31, 2023, revenues for governmental and business-type activities totaled \$13,435,664, a decrease of \$1,841,863 or approximately 12.1% from 2022. This decrease was due in part to lower capital grants and contributions. In 2023 the total real estate tax millage increased by 0.50 mills to 18.34 mills. The millage breakdown was thus: general millage at 10.915 mills, fire tax at 1.70 mills, road tax at 1.50 mills, ambulance tax at 0.50 mills and debt service tax at 3.725 mills. The debt service millage of 3.725 is used to finance debt service principal and interest on a \$1,500,000 (2013) Note, a \$1,600,000 (2015) Note, and interest payments on a \$5,000,000 (2020) Note. Sources of revenue for the fiscal year 2023 are comprised of the following items:

**Figure 1**  
**Revenues by Source for the Year Ended December 31, 2023**

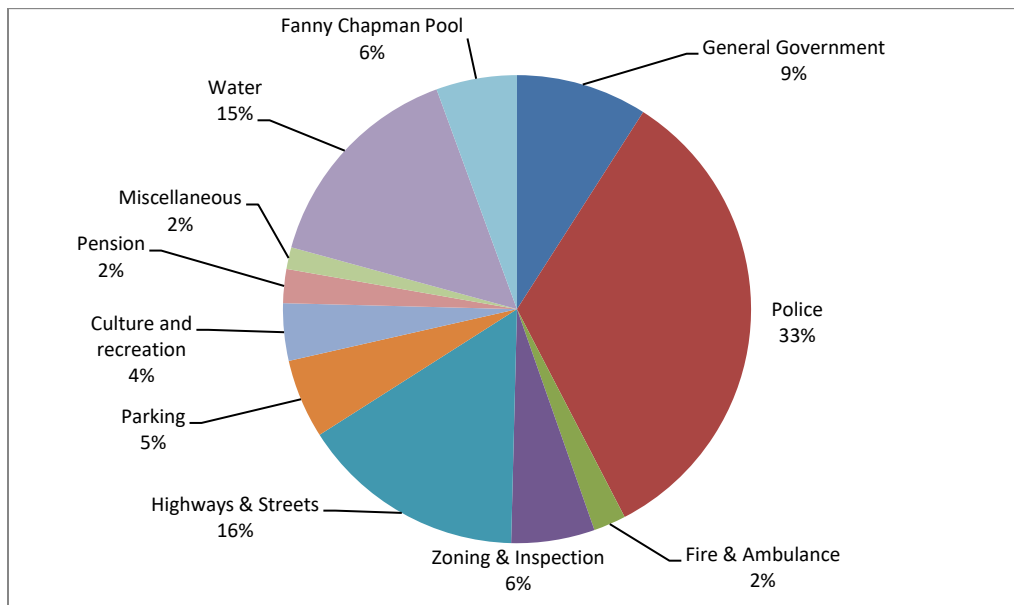


“Charges for Services” is the largest Borough revenue source totaling \$5,132,169 (38% of total revenues) in 2023. The Business-type activities (Water Fund and Fanny Chapman Pool Fund) rely most heavily on this revenue source. Next is the Earned Income Tax at \$2,405,147 (18%), Property Taxes at \$2,179,858 (16%) with a certified assessment of \$120,577,500, Other Revenue (Connection Permits & Miscellaneous Revenue) at \$1,449,510 (11%), and Operating Grants and Contributions at \$923,715 (7%). Other taxes include the Real Estate transfer tax generating \$442,662 and the Local Services Tax generating \$422,702.

## Expense Overview

For the 2023 fiscal year, expenses for government and business-type activities totaled \$11,724,808, an increase of \$424,239 (3.8%) over 2022 expenses. The largest areas of expense in 2023 were, in order, Police, Highways & Streets, and Water.

**Figure 2**  
**Expenses by Function for the Year Ended December 31, 2023**



As indicated above, the Borough's largest program expense is for Police Services at \$3,907,570, followed by Highways & Streets (public works activities) at \$1,826,557, and Water Operations at \$1,777,201.

The change in net position reflects the difference between total revenues and total expenses. For governmental and business-type activities in fiscal 2023, revenues (\$13,435,664) exceeded expenses and net transfers (\$11,724,808) by \$1,710,856 resulting in an increase in net position by that amount. The year ended with a total net position of \$15,605,414.

## FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the Borough used fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental funds.** The focus of the Borough's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Borough's financing requirements. In particular, *Restricted*, *Assigned* and *Unassigned Fund Balances* may serve as a useful measure of a Borough's net resources available for spending at the end of the fiscal year. However, the *Restricted* and the *Assigned* are ear-marked for specific purposes.

As of the end of the current fiscal year, the Borough's governmental funds reported combined ending fund balances of \$6,481,004, an increase of \$280,324 in comparison with the prior year. Of the total, \$831,285 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted* (\$382,512), *assigned* (\$5,070,892), or *nonspendable leases* (\$196,315) to indicate that it is not available for new spending because it has already been reserved for other borough capital projects, purchases and contractual obligations, repayment of debt service, or taxes levied and collected for specific purposes, per Borough Code.

The *Assigned Fund Balance* includes amounts that can only be used for the specific purposes determined by a formal action of Borough Council. A portion of the *Assigned Fund Balance* (\$844,761) is set by Council Resolution as an emergency reserve with a target balance of 10% of all regular general fund operating revenues. These funds are not available for normal expenditure in annual budgets or to supplement normal and ordinary budgetary operational and capital expenses. Only through Council resolution may the funds be spent.

The **General Fund** is the Borough's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund balance increased by \$328,906. The Borough's budget for expenditures in 2023 was \$7,792,031 and the actual expenditures were \$7,664,871, a difference of \$127,160. The Borough's budget for revenues was \$7,741,050 and the actual revenues were \$8,447,609, a positive variance of \$706,559.

The **Capital Projects/Reserve Fund** was set up a number of years ago to account for resources for the acquisition or construction of specific capital facilities and projects by the Borough. In 1994, the Borough sold its sewer system to Bucks County Water and Sewer Authority. Approximately \$7 million of the sale proceeds were put into this fund to be used for capital improvements and equipment purchases. The **Capital Projects Fund** accounts for a \$5,000,000 2020 General Obligation Note issued to finance the new Borough Hall and Central Bucks Regional Police HQ. At the end of 2023, the combined balance in these funds were \$4,258,033.

In 2023, capital projects and purchases included:

- Accounting and billing software
- Fire Marshal vehicle
- MS4 Plan Update
- Asphalt Paver lease purchase
- Bucket Lift lease purchase
- 2023 1-ton dump truck lease purchase
- Public works security system
- 2022 Ford F350 lease
- Pavement & traffic markings
- Traffic Signal inspection
- EV charging stations (Plaza West & Borough Hall)
- 2023 Chevrolet Bolt (parking enforcement) lease
- Broad Commons Playground
- Hanging flower basket program
- Historic street lights and poles
- Trash & recycling containers for downtown

## **Special Revenue Funds**

Special Revenues Funds are comprised of the following minor funds:

### Highway Aid Fund

The Borough received \$239,823 in liquid fuels and \$5,360 in PA turnback funds in 2023. This money was used to reimburse the General Fund for costs associated with winter maintenance services, traffic control devices and street lighting.

### Fire Tax Fund

Real estate taxes and interest totaling \$202,702 were collected by the Borough for transfer to Doylestown Fire Company #1. The total tax millage assigned to the fire company is 1.70 mills.

### Ambulance Tax Fund

Real estate taxes and interest totaling \$58,851 were collected by the Borough for transfer to Central Bucks Ambulance and Rescue Squad. The total tax millage assigned to the ambulance squad is 0.50 mills.

### Road Tax Fund

Real estate taxes and interest totaling \$179,295 were collected by the Borough for road paving and improvements. The total tax millage assigned to the special road fund is 1.5 mills. In 2023, the following roads were resurfaced and/or patched:

- West Street (Court to Ashland)
- West Oakland Avenue (Main to Clinton)
- Spruce Street (North to Court)
- North Franklin Street (Doyle to Wood)
- North Church Street (Selner to Main)
- Golfview Drive
- Hohlbad's Alley

The fund balance at the close of 2023 was \$31,243. These funds will be used to supplement the 2024 paving projects.

### Debt Service Fund

Real estate taxes and interest totaling \$443,530 were collected by the Borough for payment of the General Fund portion of the 2013, 2015, and 2020 Bond Issues. The total tax millage assigned to the debt service fund is 3.725 mills.

***Proprietary Funds.*** The Borough's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

### Water Fund

This fund is used to account for the financing, costs, and other expenses of water service provided to Borough residents and businesses. 2014 marked the completion of the joint automated meter reading project with Bucks County Water and Sewer Authority. Meter readings are now downloaded remotely via radio antenna, thus enabling an expedited billing process. The unrestricted net position at the end of 2023 was \$406,756.

### Water Capital Fund

A new Capital Fund dedicated specifically to the water system was created at the end of 2018, funded by new construction water connection fees and a \$5/unit/quarter Capital Contribution Fee from water users. At the end of 2023, the unrestricted net position was \$1,226,356.

### Fanny Chapman Pool Fund

This fund is used to account for the financial activity of the Borough's community swimming pool. The Fanny Chapman Pool complex has five pools and operates from Memorial Day to Labor Day. It is overseen by an appointed Board of Managers who has the authority, subject to the approval of Borough Council, to:

- employ and discharge personnel necessary to operate a swimming pool and provide swimming and aquatic instruction;
- fix the salaries of all employees;
- establish membership fees;
- promulgate and enforce reasonable and proper rules for the use of the pools and the grounds surrounding it in order to ensure the health and safety of the public and the conduct of the program of instruction;
- establish a schedule of hours when swimming shall be permitted; and
- purchase supplies and to maintain the grounds, buildings, and equipment of the pool.

The unrestricted net position at the end of 2023 was \$634,603.

***Fiduciary Funds.*** As mentioned earlier, fiduciary funds are resources held for the benefit of parties outside the government. These include:

### Pension Trust Fund

This fund is used to account for resources required to be held in trust for the members and beneficiaries of the Borough's defined benefit pension plan, the Non-Uniformed Pension Fund. The Borough is eligible for Act 205 assistance in the form of state aid. The plan is administered by Girard Pension Services.

### Custodial Fund

This fund is used to account for subdivision/land development, shade tree, water, and all other types of escrows held by the Borough in a custodial capacity.

## **General Fund Budgetary Highlights**

***Final budget compared to actual results.*** There were no budget amendments so the original and the final budget are the same. Differences between the final budget and the actual budget can be briefly summarized as follows:

Revenues - Total Revenues in the General Fund finished over budget by \$706,559.

