

**DOYLESTOWN BOROUGH
BUCKS COUNTY, PENNSYLVANIA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

YEAR ENDED DECEMBER 31, 2024

DOYLESTOWN BOROUGH
BUCKS COUNTY, PENNSYLVANIA

December 31, 2024

TABLE OF CONTENTS

Independent Auditors' Report.....	2-4
Management's Discussion and Analysis	5-19
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	20
Statement of Activities.....	21-22
Fund Financial Statements:	
Balance Sheet - Governmental Funds	23
Reconciliation of the Balance Sheet for Governmental Funds	
to the Statement of Government-wide Net Position	24
Statement of Revenues, Expenditures and Changes in Fund	
Balances - Governmental Funds	25
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances of Governmental Funds to the Government-Wide	
Statement of Activities.....	26
Statement of Revenues, Expenditures and Changes in Fund	
Balances - Budget and Actual - General Fund.....	27
Statement of Net Position - Proprietary Funds	28
Statement of Revenues, Expenses and Changes in Fund Net	
Position - Proprietary Funds	29
Statement of Cash Flows - Proprietary Funds	30
Statement of Fiduciary Net Position - Fiduciary Funds.....	31
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	32
Notes to Financial Statements	33-62
Required Supplementary Information:	
Schedule of Changes in the Net Pension Liability and Related	
Ratios - Non-Uniform Pension Plan	64
Schedule of Contributions - Non-Uniform Pension Plan	65
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	66
Combining Statement of Revenues, Expenditures and Changes in Fund	
Balances - Nonmajor Governmental Funds	67



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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, 2024, 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, 2024, 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

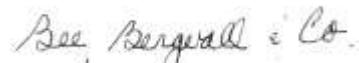
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the historical trend information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management 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
December 22, 2025

BOROUGH OF DOYLESTOWN
BUCKS COUNTY, PA
Management's Discussion and Analysis
Year Ended December 31, 2024

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, 2024. 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 \$16,106,368 (*net position*). Of this amount, \$6,522,632 (*unrestricted net position*) may be used to meet the Borough's ongoing obligations to citizens and creditors.
- The Borough's total net position increased \$500,954.
- At the close of the current fiscal year, the Borough's governmental funds reported combined fund balances of \$6,318,480, a decrease of (\$162,524) in comparison with the prior year. Approximately 14.2% of the fund balance (\$895,893) 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 \$1,668,468 20.9% 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 \$16,106,368 at the close of the most recent fiscal year. This represents a \$500,954 or 3.2% increase from previous year.

A significant portion of the Borough's net position (\$9,236,871 or 57.3%) 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, 2024

	Governmental Activities		Business-Type Activities		Total	
	2024	2023 Restated	2024	2023 Restated	2024	2023 Restated
Current and Other Assets	\$ 9,642,926	\$ 10,149,260	\$ 2,325,962	\$ 2,416,622	\$ 11,968,888	\$ 12,565,882
Capital Assets	<u>12,440,129</u>	<u>12,772,132</u>	<u>2,253,871</u>	<u>1,541,141</u>	<u>14,694,000</u>	<u>14,313,273</u>
Total Assets	<u>22,083,055</u>	<u>22,921,392</u>	<u>4,579,833</u>	<u>3,957,763</u>	<u>26,662,888</u>	<u>26,879,155</u>
Deferred Outflows of Resources	<u>517,126</u>	<u>794,181</u>	<u>238,592</u>	<u>366,419</u>	<u>755,718</u>	<u>1,160,600</u>
Long-Term Liabilities	6,482,812	7,085,520	1,197,030	1,302,755	7,679,842	8,388,275
Other Liabilities	<u>1,190,118</u>	<u>1,549,771</u>	<u>169,247</u>	<u>112,141</u>	<u>1,359,365</u>	<u>1,661,912</u>
Total Liabilities	<u>7,672,930</u>	<u>8,635,291</u>	<u>1,366,277</u>	<u>1,414,896</u>	<u>9,039,207</u>	<u>10,050,187</u>
Deferred Inflows of Resources	<u>2,271,120</u>	<u>2,384,154</u>	<u>1,911</u>	<u>-</u>	<u>2,273,031</u>	<u>2,384,154</u>
Net Position						
Net Investment in Capital Assets	7,530,516	7,303,390	1,706,355	927,803	9,236,871	8,231,193
Restricted	327,431	384,591	19,434	19,192	346,865	403,783
Unrestricted	<u>4,798,184</u>	<u>5,008,147</u>	<u>1,724,448</u>	<u>1,962,291</u>	<u>6,522,632</u>	<u>6,970,438</u>
Total Net Position	<u>\$ 12,656,131</u>	<u>\$ 12,696,128</u>	<u>\$ 3,450,237</u>	<u>\$ 2,909,286</u>	<u>\$ 16,106,368</u>	<u>\$ 15,605,414</u>

An additional portion of the Borough's net position (\$346,865 or 2.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$6,522,632 or 40.5%) 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 \$500,954 during the current fiscal year.