- Property and Act 511 Taxes - shortage of \$20,661:
  - Property Taxes were \$14,828 greater than anticipated
  - Real Estate Transfer Taxes were \$92,338 less than anticipated
  - Local Services Taxes were \$22,702 greater than anticipated
  - Earned Income Taxes were \$34,147 greater than anticipated

- Investment Income - overage of \$120,639:
  - Interest from investments were \$67,777 greater than anticipated
  - Insurance Dividends were \$7,052 greater than anticipated
  - Cell Tower Lease Interest booked at \$45,806
- Charges for Services - overage of \$549,895:
  - Permits were \$480,944 greater than anticipated

Expenditures - Total Expenditures in the General Fund finished under budget by \$127,160.

- General Government expenditures were under budget by \$10,509
- Police Services expenditures were under budget by \$72,443
- Zoning/Planning/Inspection expenditures were under budget by \$45,687
- Public Works expenditures were over budget by \$15,007
- Parking expenditures were over budget by \$24,273
- Culture/Recreation/Miscellaneous expenditures were under budget by \$37,802

The Budgeting process may be conservative on the Revenue side. However, the Expenditure side must be as realistic as possible. A strong economy and housing market contributed almost the entirety of the revenue overage.

## ITEMS OF GENERAL INTEREST

### Water

Residents and businesses of the Borough receive water service from Doylestown Borough. The Borough has five supply wells and two water storage standpipes located at Spruce Street (1,000,000-million-gallon capacity) and South Chubb Drive (500,000-gallon capacity). Billing is quarterly, and there was an 11% rate increase for 2023:

#### Quarterly Base Charge Per Meter Size

<u>Meter Size</u>	<u>Base Charge</u>
<1.5"	\$ 28.75
1.5"	\$ 30.22
2"	\$ 33.14
3"	\$ 34.59
4"	\$ 36.06

#### Quarterly Usage Charges

<u>CONSUMPTION</u>	<u>CHARGES</u>
0-3,000 gallons	Base Charge
3,001-20,000 gallons	\$4.29/1,000 gal
20,001 gallons & up	\$5.35/1,000 gal

### Waste Water

Residents and businesses of the Borough are served by the Bucks County Water and Sewer Authority. The Borough has no financial or management control of the sewer authority.

## Sanitation

Residents and businesses contract privately for trash pickup. The Borough has no financial or management control of the trash collection and disposal.

## Fire and Ambulance

Residents and businesses of the Borough are served by the Doylestown Fire Company and Central Bucks Ambulance. Doylestown Fire Company receives 1.70 mills, and Central Bucks Ambulance receives 0.50 mills for their services. The Borough has no other financial or management control of the fire company or ambulance service.

## Public Facilities

The Borough owns ten neighborhood parks along with several open space parcels. The Borough municipal building was relocated in January 2022 to 10 Doyle Street and houses both administration and the Central Bucks Regional Police Department operations. The building and park were originally the PennDOT maintenance garage and yard built in the 1930's. The public works department is located at 300 Harvey Avenue and has three garages and several storage buildings including a salt storage shed. The water department office, lab, and most storage are also located at 300 Harvey Avenue. There is also a water department storage facility located in Chapman Park. The municipal swimming pool, Fanny Chapman Memorial Pool, is located in Chapman Park as well.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

The Borough's investment in capital assets for its governmental and proprietary type activities as of December 31, 2023, amounts to \$12,772,132 (*net of accumulated depreciation*). This investment in capital assets includes: land and land improvements, construction in progress, building and infrastructure improvements, machinery, vehicles and equipment.

**Table 3**  
**Changes in Capital Assets - Governmental & Proprietary Funds**

	Beginning Balance <u>1/1/23</u>	Net Additions (Deletions) <u>2023</u>	Ending Balance <u>12/31/23</u>
<b>Non-Depreciable Assets</b>			
Land	\$ 510,042	\$ -	\$ 510,042
Construction in progress	1,820,714	(1,820,714)	-
<b>Other Capital Assets</b>			
Land improvements	1,633,967	2,272,808	3,906,775
Buildings and improvements	6,730,601	-	6,730,601
Machinery and equipment	2,301,497	38,251	2,339,748
Vehicles	1,030,302	147,933	1,178,235
Infrastructure	4,110,300	-	4,110,300
Less: accumulated depreciation on capital assets	<u>(5,491,560)</u>	<u>(512,009)</u>	<u>(6,003,569)</u>
<b>Totals</b>	<u>\$ 12,645,863</u>	<u>\$ 126,269</u>	<u>\$ 12,772,132</u>

## Outstanding Debt as of December 31, 2023

Notes payable outstanding as of December 31, 2023 total \$6,082,080. More information and schedules of payment can be found on pages 51-53. The debt principal and interest is being funded by a 3.725 mill real estate tax for the general fund portion, and charges for services for the enterprise fund portion.

<u>Year of Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance January 1, 2023</u>	<u>Additions and Payments</u>	<u>Interest Payments</u>	<u>Balance December 31, 2023</u>
2013	\$ 1,500,000	2.278%	2033	\$ 903,000	\$ (74,000)	\$ (20,571)	\$ 829,000
2015	1,600,000	2.230%	2030	921,000	(106,000)	(20,538)	815,000
2020	5,000,000	2.073%	2040	4,584,000	(214,000)	(90,960)	4,370,000
2022	110,400	0.000%	2027	90,160	(22,080)	-	68,080
							<u>\$ 6,082,080</u>

The Borough of Doylestown maintains an AA rating from Kroll Bond Rating Agency, with a Stable Outlook.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Doylestown Borough's 2024 Budget calls for a three-mill increase in the General Fund to help fund the expansion of the Central Bucks Regional Police Department for the hiring of two new fulltime police officers. All other Borough tax rates will remain the same as in 2023.

A 5-year capital improvement plan was implemented in 2014 and will be vital to the Borough's strategic planning in 2024 and future budgets.

Scheduled capital purchases and projects for 2024 include:

- Tennis court improvements
- Boro Dam aerator
- Volleyball court improvements
- Wood Street Park improvements
- Basketball court lights
- Drinking fountains through town
- Broad Commons Park picnic grove
- Hardware and technology updates
- Historic Street light painting
- Historic Street light poles & fixtures
- Trash & Recycling containers
- Historic Street light globe replacements
- Hanging Flower Basket program
- Parking lot resurfacing
- Single meter housings with yokes
- Parking enforcement vehicle
- 4G parking meter upgrade
- Public Works building roof repairs
- Computers & technology for public works

- 1-ton dump truck lease purchase (2)
- Base model pickup truck lease payment
- Vibratory Roller lease purchase
- Asphalt paver lease payment
- Bucket lift truck lease payment
- 10-ton dump truck with leaf box
- Asphalt plate compactor
- Borough Hall public bathrooms
- Public EV chargers
- Shade trees
- Interactive code map
- Fire Marshal vehicle
- General MS4 Activity
- Comprehensive Plan
- SALDO codification
- Fonthill Castle streambank engineering & construction (ARPA Funds)
- “Green Light Go” intersection improvements (grant)
- Veterans Lane bike lane & pedestrian crossing
- Pavement/intersection markings
- Traffic signal inspection
- Maplewood Tank rehab/inspections
- Lead service line replacements
- Fire hydrants/system valves
- SCADA upgrades
- Garage door bay openers
- 3” trash pump
- Reed tapping machine
- Hydraulic modeling
- Meter & MIU replacements
- PFAS well upgrades
- Electric van service vehicle

2024 paving projects funded by the 1.50 mill real estate tax will include pothole patching and the following streets:

- Broad Street (Union to Doyle)
- Lacey Avenue (Main to North)
- West Court Street (Memorial to Lafayette)
- Lafayette Street
- West Oakland Avenue (Franklin to Clinton)
- East Court Street (Main to Broad)
- Lincoln Avenue (half)

Although water rates will remain among the lowest in the region, water rates will increase 10.5% in 2024 as the Borough continues to take steps to address the nationwide PFOS/PFAS contamination crisis.

The water rates for 2024 will be:

Quarterly Base Charge Per Meter Size

<u>Meter Size</u>	<u>Base Charge</u>
<1.5"	\$ 31.77
1.5"	\$ 33.40
2"	\$ 36.62
3"	\$ 38.23
4"	\$ 39.85

Quarterly Usage Charges

<u>CONSUMPTION</u>	<u>CHARGES</u>
0-3,000 gallons	Base Charge
3,001-20,000 gallons	\$4.74/1,000 gal
20,001 gallons & up	\$5.92/1,000 gal

Quarterly Capital Contribution Fee

\$5.00 per unit per quarter

The 2024 General Fund budget includes a three-mill property tax increase necessary to fund an expansion of the Central Bucks Regional Police Department. The Borough's contribution to the 2024 CBRPD budget will increase \$272,000 from 2023 primarily in order to fund two additional fulltime police officers. This expansion was the recommendation of both an internal departmental study in 2020 and an independent study conducted by SafeCity Solutions in 2022.

Police services will continue to be provided by the Central Bucks Regional Police Department, which serves Doylestown, New Britain, and Chalfont Boroughs. The largest expenditure in the General Fund is the Borough contribution to the Regional Police Department, representing 49.4% of all General Fund expenditures, net of interfund transfers.

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of Doylestown Borough's finances and to show the Borough's accountability for the money we receive.

### **Requests for Information**

This financial report is designed to provide a general overview of Doylestown Borough's finances, comply with finance-related laws and regulations, and demonstrate the Borough's commitment to public accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 10 Doyle Street, Doylestown, PA 18901.

DOYLESTOWN BOROUGH  
STATEMENT OF NET POSITION

December 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 6,858,402	\$ 1,886,648	\$ 8,745,050
Receivables	3,590,409	230,423	3,820,832
Internal balances	(299,551)	299,551	-
Land	510,043	48,320	558,363
Depreciable capital assets, net	12,262,089	1,492,821	13,754,910
Total Assets	<u>22,921,392</u>	<u>3,957,763</u>	<u>26,879,155</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension plan	<u>1,160,600</u>	<u>-</u>	<u>1,160,600</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 24,081,992</u>	<u>\$ 3,957,763</u>	<u>\$ 28,039,755</u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	\$ 67,576	\$ 46,319	\$ 113,895
Interest payable	110,491	-	110,491
Unearned revenue	868,561	-	868,561
Non-current liabilities			
Due within one year	503,143	65,822	568,965
Due after one year	<u>7,757,363</u>	<u>630,912</u>	<u>8,388,275</u>
Total Liabilities	<u>9,307,134</u>	<u>743,053</u>	<u>10,050,187</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Leases	<u>2,384,154</u>	<u>-</u>	<u>2,384,154</u>
Total Deferred Inflows of Resources	<u>2,384,154</u>	<u>-</u>	<u>2,384,154</u>
<u>NET POSITION</u>			
Net investment in capital assets	7,303,390	927,803	8,231,193
Restricted for:			
Communications equipment	29,181	-	29,181
Fire and ambulance	1,675	-	1,675
Highways and streets	36,464	-	36,464
Culture and recreation	283,748	19,192	302,940
Debt service	33,523	-	33,523
Unrestricted	<u>4,702,723</u>	<u>2,267,715</u>	<u>6,970,438</u>
Total Net Position	<u>12,390,704</u>	<u>3,214,710</u>	<u>15,605,414</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 24,081,992</u>	<u>\$ 3,957,763</u>	<u>\$ 28,039,755</u>

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

DOYLESTOWN BOROUGH

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Primary Government				
Governmental Activities:				
General government	\$ 1,062,810	\$ 189,977	\$ 30,960	\$ -
Public safety - Police	3,907,570	405,256	157,353	-
Public safety - Fire and Ambulance	262,741	-	86,702	-
Public safety - Zoning and Inspection	676,115	1,201,419	-	-
Highways and streets	1,826,557	37,884	261,878	-
Parking	641,541	1,078,853	-	-
Culture and recreation	464,162	14,246	78,153	277,600
Miscellaneous	431,190	-	-	-
Debt service interest	20,248	-	-	-
Total Governmental Activities	<u>9,292,934</u>	<u>2,927,635</u>	<u>615,046</u>	<u>277,600</u>
Business-Type Activities				
Water	1,777,201	1,565,390	-	-
Fanny Chapman Pool	<u>654,673</u>	<u>639,144</u>	<u>31,069</u>	<u>-</u>
Total Business -Type Activities	<u>2,431,874</u>	<u>2,204,534</u>	<u>31,069</u>	<u>-</u>
Total Primary Government	<u>\$ 11,724,808</u>	<u>\$ 5,132,169</u>	<u>\$ 646,115</u>	<u>\$ 277,600</u>

General Revenues

Property taxes, levied for general purposes

Earned income taxes

Local services taxes

Real estate transfer tax

Investment income

Rentals

Connection permits and Authority reimbursement

Miscellaneous revenues

Gain on sale of capital assets

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (841,873)	\$ -	\$ (841,873)
(3,344,961)	-	(3,344,961)
(176,039)	-	(176,039)
525,304	-	525,304
(1,526,795)	-	(1,526,795)
437,312	-	437,312
(94,163)	-	(94,163)
(431,190)	-	(431,190)
(20,248)	-	(20,248)
<u>(5,472,653)</u>	<u>-</u>	<u>(5,472,653)</u>
-	(211,811)	(211,811)
<u>-</u>	<u>15,540</u>	<u>15,540</u>
<u>-</u>	<u>(196,271)</u>	<u>(196,271)</u>
<u>(5,472,653)</u>	<u>(196,271)</u>	<u>(5,668,924)</u>
2,179,858	-	2,179,858
2,405,147	-	2,405,147
422,702	-	422,702
442,662	-	442,662
325,021	41,160	366,181
101,720	12,000	113,720
-	1,203,528	1,203,528
183,435	61,275	244,710
1,272	-	1,272
<u>6,061,817</u>	<u>1,317,963</u>	<u>7,379,780</u>
589,164	1,121,692	1,710,856
<u>11,801,540</u>	<u>2,093,018</u>	<u>13,894,558</u>
<u>\$ 12,390,704</u>	<u>\$ 3,214,710</u>	<u>\$ 15,605,414</u>

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

DOYLESTOWN BOROUGH

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2023

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,685,259	\$ 5,104,851	\$ 68,292	\$ 6,858,402
Taxes receivable	611,032	-	5,299	616,331
Leases receivable	2,580,469	-	-	2,580,469
Other receivables	61,109	-	-	61,109
Due from other funds	-	-	9,903	9,903
Total Assets	<u>\$ 4,937,869</u>	<u>\$ 5,104,851</u>	<u>\$ 83,494</u>	<u>\$ 10,126,214</u>
<u>LIABILITIES</u>				
Accounts payable and accrued expenses	\$ 52,214	\$ 10,159	\$ 5,203	\$ 67,576
Unearned revenue	-	868,561	-	868,561
Due to other funds	299,551	9,903	-	309,454
Total Liabilities	<u>351,765</u>	<u>888,623</u>	<u>5,203</u>	<u>1,245,591</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue - property taxes	13,386	-	2,079	15,465
Deferred leases	2,384,154	-	-	2,384,154
Total Deferred Inflows of Resources	<u>2,397,540</u>	<u>-</u>	<u>2,079</u>	<u>2,399,619</u>
<u>FUND BALANCES</u>				
Nonspendable: Leases	196,315	-	-	196,315
Restricted:				
Communications equipment	29,181	-	-	29,181
Fire and Ambulance	-	-	1,059	1,059
Highways and streets	3,274	-	32,769	36,043
Culture and recreation	283,748	-	-	283,748
Debt service	-	-	32,481	32,481
Assigned:				
Emergency reserve	844,761	-	-	844,761
Capital projects	-	4,216,228	9,903	4,226,131
Unassigned	831,285	-	-	831,285
Total Fund Balances	<u>2,188,564</u>	<u>4,216,228</u>	<u>76,212</u>	<u>6,481,004</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,937,869</u>	<u>\$ 5,104,851</u>	<u>\$ 83,494</u>	<u>\$ 10,126,214</u>

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

DOYLESTOWN BOROUGH

RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO THE  
STATEMENT OF GOVERNMENT-WIDE NET POSITION

December 31, 2023

TOTAL GOVERNMENTAL FUND BALANCES		\$ 6,481,004
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Capital assets used in governmental activities are not financial resources and, therefore, are reported in the funds.

Cost of capital assets	\$ 18,775,701		
Accumulated depreciation	<u>(6,003,569)</u>		12,772,132

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

Property tax receivables	15,465		
Earned income taxes receivable	<u>332,500</u>		347,965

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

Deferred outflows - pension plan	1,160,600		
Deferred inflows - pension plan	<u>-</u>		1,160,600

Long term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Those liabilities consist of the following:

Accrued interest on bonds	(110,491)		
Bonds and notes payable	(5,468,742)		
Capital lease payable	(442,396)		
Net pension liability	(2,128,007)		
Compensated absences	<u>(221,361)</u>		<u>(8,370,997)</u>

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ <u>12,390,704</u>
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The notes to the financial statements are an integral part of this statement.

DOYLESTOWN BOROUGH

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2023

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes:				
Property	\$ 1,300,828	\$ -	\$ 880,352	\$ 2,181,180
Real estate transfer	442,662	-	-	442,662
Earned income	2,434,147	-	-	2,434,147
Local service	422,702	-	-	422,702
Fees, licenses and permits	202,584	-	-	202,584
Fines and forfeitures	405,256	-	-	405,256
Investment income	132,139	179,026	13,856	325,021
Rents	101,720	-	-	101,720
Intergovernmental revenues	270,007	25,000	245,183	540,190
Charges for services	2,319,795	-	-	2,319,795
Other	415,769	120,122	-	535,891
Total Revenues	<u>8,447,609</u>	<u>324,148</u>	<u>1,139,391</u>	<u>9,911,148</u>
Expenditures				
Current:				
General government	635,198	113,561	-	748,759
Public safety	4,466,783	140,151	262,741	4,869,675
Public works	1,201,212	135,295	184,122	1,520,629
Parking	610,896	46,450	-	657,346
Culture and recreation	320,820	554,675	-	875,495
Economic development	42,246	42,435	-	84,681
Unallocated insurance and employee benefits	387,716	-	-	387,716
Debt service:				
Principal	-	169,244	329,510	498,754
Interest	-	11,729	114,795	126,524
Total Expenditures	<u>7,664,871</u>	<u>1,213,540</u>	<u>891,168</u>	<u>9,769,579</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>782,738</u>	<u>(889,392)</u>	<u>248,223</u>	<u>141,569</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	1,272	-	-	1,272
Issuance of debt	-	137,483	-	137,483
Transfers in	362,544	817,648	-	1,180,192
Transfers out	(817,648)	(107,544)	(255,000)	(1,180,192)
Total Other Financing Sources (Uses)	<u>(453,832)</u>	<u>847,587</u>	<u>(255,000)</u>	<u>138,755</u>
Net Change in Fund Balance	328,906	(41,805)	(6,777)	280,324
Fund Balance - Beginning (Restated)	<u>1,859,658</u>	<u>4,258,033</u>	<u>82,989</u>	<u>6,200,680</u>
Fund Balance - Ending	<u>\$ 2,188,564</u>	<u>\$ 4,216,228</u>	<u>\$ 76,212</u>	<u>\$ 6,481,004</u>

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

DOYLESTOWN BOROUGH

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$	280,324
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 638,278	
Depreciation expense	<u>(512,009)</u>	126,269

Because some taxes and other receivables will not be collected for several months after the Borough's year end, they are not considered as "available" revenues in the governmental funds, but are considered revenues in the statement of activities. These taxes and other receivables are net of corresponding amounts due as of the end of the prior year.

(30,322)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issuance	(137,483)	
Financed purchase	-	
Repayment of debt	600,003	
Interest expense	<u>5,027</u>	467,547

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Net pension liability and deferred items	(222,357)	
Compensated absences	<u>(32,297)</u>	<u>(254,654)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>589,164</u>
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The notes to the financial statements are an integral part of this statement.

DOYLESTOWN BOROUGH

GENERAL FUND

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

For the Year Ended December 31, 2023

	GENERAL FUND			
	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Property	\$ 1,286,000	\$ 1,286,000	\$ 1,300,828	\$ 14,828
Real estate transfer	535,000	535,000	442,662	(92,338)
Earned income	2,400,000	2,400,000	2,434,147	34,147
Local service	400,000	400,000	422,702	22,702
Fees, licenses and permits	205,300	205,300	202,584	(2,716)
Fines and forfeitures	383,000	383,000	405,256	22,256
Investment income	11,500	11,500	132,139	120,639
Rents	127,400	127,400	101,720	(25,680)
Intergovernmental revenues	235,650	235,650	270,007	34,357
Charges for services	1,769,900	1,769,900	2,319,795	549,895
Other	387,300	387,300	415,769	28,469
Total Revenues	<u>7,741,050</u>	<u>7,741,050</u>	<u>8,447,609</u>	<u>706,559</u>
Expenditures				
Current:				
General government	645,707	645,707	635,198	10,509
Public safety	4,584,276	4,584,276	4,466,783	117,493
Public works	1,186,205	1,186,205	1,201,212	(15,007)
Parking	586,623	586,623	610,896	(24,273)
Culture and recreation	351,750	351,750	320,820	30,930
Economic development	43,620	43,620	42,246	1,374
Unallocated insurance and employee benefits	393,850	393,850	387,716	6,134
Total Expenditures	<u>7,792,031</u>	<u>7,792,031</u>	<u>7,664,871</u>	<u>127,160</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(50,981)</u>	<u>(50,981)</u>	<u>782,738</u>	<u>833,719</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	2,000	2,000	1,272	(728)
Transfers in	348,544	348,544	362,544	14,000
Transfers out	<u>(94,963)</u>	<u>(94,963)</u>	<u>(817,648)</u>	<u>(722,685)</u>
Total Other Financing Sources (Uses)	<u>255,581</u>	<u>255,581</u>	<u>(453,832)</u>	<u>(709,413)</u>
Net Change in Fund Balance	204,600	204,600	328,906	124,306
Fund Balance - Beginning	<u>(204,600)</u>	<u>(204,600)</u>	<u>1,859,658</u>	
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,188,564</u>	

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

DOYLESTOWN BOROUGH  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

December 31, 2023

	Business-type Activities			
	Water	Water Capital	Fanny Chapman Pool	Total
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ 1,231,879	\$ 654,769	\$ 1,886,648
Accounts receivable	61,087	4,264	-	65,351
Unbilled revenues receivable	165,072	-	-	165,072
Due from other funds	293,352	6,199	-	299,551
Land	32,720	-	15,600	48,320
Depreciable assets, net	299,020	238,422	955,379	1,492,821
Total Assets	<u>\$ 851,251</u>	<u>\$ 1,480,764</u>	<u>\$ 1,625,748</u>	<u>\$ 3,957,763</u>
<u>LIABILITIES</u>				
Current Liabilities				
Accounts payable and accrued expenses	\$ 29,359	\$ 15,986	\$ 974	\$ 46,319
Notes payable, current maturity	64,405	-	1,417	65,822
Total Current Liabilities	<u>93,764</u>	<u>15,986</u>	<u>2,391</u>	<u>112,141</u>
Noncurrent				
Notes payable, net of current maturity	538,338	-	9,178	547,516
Compensated absences, net of current maturity	83,396	-	-	83,396
Total Noncurrent Liabilities	<u>621,734</u>	<u>-</u>	<u>9,178</u>	<u>630,912</u>
Total Liabilities	<u>715,498</u>	<u>15,986</u>	<u>11,569</u>	<u>743,053</u>
<u>NET POSITION</u>				
Net investment in capital assets	(271,003)	238,422	960,384	927,803
Restricted	-	-	19,192	19,192
Unrestricted	406,756	1,226,356	634,603	2,267,715
Total Net Position	<u>135,753</u>	<u>1,464,778</u>	<u>1,614,179</u>	<u>3,214,710</u>
Total Liabilities and Net Position	<u>\$ 851,251</u>	<u>\$ 1,480,764</u>	<u>\$ 1,625,748</u>	<u>\$ 3,957,763</u>

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

DOYLESTOWN BOROUGH

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS

For the Year Ended December 31, 2023

	Business-type Activities			
	Water	Water Capital	Fanny Chapman Pool	Total
Operating Revenues				
Charges for services	\$ 1,565,390	\$ -	\$ 639,144	\$ 2,204,534
Wheeling fee	7,951	-	-	7,951
Other	37,529	-	3,606	41,135
Total Operating Revenues	<u>1,610,870</u>	<u>-</u>	<u>642,750</u>	<u>2,253,620</u>
Operating Expenses				
Salaries, benefits, and related taxes	969,367	-	339,482	1,308,849
Utilities	65,868	-	24,056	89,924
Supplies	143,356	-	32,446	175,802
Repairs and maintenance	190,838	176,614	101,952	469,404
Property and liability insurance	40,386	-	8,718	49,104
Other	104,518	-	65,740	170,258
Depreciation	70,571	12,397	82,279	165,247
Total Operating Expenses	<u>1,584,904</u>	<u>189,011</u>	<u>654,673</u>	<u>2,428,588</u>
Operating Income (Loss)	<u>25,966</u>	<u>(189,011)</u>	<u>(11,923)</u>	<u>(174,968)</u>
Nonoperating Revenues (Expense)				
Connection permits and reimbursements	-	1,203,528	-	1,203,528
Contributions	-	-	31,069	31,069
Investment income	-	30,002	11,158	41,160
Rentals and other	-	-	12,000	12,000
Authority reimbursement	12,189	-	-	12,189
Interest expense	(3,286)	-	-	(3,286)
Total Nonoperating Revenues (Expense)	<u>8,903</u>	<u>1,233,530</u>	<u>54,227</u>	<u>1,296,660</u>
Changes in Net Position	34,869	1,044,519	42,304	1,121,692
Total Net Position - Beginning	<u>100,884</u>	<u>420,259</u>	<u>1,571,875</u>	<u>2,093,018</u>
Total Net Position - Ending	<u>\$ 135,753</u>	<u>\$ 1,464,778</u>	<u>\$ 1,614,179</u>	<u>\$ 3,214,710</u>

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

# DOYLESTOWN BOROUGH

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended December 31, 2023

	Business-type Activities			
	Water	Water Capital	Fanny Chapman Pool	Total
Cash flows from operating activities				
Cash received from customers	\$ 1,589,165	\$ 8,912	\$ 642,750	\$ 2,240,827
Cash paid to employees	(969,367)	-	(339,482)	(1,308,849)
Cash paid to suppliers	(565,588)	(256,620)	(241,295)	(1,063,503)
Net cash provided by (used in) operating activities	54,210	(247,708)	61,973	(131,525)
Cash flows from non-capital financing activities				
Connection permits	-	1,203,528	-	1,203,528
Authority reimbursements	12,189	-	-	12,189
Rentals and other	-	-	12,000	12,000
Contributions	-	-	31,069	31,069
Net cash provided by (used in) non-capital financing activities	12,189	1,203,528	43,069	1,258,786
Cash flows from capital and related financing activities				
Purchase of property and equipment	-	(55,570)	(24,629)	(80,199)
Principal paid on long-term debt	(63,113)	-	(1,378)	(64,491)
Interest paid on long-term debt	(3,286)	-	-	(3,286)
Net cash provided by (used in) capital and related financing activities	(66,399)	(55,570)	(26,007)	(147,976)
Cash flows from investing activities				
Earnings on investments	-	30,002	11,158	41,160
Net cash provided by (used in) investing activities	-	30,002	11,158	41,160
Net increase (decrease) in cash and cash equivalents	-	930,252	90,193	1,020,445
Beginning cash and cash equivalents	-	301,627	564,576	866,203
Ending cash and cash equivalents	\$ -	\$ 1,231,879	\$ 654,769	\$ 1,886,648

### Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities

Net operating income (loss)	\$ 25,966	\$ (189,011)	\$ (11,923)	\$ (174,968)
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	70,571	12,397	82,279	165,247
Changes in assets and liabilities				
(Increase) decrease in receivables	(21,705)	8,912	-	(12,793)
(Increase) decrease in due from other funds	(7,087)	(6,199)	-	(13,286)
Increase (decrease) in accounts payables and accruals	(40,636)	(69,327)	(8,383)	(118,346)
Increase (decrease) in due to other funds	-	(4,480)	-	(4,480)
Increase (decrease) in compensated absences	27,101	-	-	27,101
Net adjustments	28,244	(58,697)	73,896	43,443
Cash provided by (used in) operating activities	\$ 54,210	\$ (247,708)	\$ 61,973	\$ (131,525)

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

DOYLESTOWN BOROUGH

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

December 31, 2023

	Non-Uniform Pension <u>Trust Fund</u>	Custodial <u>Fund</u> <u>Escrows</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 149,417	\$ 420,466
Accrued interest	-	-
Investments, at fair value:		
Exchange Traded Funds	465,028	-
Mutual Funds - Equity	2,125,250	-
Mutual Funds - International Equity	686,346	-
Mutual Funds - Fixed Income	2,008,533	-
Total Investments	<u>5,285,157</u>	<u>-</u>
Total Assets	<u>\$ 5,434,574</u>	<u>\$ 420,466</u>
<u>NET POSITION</u>		
Net Position - Restricted for:		
Pension benefits	\$ 5,434,574	\$ -
Developters and others	<u>-</u>	<u>420,466</u>
Total Net Position	<u>\$ 5,434,574</u>	<u>\$ 420,466</u>

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

DOYLESTOWN BOROUGH

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the Year Ended December 31, 2023

	Non-Uniform Pension <u>Trust Fund</u>	Custodial Fund <u>Escrows</u>
Additions		
Contributions		
Employer contributions	\$ 117,591	\$ -
State aid	157,353	-
Escrow receipts	-	251,632
Total Contributions	<u>274,944</u>	<u>251,632</u>
Investment Income		
Net appreciation (depreciation) in fair value of investments	524,325	-
Interest and dividend income	<u>184,127</u>	<u>8,982</u>
Total investment earnings	708,452	8,982
Less investment expense	<u>(15,226)</u>	<u>-</u>
Net Investment Income	<u>693,226</u>	<u>8,982</u>
Total Additions	<u>968,170</u>	<u>260,614</u>
Deductions		
Benefits	147,631	-
Escrow disbursements	-	37,716
Total Deductions	<u>147,631</u>	<u>37,716</u>
Change in Net Position	820,539	222,898
Net Position - Restricted:		
Beginning of Year	<u>4,614,035</u>	<u>197,568</u>
End of Year	<u>\$ 5,434,574</u>	<u>\$ 420,466</u>

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

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**I. Summary of significant accounting policies**

**A. *Reporting entity***

Doylestown Borough is a municipal corporation existing and operating under the Borough code of the Commonwealth of Pennsylvania. The Borough Council (the “Council”) is the basic level of government which has financial accountability and control over all activities related to municipal functions in the Borough of Doylestown. The Council is not included in any other governmental “reporting entity” as defined by the Government Accounting Standards Board, since Council members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and have primary accountability for fiscal matters.

In evaluating the Borough (the primary government) as a reporting entity, all potential component units that may or may not fall within the financial accountability of the Borough have been addressed. Financial accountability is present if the Borough 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 Borough. Based on these criteria, there are no organizations or agencies which should be included in the Borough’s reporting entity.

**B. *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 all of the nonfiduciary activities of the Borough. All fiduciary activities are reported only in the fiduciary fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges for services which report fees and other charges to users of the Borough’s services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**I. Summary of significant accounting policies (Continued)**

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

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's proprietary functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

*Fund Financial Statements*

Fund financial statements are provided for governmental funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as a separate column in the fund financial statements.

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

The government-wide statements report using the *economic resources measurement focus* and the *accrual basis of accounting* generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using the same focus and basis of accounting although internal activity is not eliminated in these statements and any custodial funds reported have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues, net of any uncollectible amounts, are recognized in the year for which they are levied while grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

**I. Summary of significant accounting policies (Continued)**

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

Governmental fund financial statements reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Borough considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Property taxes levied but collected beyond 60 days after year-end are recorded as deferred revenue to be recognized as revenue when the taxes are collected. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

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

*Basis of Presentation - Fund Accounting and Measurement Focus*

The accounts of the Borough are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following is a description of the fund types used by the Borough in the accompanying basic financial statements.

The government reports the following major governmental funds:

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

The *Capital Projects Fund* is used to account for resources for the acquisition or construction of specific capital facilities by the Borough.

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**I. Summary of significant accounting policies (Continued)**

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

Proprietary Funds - These funds are used to account for operations that are organized to be self-supporting through user charges.

The *Water Fund* is used to account for the financing, costs, and other expenses of water services provided to Borough residents.

The *Water Capital Fund* is used to account for tapping/connection fees and the capital expenditures of the water system.

The *Fanny Chapman Pool Fund* is used to account for the financial activity of the Borough's community swimming pool.

Trust and Custodial Funds - Are used to account for assets held by the Borough in a trustee or custodial capacity for individuals and/or other funds.

*Pension Trust Fund* - This fund is used to account for resources required to be held in trust for the members and beneficiaries of the Borough's defined benefit pension plan - The Non-Uniform Pension Fund.

*Custodial Fund* - This fund is used to account for subdivision/land development, shade tree, water/sewer, and all other types of escrows held by the Borough in a custodial capacity.

Major revenue sources susceptible to accrual include: property taxes, earned income taxes, interest earnings, special assessments, levies, intergovernmental revenues and charges for services. In general, other revenues are recognized when cash is received. In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the Borough; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

**I. Summary of significant accounting policies (Continued)**

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges for services, consisting of rent. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition classified as nonoperating in the financial statements.

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

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**I. Summary of significant accounting policies (Continued)**

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

***1. Deposits and investments***

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

With the exception of Pension Trust Funds, state law allows the government to invest in obligations of the United States of America, the Commonwealth of Pennsylvania, or any agency or instrumentality of either, which are secured by the full faith and credit of such entity. The law also allows for the Government to invest in certificates of deposit of banks, savings and loans, and savings banks both within and outside the Commonwealth of Pennsylvania, provided such amounts are insured by the Federal Deposit Insurance Corporation (FDIC) or other like insurance, and that deposits in excess of such insurance are collateralized by the depository.

The state also imposes limitations with respect to the amount of investment in certificates of deposit to the extent that such deposits may not exceed 20% of a bank's total capital surplus or 20% of a savings and loan's or savings bank's assets, net of its liabilities. The government may also invest in shares of registered investment companies, provided that investments of the Company are authorized investments, as noted above.

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

Investments for the government are reported at fair value. The Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the pool's amortized cost-based net asset value per share, which approximates fair value. There are no limitations or restrictions on withdrawals.

***2. Receivables and payables***

Outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and other activities are reported in the government-wide financial statements as "internal balances".

At December 31, 2023, all trade receivables were deemed to be fully collectible. The property tax receivable allowance is immaterial and therefore is not included in outstanding property taxes at December 31, 2023.

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**I. Summary of significant accounting policies (Continued)**

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

***2. Receivables and payables (continued)***

Property taxes are levied as of March 1 on property values assessed as of the same date. Taxes are billed March 1 and payable under the following terms: a 2% discount March 1 through April 30; face amount May 1 through July 1; and a 10% penalty after July 1. Any unpaid taxes are attached as an enforceable lien on such property as of January 15 of the following year. The Borough employs an elected tax collector to collect the property tax levied. Property taxes collected within sixty days subsequent to December 31, 2023 are recognized as revenue for the year ending December 31, 2023.

The Borough is a lessor for various long-term noncancellable lease agreements. The Borough recognizes leases receivable and deferred inflows of resources in the government-wide and fund financial statements. At the commencement of a lease, the Borough initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The Borough uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease plus any options to extend.

Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. Any variable payments received are based on direct monthly usage and are recognized as revenue when received.

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

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

**I. Summary of significant accounting policies (Continued)**

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

***3. Prepaid expenses***

Represents payments applicable to future accounting periods, such as lease payments or payments to vendors.

***4. Capital assets***

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Prior to January 1, 2004, governmental funds' infrastructure assets were not capitalized. These assets are valued prospectively. Property, plant, and equipment of the primary government, as well as its component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	20
Building and improvements	25-50
Fixtures, equipment, vehicles	8-25
Road projects and traffic lights	40

***5. Compensated absences***

The Borough allows employees to carry over certain paid time off. Except with prior approval by the Borough Manager, vacation days may not be accumulated from year to year but shall be taken in the year of entitlement or the employee shall be paid for any unused vacation with the last pay of the year. A record of unused sick leave and vacation entitlement for the coming year shall be issued to each member in the collective bargaining unit agreement. Upon termination or retirement, the Borough will purchase from each employee their accumulated sick days beginning after 180 days.

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

**I. Summary of significant accounting policies (Continued)**

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

***5. Compensated absences (continued)***

The Borough allows employees to carry over certain paid time off. Except with prior approval by the Borough Manager, vacation days may not be accumulated from year to year but shall be taken in the year of entitlement or the employee shall be paid for any unused vacation with the last pay of the year.

A record of unused sick leave and vacation entitlement for the coming year shall be issued to each member in the collective bargaining unit agreement. Upon termination or retirement, the Borough will purchase from each employee their accumulated sick days beginning after 180 days.

***6. 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 assets. If bond premiums or discounts exist, they are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of any applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

***7. Use of estimates***

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

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**I. Summary of significant accounting policies (Continued)**

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

***8. Deferred outflows/inflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Borough has the following items that qualify for reporting in this category. The Borough has the following items that qualify for reporting in these categories.

1. *Differences between expected and actual experience on pension plan liability* is reported in the government-wide statement. A difference results when actual economic or demographic factors differ from expected results. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
2. *Change in assumptions* is reported in the government-wide statement. A difference results when assumptions used to prepare the actuarial valuation of the pension plan changes. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become available.
3. *Net difference between projected and actual earnings on pension plan investments* is reported in the government-wide statement of net position. A net difference results from the actual earnings in the plan either exceeding or falling short of projected earnings. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
4. *Unavailable revenue - property taxes* is reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
5. *Leases* is reported in the governmental funds and the government-wide statement of net position. A deferred balance results at the initiation of the lease in an amount equal to the initial recording of the lease receivable. A deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**I. Summary of significant accounting policies (Continued)**

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

***9. Net position***

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

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Investment in Capital Assets			
Capital assets not being depreciated	\$ 510,043	\$ 48,320	\$ 558,363
Capital assets being depreciated, net of accumulated depreciation	12,262,089	1,492,821	13,754,910
Less: Long-term debt outstanding	<u>(5,468,742)</u>	<u>(613,338)</u>	<u>(6,082,080)</u>
Total Net Investment in Capital Assets	<u>\$ 7,303,390</u>	<u>\$ 927,803</u>	<u>\$ 8,231,193</u>

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

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

***10. Fund balance***

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

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

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**I. Summary of significant accounting policies (Continued)**

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

***10. Fund balance (continued)***

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

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

**Assigned Fund Balance** - Includes amounts intended to be used by the Borough for specific purposes but do not meet the criteria to be classified as committed. The governing body, the Board Council, has by resolution authorized the Borough Manager or Finance Director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Emergency Reserve - By Board Resolution, five (5%) to fifteen (15%), with a target of ten percent (10%), of all regular general fund operating revenues as determined by the Borough financial statements shall be held in reserve and not be available for normal expenditure in annual budgets or to supplement normal and ordinary budgetary operational and capital expenses. Through Board resolution the funds may be spent.

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

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned. In all cases, encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**I. Summary of significant accounting policies (Continued)**

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

***11. Subsequent events***

The Borough has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of this report, which is the date the statements were available for release. See Note IV.G. for disclosure.

***12. New Accounting Pronouncements***

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

**II. Stewardship, compliance, and accountability**

***A. Budgetary information***

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

Prior to November, Council approves a preliminary budget for the upcoming fiscal year, reflecting proposed expenditures and the means of financing them. During November, the Borough 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 Borough makes available to the public its proposed operating budget for all funds. The operating budget includes proposed expenditures and the means of financing them. The Board holds public hearings and a final budget must be prepared and adopted no later than December 31 through the passage of an ordinance. Any budget revisions require the approval of Borough Council. The Council authorized the use of unallocated fund balance in 2023. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders) outstanding at year end lapse.

***B. Excess of Expenditures Over Appropriations***

For the year ended December 31, 2023, expenditures over appropriations for the General Fund were as follows: public works and parking in the of \$15,007 and \$24,273, respectively. The over expenditures were covered through revenues in excess of budget.

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

**III. Detailed notes on all funds**

**A. *Deposits and investments***

*Custodial Credit Risk - Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government's policy is to require their banking institution to provide a letter stating that they follow the Commonwealth of Pennsylvania Act 72, where all funds in excess of federal depository insurance limits held by the bank are collateralized in public funds secured on a pooled basis.

As of year-end, the governmental and business-type activities carrying value of bank deposits was \$8,745,050. Of the bank balance, \$500,000 was covered by federal depository insurance and \$55,374 was invested in externally pooled investments, which are not subject to credit risk. Any balances exceeding depository insurance are exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the government's name.

*Investment Pool* - The Borough has carrying deposits in external investment pools, held with PLGIT Bank. These deposits are considered cash equivalents because of their short maturity dates and are included in the carrying amount of deposits disclosed above. These deposits are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

The investment in the pool is the same as the value of the pool shares and is reported at amortized cost, which approximates fair value. PLGIT activities are invested directly in a portfolio of securities, which are held by a third-party custodian. The Borough can withdraw funds from the external investment pool without limitation or fees upon adequate notice. The investment pool was rated AAAm by Standard & Poor's and has average maturities of less than 30 days. The Investment Pool operates in accordance with appropriate state laws and regulations.

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

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

**III. Detailed notes on all funds (Continued)**

**A. *Deposits and investments (continued)***

*Interest Rate Risk.* This is the risk that changes in interest rates will adversely affect the fair market value of an investment. The Borough's policy regarding its fixed income investments generally limits the maximum maturity of a security to ten years. As of December 31, 2023, the Borough did not have any investments maturing beyond the ten-year period. See above maturities.

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. There were no investments greater than 5% in any one single issuer that would be considered a concentration of credit risk for the government.

**Fair Value Measurements:** The Borough categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Borough has the following recurring fair value measurements as of December 31, 2023:

	<u>Amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Average Rating</u>	<u>Average Maturity</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
Externally Pooled Investments (PLGIT)	<u>\$ 48,231</u>	<u>\$ -</u>	<u>\$ 48,231</u>	AAAm	1 day
<b>BUSINESS-TYPE ACTIVITIES</b>					
Externally Pooled Investments (PLGIT)	<u>\$ 7,143</u>	<u>\$ -</u>	<u>\$ 7,143</u>	AAAm	1 day
<b>FIDUCIARY FUNDS</b>					
Externally Pooled Investments (PLGIT)	\$ 19,675	\$ -	\$ 19,675	AAAm	1 day
Exchange Traded Funds	465,028	465,028	-	not applicable	not applicable
Mutual Funds - Equity	2,125,250	2,125,250	-	not applicable	not applicable
Mutual Funds - International Equity	686,346	686,346	-	not applicable	not applicable
Mutual Funds - Fixed Income	<u>2,008,533</u>	<u>2,008,533</u>	-	A+ to BBB	7 years
Total Fiduciary Funds	<u>\$ 5,304,832</u>	<u>\$ 5,285,157</u>	<u>\$ 19,675</u>		

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**III. Detailed notes on all funds (Continued)**

***B. Receivables and due from other governments***

Receivables as of year-end for the government's funds, are as follows:

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Water</u>	<u>Water Capital</u>	<u>Total</u>
Receivables:					
Taxes receivable	\$ 611,032	\$ 5,299	\$ -	\$ -	\$ 616,331
Leases receivable	2,580,469	-	-	-	2,580,469
Other receivable	61,109	-	-	-	61,109
Accounts receivable	-	-	61,087	4,264	65,351
Unbilled revenue	-	-	165,072	-	165,072
Interest receivable	-	-	-	-	-
Total Receivables	<u>\$ 3,252,610</u>	<u>\$ 5,299</u>	<u>\$ 226,159</u>	<u>\$ 4,264</u>	<u>\$ 3,488,332</u>

The Borough has entered in to various lease agreements for cell tower and property rentals. Under these agreements, the Borough receives minimum monthly payments. For lease agreements with noncancellable terms, the lease receivable is measured at the present value of the noncancellable long-term future minimum rental payments expected to be received under the terms of the lease at a discounted rate. Any variable payments received are based on direct monthly usage and are not included in the calculation of the receivable.

For the year ended December 31, 2023, the principal and interest receivable on long-term noncancellable leases was as follows:

Year Ending <u>December 31</u>	<u>Governmental Activities</u>	
	<u>Lease Receivable</u>	<u>Interest</u>
2024	\$ 83,154	\$ 50,522
2025	87,577	48,815
2026	92,173	47,015
2027	96,944	45,126
2028	102,139	43,132
2029-2033	601,563	181,619
2034-2038	618,732	117,286
2039-2043	426,234	62,982
2044-2048	202,345	49,375
2049-2053	225,010	28,064
2054-2058	44,598	14,633
	<u>\$ 2,580,469</u>	<u>\$ 688,569</u>

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

**III. Detailed notes on all funds (Continued)**

***C. Capital assets***

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 510,042	\$ -	\$ -	\$ 510,042
Construction in progress	1,820,714	-	(1,820,714)	-
Total capital assets, not being depreciated	<u>2,330,756</u>	<u>-</u>	<u>(1,820,714)</u>	<u>510,042</u>
Capital assets, being depreciated:				
Land improvements	1,633,967	2,272,808	-	3,906,775
Building and building improvements	6,730,601	-	-	6,730,601
Fixtures and equipment	2,301,497	38,251	-	2,339,748
Vehicles	1,030,302	147,933	-	1,178,235
Infrastructure	4,110,300	-	-	4,110,300
Total capital assets being depreciated	<u>15,806,667</u>	<u>2,458,992</u>	<u>-</u>	<u>18,265,659</u>
Less accumulated depreciation for:				
Land improvements	1,460,246	25,695	-	1,485,941
Building and building improvements	165,886	164,191	-	330,077
Fixtures and equipment	1,535,961	145,175	-	1,681,136
Vehicles	706,548	65,678	-	772,226
Infrastructure	1,622,919	111,270	-	1,734,189
Total accumulated depreciation	<u>5,491,560</u>	<u>512,009</u>	<u>-</u>	<u>6,003,569</u>
Total capital assets, being depreciated, net	<u>10,315,107</u>	<u>1,946,983</u>	<u>-</u>	<u>12,262,090</u>
Governmental activities capital assets, net	<u>\$ 12,645,863</u>	<u>\$ 1,946,983</u>	<u>\$ (1,820,714)</u>	<u>\$ 12,772,132</u>

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

**III. Detailed notes on all funds (Continued)**

***C. Capital assets (continued)***

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 48,320	\$ -	\$ -	\$ 48,320
Construction in progress	<u>276,282</u>	<u>-</u>	<u>(276,282)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>324,602</u>	<u>-</u>	<u>(276,282)</u>	<u>48,320</u>
Capital assets, being depreciated:				
Land improvements	2,212,070	241,182	(100,543)	2,352,709
Building and building improvements	858,251	103,501	(51,200)	910,552
Fixtures and equipment	2,074,987	12,275	(97,026)	1,990,236
Vehicles	<u>375,381</u>	<u>-</u>	<u>-</u>	<u>375,381</u>
Total capital assets being depreciated	<u>5,520,689</u>	<u>356,958</u>	<u>(248,769)</u>	<u>5,628,878</u>
Less accumulated depreciation for:				
Land improvements	1,709,475	40,209	(100,543)	1,649,141
Building and building improvements	511,390	43,662	(51,200)	503,852
Fixtures and equipment	1,651,439	74,350	(97,026)	1,628,763
Vehicles	<u>347,275</u>	<u>7,026</u>	<u>-</u>	<u>354,301</u>
Total accumulated depreciation	<u>4,219,579</u>	<u>165,247</u>	<u>(248,769)</u>	<u>4,136,057</u>
Total capital assets, being depreciated, net	<u>1,301,110</u>	<u>191,711</u>	<u>-</u>	<u>1,492,821</u>
Business-type activities capital assets, net	<u>\$ 1,625,712</u>	<u>\$ 191,711</u>	<u>\$ (276,282)</u>	<u>\$ 1,541,141</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 233,240
Public safety - zoning and inspection	6,082
Highway and streets	241,001
Parking	5,908
Culture and recreation	<u>25,778</u>
Total depreciation expense-governmental activities	<u>\$ 512,009</u>
Business-type activities:	
Water	\$ 82,968
Fanny Chapman Pool	<u>82,279</u>
Total depreciation expense-business-type activities	<u>\$ 165,247</u>

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**III. Detailed notes on all funds (Continued)**

***D. Interfund receivables, payables, and transfers***

The composition of interfund balances as of December 31, 2023 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General fund	\$ -	\$ 299,551
Capital projects	-	9,903
Capital reserve	9,903	-
Water	293,352	-
Water Capital	6,199	-
Total	<u>\$ 309,454</u>	<u>\$ 309,454</u>

Interfund balances are primarily a result of:

- (1) reimbursement of expenditures
- (2) allocation of wages and benefits

Interfund transfers:

	<u>Transfer in</u>	<u>Transfer out</u>
General fund	\$ 362,544	\$ 817,648
Capital projects	817,648	107,544
Other governmental funds	-	255,000
Total	<u>\$ 1,180,192</u>	<u>\$ 1,180,192</u>

Interfund transfers are primarily a result of:

- (1) allocation of wages and benefits

***E. Long-term debt***

**General Obligation Notes**

The government issues general obligation notes to provide funds for the acquisition and construction of major capital facilities, and other capital projects. The original amount of general obligation notes issued in prior years was \$7,070,138. General obligation notes are direct obligations and pledge the full faith and credit of the Borough.

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**III. Detailed notes on all funds (Continued)**

***E. Long-term debt (continued)***

Amounts outstanding at December 31, 2023 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Government-type activities	2.073-2.278%	\$ 5,468,742
Business-type activities	2.23-2.278%	613,338
		<u>\$ 6,082,080</u>

Annual debt service requirements to maturity for general obligation notes are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 358,258	\$ 124,450	\$ 65,822	\$ 18,274	\$ 424,080	\$ 142,724
2025	365,768	118,963	67,312	17,489	433,080	136,452
2026	372,986	113,330	69,094	16,678	442,080	130,008
2027	359,708	107,607	70,132	15,851	429,840	123,458
2028	365,085	101,752	71,915	15,007	437,000	116,759
2029-2033	1,667,937	324,068	269,063	23,305	1,937,000	347,373
2034-2038	1,385,000	148,822	-	-	1,385,000	148,822
2039-2040	594,000	18,533	-	-	594,000	18,533
Total	<u>\$ 5,468,742</u>	<u>\$ 1,057,525</u>	<u>\$ 613,338</u>	<u>\$ 106,604</u>	<u>\$ 6,082,080</u>	<u>\$ 1,164,129</u>

**Financed Purchases**

The assets acquired through financed purchases are as follows:

<u>Asset:</u>	<u>Governmental</u> <u>Activities</u>
Machinery and equipment	\$ 758,858
Building	487,500
Park	525,000
Accumulated Depreciation	(398,860)
Total	<u>\$ 1,372,498</u>

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**III. Detailed notes on all funds (Continued)**

***E. Long-term debt (continued)***

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2023 are as follows:

Year Ended December 31,	Governmental Activities
2024	\$ 308,894
2025	129,918
2026	50,644
2027	31,210
Total minimum lease payments	520,666
Less: amounts representing interest	(78,270)
Present value of minimum lease payments	<u>\$ 442,396</u>

**Long-Term Liabilities Summary**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Notes payable	\$ 5,820,331	\$ -	\$ (351,589)	\$ 5,468,742	\$ 358,258
Financed purchases	553,327	137,483	(248,414)	442,396	144,885
Net pension liability	1,886,355	389,283	(147,631)	2,128,007	-
Compensated absences	189,064	32,297	-	221,361	-
Governmental activity Long-Term Liabilities	<u>\$ 8,449,077</u>	<u>\$ 559,063</u>	<u>\$ (747,634)</u>	<u>\$ 8,260,506</u>	<u>\$ 503,143</u>
<b>Business-type activities:</b>					
Notes payable	\$ 677,829	\$ -	\$ (64,491)	\$ 613,338	\$ 65,822
Compensated absences	56,295	27,101	-	83,396	-
Business-type activity Long-Term Liabilities	<u>\$ 734,124</u>	<u>\$ 27,101</u>	<u>\$ (64,491)</u>	<u>\$ 696,734</u>	<u>\$ 65,822</u>

Debt service for general obligation notes is funded primarily from taxes for governmental activities and charges for service in the business type activities. Any liabilities for compensated absences are generally liquidated by the general fund for governmental activities and the water fund for business-type activities.

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

**IV. Other information**

**A. *Risk management***

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government participates in the Delaware Valley Property & Liability Trust pool, the Delaware Valley Workers' Compensation Trust pool, and the Delaware Valley Health Trust Pool. Trust underwriting and rate-setting policies are established after consultation with independent insurance consultants. Any member may withdraw from the Trust by giving 150 days written notice to the Executive Committee. Settled claims from these risks have not exceeded insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

- The Delaware Valley Property & Liability Trust - The insurance expense for the year ended December 31, 2023 was \$115,389. The pooling agreement permits the pool to make additional assessments to its members. At December 31, 2023, there were no additional assessments due or anticipated; instead, the pool declared a dividend of which the Borough's share was \$1,670.
- The Delaware Valley Workers' Compensation Trust - The insurance expense for the year ended December 31, 2023 was \$45,072. The Borough received \$2,536 as a result from a payroll audit of the 2022 coverage year. There were no additional assessments due or anticipated. An audit of the 2023 payroll will be performed in 2024. At December 31, 2023, the pool declared a dividend of which the Borough's share was \$15,382.
- The Delaware Valley Health Trust - The insurance expense for the year ended December 31, 2023 was \$552,070. There were no additional assessments due or anticipated. At December 31, 2023, the pool did not declare a dividend.

**B. *Contingent liabilities***

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

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

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**IV. Other information (Continued)**

***C. Deferred Compensation Plan***

The Borough offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by independent plan administrators, and is available to all non-uniformed employees. The Borough's contribution is a 100% match of employee deferrals up to a maximum of 5.5% of base salary. The Borough's contribution for 2023 was \$117,613.

***D. Employee retirement systems and pension plans***

**Defined Benefit Pension Plan Description and Membership**

The Borough sponsors a single employer defined benefit pension plan, the Non-Uniform Pension Plan. This plan is reported as a Pension Trust Fund in the accompanying financial statements. The plan does not issue a stand-alone report. The plan is administered by the Borough. The most recent valuation was as of January 1, 2023. Details below are from the valuation.

The plan covers all full time non-uniform employees of Doylestown Borough. An employee enters the plan on the date of hire.

The plan is controlled by the provisions of Ordinance No. 2011-15, as amended, adopted pursuant to Act 581. The plan is governed by the Borough Council which is responsible for the management of plan assets. Borough Council has appointed the Pension Board as the official body to which all related investment matters of the Fund are delegated. The Pension Board consists of four members, consisting of three Borough Council Members and one participant of the plan. The Borough Council has delegated the authority to manage certain plan assets to Girard Pension Services, LLC., with Matrix Trust Company as custodian.

The following table provides information concerning types of covered employees for the Borough's Plan as of December 31, 2023:

Inactive employees (or their beneficiaries) currently receiving benefits	14
Inactive employees entitled to benefits but not yet receiving them	9
Active employees	<u>29</u>
	<u>52</u>

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**IV. Other information (Continued)**

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

Benefits Provided

The pension plan provides members and their beneficiaries' retirement, death, and disability benefits. All fulltime employees are eligible for participation and are fully vested after 5 years of service. The normal retirement date is age 65 and 5 years of service. The normal retirement benefit is a monthly benefit equal to 1.25% for each year of service times the average monthly salary over the participant's final thirty-six months of employment. Disability benefits are equal to 50% of the member's salary at the time the disability was incurred. Said pension shall be reduced by any available Workers' Compensation benefits received for the same injuries. Upon attainment of ten years of service, nonservice-related disability benefits are provided to a member who is certified to be unable to engage in any gainful employment equal to 30% of the member's salary at the time the disability was incurred. A cost of living adjustment may be provided to retired members. Annual adjustments are not to exceed the increase in the Consumer Price Index from year to year. Total adjustments are not to exceed 30% of the retiree's original pension. Benefits and Contribution provisions are established, and may be amended by, Pennsylvania law. Administrative costs of the Plan are financed through investment earnings.

Measurement Focus and Basis of Accounting

*Basis of Accounting:* Pension Plan financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Employer and member contributions are recognized as when due pursuant to formal commitments, as well as statutory or contractual requirements. Investment income is recognized as revenue when earned. Retirement benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred.

The net appreciation/(depreciation) in fair value of investments is recorded as an increase/(decrease) to investment income based on the valuation of investments. The entire expense of Plan administration is charged against the earnings of the Plan. Investment earnings are reduced for investment management fees, portfolio evaluation, custodial services, and actuarial services, as required by State statutes.

*Method Used to Value Investments:* Pension Plan investments are reported at fair value. Fair value is based on quoted market values. Securities that are traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**IV. Other information (Continued)**

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

Contributions

Non-Uniform members were not required to contribute to the plan in 2023. Contributions are determined on an annual basis. Administrative costs and investment costs of the plan are financed through an addition to the Actuarially Determined Employer Contribution.

The Borough is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the Pension Fund. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law. The Pension Plans funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due.

The Borough's annual required contribution is equal to its minimum municipal obligation ("MMO") as calculated in accordance with Pennsylvania law (Act 205 of 1984) less state aid and employee contributions deposited in the pension fund during the year. State law requires that state aid be used first to fund the plan, then employee contributions and finally general Borough funds. The Borough received state aid, which is recognized as revenue and expenses, in the amount of \$157,353 for the pensions for the year ended December 31, 2023.

Investments

*Investment Policy:* The pension Board, with the assistance of TCG Investment Advisory, Inc., shall select the appropriate asset weighting percentage to be allocated to each specific asset class. Each asset class shall consist of a combination of investment options that have been made available to obtain the absolute investment objective of the fund. Investments shall be diversified with the intent to minimize the risk of large investment losses. Consequently, the total portfolio will be constructed and maintained to provide prudent diversification with regard to the concentration of holdings in investment funds specializing in individual issues, issuers, countries, governments or industries.

*Rate of Return:* For the year ended December 31, 2023, the annual money-weighted rate of return on Plan investments, net of investment expense was 14.82 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**IV. Other information (Continued)**

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

Net Pension Liability

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

	<u>Non-Uniformed</u>
Total pension liability	\$ 7,562,580
Plan fiduciary net position	(5,434,573)
Net Pension Liability	<u>\$ 2,128,007</u>
Plan fiduciary net position as a percentage of the total pension liability	71.9%

*Actuarial Assumptions:* The total pension liability in the January 1, 2023 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

	<u>Non-Uniformed</u>	
Inflation	3.00%	
Salary Increases	4.00%	(average, including inflation)
Investment Rate of Return	6.75%	(including inflation)
Postretirement Cost of Living Increase	none	

Mortality rates were based on the PubG-2010 projected 5 years past the valuation date with Scale MP-2021.

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

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**IV. Other information (Continued)**

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

Assumption changes: In 2023, the interest rate assumption was lowered from 7% to 6.75% and the mortality tables were updated to Scale MP-2021.

Change in benefit terms: In 2023, there was a post retirement adjustment.

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

	Target	Long-term Expected
<u>Asset Class</u>	<u>Allocation</u>	<u>Real Rate of Return</u>
Domestic Equity	43.0%	8.3% - 11.6%
International Equity	17.0%	8.8% - 12.2%
Fixed Income	37.0%	5.50%
Real Estate	0.0%	7.50%
Cash	3.0%	0.76%

*Discount Rate:* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of active and inactive Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

**IV. Other information (Continued)**

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

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.

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
<b><u>Non-Uniformed Pension Plan</u></b>			
Balance at December 31, 2022	\$ 6,500,390	\$ 4,614,035	\$ 1,886,355
Changes for the year:			
Service cost	168,603	-	168,603
Interest	482,863	-	482,863
Change of benefit terms	25,945	-	25,945
Differences between expected and actual experience	347,629	-	347,629
Change of assumptions	184,781	-	184,781
Contributions - employer	-	274,944	(274,944)
Net investment income	-	693,225	(693,225)
Benefit payments, including refunds of employee contributions	(147,631)	(147,631)	-
Other changes	-	-	-
Net Changes	<u>1,062,190</u>	<u>820,538</u>	<u>241,652</u>
Balance at December 31, 2023	<u>\$ 7,562,580</u>	<u>\$ 5,434,573</u>	<u>\$ 2,128,007</u>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate:* The following presents the net pension liability of participating entities calculated using the discount rate of 7 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1%	Current	1%
	Decrease	Discount	Increase
	<u>(5.75%)</u>	<u>Rate (6.75%)</u>	<u>(7.75%)</u>
Net pension liability			
Non-Uniformed	\$ 2,959,554	\$ 2,128,007	\$ 1,416,386

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**IV. Other information (Continued)**

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

*Deferred Outflows and Inflows of Resources:* For the year ended December 31, 2023, the Borough recognized pension expense of \$497,301 for the Non-Uniformed Pension. At year end, the Borough reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Non-Uniformed Pension</u>		
Differences between expected and actual experience	\$ 430,630	\$ -
Change in assumptions	391,220	-
Net difference between projected and actual earnings on pension plan investments	<u>338,750</u>	<u>-</u>
Total	<u>\$ 1,160,600</u>	<u>\$ -</u>

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

<u>Year Ended December 31:</u>	<u>Non-Uniformed</u>
2024	\$ 241,487
2025	294,565
2026	323,919
2027	49,090
2028	118,441
Thereafter	<u>133,098</u>
Total	<u>\$ 1,160,600</u>

*Payable to the Pension Plan:* For the year ended December 31, 2023, there was no amount payable for contributions to the pension plan.

DOYLESTOWN BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**IV. Other information (Continued)**

***E. Escrow cash deposits and investments***

The Borough acts in a custodial capacity with respect to monies deposited with it by developers and others. These monies are held by the Borough and used to pay legal, engineering, and other fees incurred on behalf of a specific project. Any unused deposits are returned to the developer upon completion of the project, except for an administrative handling fee. None of the monies received from or expended on behalf of the developers are recorded in the revenues or expenses of the Borough. At December 31, 2023, \$420,466 represents the balance of these monies held in escrow.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

DOYLESTOWN BOROUGH

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - NON-UNIFORM PENSION PLAN

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>										
Service cost	\$ 168,603	\$ 153,561	\$ 147,655	\$ 105,067	\$ 100,784	\$ 91,653	\$ 87,917	\$ 81,879	\$ 78,353	\$ 77,535
Interest	482,863	430,031	401,486	354,516	332,021	299,197	280,893	267,061	254,492	260,490
Changes of benefit terms	25,945	-	22,711	-	17,358	-	-	-	-	-
Differences between expected and actual experience	347,629	-	213,099	-	(28,061)	-	23,211	-	(240,181)	-
Changes of assumptions	184,781	-	251,531	-	180,499	-	62,006	-	-	-
Benefit payments, including refunds of employee contributions	(147,631)	(145,871)	(148,657)	(139,094)	(114,522)	(119,540)	(120,623)	(132,635)	(204,935)	(152,315)
Net change in total pension liability	1,062,190	437,721	887,825	320,489	488,079	271,310	333,404	216,305	(112,271)	185,710
Total pension liability - beginning	6,500,390	6,062,669	5,174,844	4,854,355	4,366,276	4,094,966	3,761,562	3,545,257	3,657,528	3,471,818
Total pension liability - ending (a)	<u>\$ 7,562,580</u>	<u>\$ 6,500,390</u>	<u>\$ 6,062,669</u>	<u>\$ 5,174,844</u>	<u>\$ 4,854,355</u>	<u>\$ 4,366,276</u>	<u>\$ 4,094,966</u>	<u>\$ 3,761,562</u>	<u>\$ 3,545,257</u>	<u>\$ 3,657,528</u>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 274,944	\$ 217,524	\$ 214,470	\$ 128,926	\$ 132,341	\$ 121,767	\$ 59,788	\$ 52,837	\$ 51,238	\$ -
Net investment income	693,225	(927,817)	547,561	600,837	715,557	(299,636)	518,961	235,730	(84,769)	201,399
Benefit payments, including refunds of employee contributions	(147,631)	(145,871)	(148,657)	(139,094)	(114,522)	(119,540)	(120,623)	(132,635)	(204,935)	(152,315)
Other	-	470	-	(178,304)	-	-	-	-	-	-
Net change in plan fiduciary net position	820,538	(855,694)	613,374	412,365	733,376	(297,409)	458,126	155,932	(238,466)	49,084
<b>Plan fiduciary net position - beginning</b>	<u>4,614,035</u>	<u>5,469,729</u>	<u>4,856,355</u>	<u>4,443,990</u>	<u>3,710,614</u>	<u>4,008,023</u>	<u>3,549,897</u>	<u>3,393,965</u>	<u>3,632,431</u>	<u>3,583,347</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 5,434,573</u>	<u>\$ 4,614,035</u>	<u>\$ 5,469,729</u>	<u>\$ 4,856,355</u>	<u>\$ 4,443,990</u>	<u>\$ 3,710,614</u>	<u>\$ 4,008,023</u>	<u>\$ 3,549,897</u>	<u>\$ 3,393,965</u>	<u>\$ 3,632,431</u>
<b>Township's net pension liability - ending (a)-(b)</b>	<u>\$ 2,128,007</u>	<u>\$ 1,886,355</u>	<u>\$ 592,940</u>	<u>\$ 318,489</u>	<u>\$ 410,365</u>	<u>\$ 655,662</u>	<u>\$ 86,943</u>	<u>\$ 211,665</u>	<u>\$ 151,292</u>	<u>\$ 25,097</u>
Plan fiduciary net position as a percentage of the total pension liability	71.9%	71.0%	90.2%	93.8%	91.5%	85.0%	97.9%	94.4%	95.7%	99.3%
Covered payroll	\$ 2,159,342	\$ 2,080,516	\$ 2,023,447	\$ 1,962,327	\$ 1,893,884	\$ 1,813,555	\$ 1,686,310	\$ 1,750,595	\$ 1,716,680	\$ 1,639,441
Net pension liability as a percentage of covered payroll	98.5%	90.7%	29.3%	16.2%	21.7%	36.2%	5.2%	12.1%	8.8%	1.5%
Annual money weighted return, net of investment expenses	14.82%	-17.10%	11.39%	13.83%	19.50%	-7.58%	14.86%	7.09%	-2.11%	6.11%

**Notes to Schedule:**

Assumption changes: In 2023, the interest rate assumption was lowered from 7% to 6.75%

and the mortality tables were updated to Scale MP-2021

Change in benefit terms: In 2023, there was a post retirement adjustment

DOYLESTOWN BOROUGH

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS - NON-UNIFORM PENSION PLAN

<u>Fiscal</u> <u>Year Ended</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Employer</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Payroll</u>	<u>Contribution as</u> <u>a Percentage</u> <u>of Covered</u> <u>Payroll</u>
2014	\$ -	\$ -	\$ -	\$ 1,639,441	0.00%
2015	51,238	51,238	-	1,716,680	2.98%
2016	52,837	52,837	-	1,750,595	3.02%
2017	59,788	59,788	-	1,686,310	3.55%
2018	121,767	121,767	-	1,813,555	6.71%
2019	125,506	132,341	(6,835)	1,893,884	6.99%
2020	128,926	128,926	-	1,962,327	6.57%
2021	214,470	214,470	-	2,023,447	10.60%
2022	217,524	217,524	-	2,080,516	10.46%
2023	274,944	274,944	-	2,159,342	12.73%

**Notes to Schedule:**

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

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	N/A
Asset valuation method	Market
Inflation	3%
Salary increases	4%, average, including inflation
Investment rate of return	7%, net of pension plan investment expense, including inflation
Retirement age	Normal Retirement Age
Mortality	PubG-2010 Mortality Table projected 5 years past the valuation date using Scale MP-2020

Assumption changes: In 2023, the interest rate assumption was lowered from 7% to 6.75% and the mortality tables were updated to Scale MP-2021

Change in benefit terms: In 2023, there was a post retirement adjustment

DOYLESTOWN BOROUGH

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2023

	<u>Special Revenue Funds</u>							Total Nonmajor Governmental Funds
	Fire Tax	Ambulance	Highway Aid	Road Improvement Tax	Total Special Revenue	Capital Reserve	Debt Service	
<u>ASSETS</u>								
Cash and cash equivalents	\$ 1,981	\$ 548	\$ 1,526	\$ 33,366	\$ 37,421	\$ -	\$ 30,871	\$ 68,292
Taxes receivable	1,217	358	-	1,072	2,647	-	2,652	5,299
Due from other funds	-	-	-	-	-	9,903	-	9,903
Total Assets	<u>\$ 3,198</u>	<u>\$ 906</u>	<u>\$ 1,526</u>	<u>\$ 34,438</u>	<u>\$ 40,068</u>	<u>\$ 9,903</u>	<u>\$ 33,523</u>	<u>\$ 83,494</u>
<u>LIABILITIES</u>								
Accounts payable	\$ 1,881	\$ 548	\$ -	\$ 2,774	\$ 5,203	\$ -	\$ -	\$ 5,203
Total Liabilities	<u>1,881</u>	<u>548</u>	<u>-</u>	<u>2,774</u>	<u>5,203</u>	<u>-</u>	<u>-</u>	<u>5,203</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>								
Unavailable revenue - property taxes	477	139	-	421	1,037	-	1,042	2,079
Total Deferred Inflows of Resources	<u>477</u>	<u>139</u>	<u>-</u>	<u>421</u>	<u>1,037</u>	<u>-</u>	<u>1,042</u>	<u>2,079</u>
<u>FUND BALANCES</u>								
Restricted:								
Fire and Ambulance	840	219	-	-	1,059	-	-	1,059
Highways and streets	-	-	1,526	31,243	32,769	-	-	32,769
Debt service	-	-	-	-	-	-	32,481	32,481
Assigned: Capital projects	-	-	-	-	-	9,903	-	9,903
Total Fund Balances	<u>840</u>	<u>219</u>	<u>1,526</u>	<u>31,243</u>	<u>33,828</u>	<u>9,903</u>	<u>32,481</u>	<u>76,212</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,198</u>	<u>\$ 906</u>	<u>\$ 1,526</u>	<u>\$ 34,438</u>	<u>\$ 40,068</u>	<u>\$ 9,903</u>	<u>\$ 33,523</u>	<u>\$ 83,494</u>

DOYLESTOWN BOROUGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2023

	<u>Special Revenue Funds</u>							Total Nonmajor Governmental Funds
	Fire Tax	Ambulance	Highway Aid	Road Improvement Tax	Total Special Revenue	Capital Reserve	Debt Service	
Revenues								
Property taxes	\$ 202,157	\$ 58,691	\$ -	\$ 178,237	\$ 439,085	\$ -	\$ 441,267	\$ 880,352
Interest	545	160	9,827	1,058	11,590	3	2,263	13,856
Intergovernmental revenues	-	-	245,183	-	245,183	-	-	245,183
Total Revenues	<u>202,702</u>	<u>58,851</u>	<u>255,010</u>	<u>179,295</u>	<u>695,858</u>	<u>3</u>	<u>443,530</u>	<u>1,139,391</u>
Expenditures								
Current								
Public safety	203,617	59,124	-	-	262,741	-	-	262,741
Public works	-	-	-	184,122	184,122	-	-	184,122
Debt service								
Principal	-	-	-	-	-	-	329,510	329,510
Interest	-	-	-	-	-	-	114,795	114,795
Total Expenditures	<u>203,617</u>	<u>59,124</u>	<u>-</u>	<u>184,122</u>	<u>446,863</u>	<u>-</u>	<u>444,305</u>	<u>891,168</u>
Excess (Deficiency) of Revenues Over Expenditures	(915)	(273)	255,010	(4,827)	248,995	3	(775)	248,223
Other Financing Sources (Uses)								
Transfers out	-	-	(255,000)	-	(255,000)	-	-	(255,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(255,000)</u>	<u>-</u>	<u>(255,000)</u>	<u>-</u>	<u>-</u>	<u>(255,000)</u>
Net Change in Fund Balance	(915)	(273)	10	(4,827)	(6,005)	3	(775)	(6,777)
Fund Balance - Beginning	1,755	492	1,516	36,070	39,833	9,900	33,256	82,989
Fund Balance - Ending	<u>\$ 840</u>	<u>\$ 219</u>	<u>\$ 1,526</u>	<u>\$ 31,243</u>	<u>\$ 33,828</u>	<u>\$ 9,903</u>	<u>\$ 32,481</u>	<u>\$ 76,212</u>