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

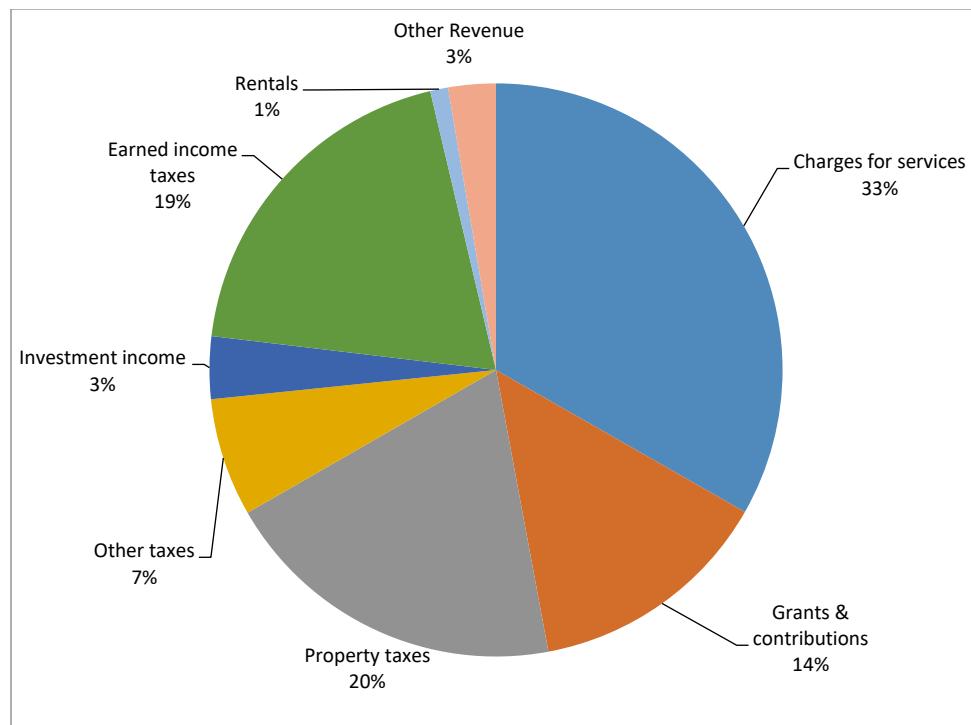
Table 2
Change in Net Position – 2024

	Governmental Activities		Business-Type Activities		Total	
	2024	2023 Restated	2024	2023 Restated	2024	2023 Restated
Revenues:						
Program revenues:						
Charges for services	\$ 1,903,746	\$ 2,927,635	\$ 2,427,059	\$ 2,204,534	\$ 4,330,805	\$ 5,132,169
Operating grants and contributions	564,504	615,046	31,597	31,069	596,101	646,115
Capital grants and contributions	778,756	277,600	424,864	-	1,203,620	277,600
General revenues:						
Property taxes	2,556,055	2,179,858	-	-	2,556,055	2,179,858
Other taxes	3,398,960	3,270,511	-	-	3,398,960	3,270,511
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Investment income	400,898	325,021	57,368	41,160	458,266	366,181
Rentals	119,004	101,720	12,000	12,000	131,004	113,720
Connection permits	-	-	116,155	1,203,528	116,155	1,203,528
Miscellaneous	184,246	184,707	48,961	61,275	233,207	245,982
Total Revenues	9,906,169	9,882,098	3,118,004	3,553,566	13,024,173	13,435,664
Expenses:						
General government	1,038,439	1,062,810	-	-	1,038,439	1,062,810
Public safety - Police	4,159,895	3,907,570	-	-	4,159,895	3,907,570
Public safety - Fire and Ambulance	262,703	262,741	-	-	262,703	262,741
Public safety - Zoning and Inspection	887,449	676,115	-	-	887,449	676,115
Highways and streets	1,556,653	1,826,557	-	-	1,556,653	1,826,557
Parking	560,092	641,541	-	-	560,092	641,541
Culture and recreation	634,259	464,162	-	-	634,259	464,162
Miscellaneous	492,755	431,190	-	-	492,755	431,190
Debt service interest	23,153	20,248	-	-	23,153	20,248
Water	-	-	2,258,493	1,777,201	2,258,493	1,777,201
Fanny Chapman Pool	-	-	649,328	654,673	649,328	654,673
Total Expenses	9,615,398	9,292,934	2,907,821	2,431,874	12,523,219	11,724,808
Change in Net Position	(39,997)	589,164	540,951	1,121,692	500,954	1,710,856
Net Position - Beginning of Year	12,696,128	12,106,964	2,909,286	1,787,594	15,605,414	13,894,558
Net Position - End of Year	\$ 12,656,131	\$ 12,696,128	\$ 3,450,237	\$ 2,909,286	\$ 16,106,368	\$ 15,605,414

Revenue Overview

For the fiscal year ended December 31, 2024, revenues for governmental and business-type activities totaled \$13,024,173, a decrease of \$411,491 or approximately 3.1% from 2023. This decrease was due in part to lower Charges for Services (Zoning & Inspections). In 2024 the total real estate tax millage remained unchanged at 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 2024 are comprised of the following items:

Figure 1
Revenues by Source for the Year Ended December 31, 2024

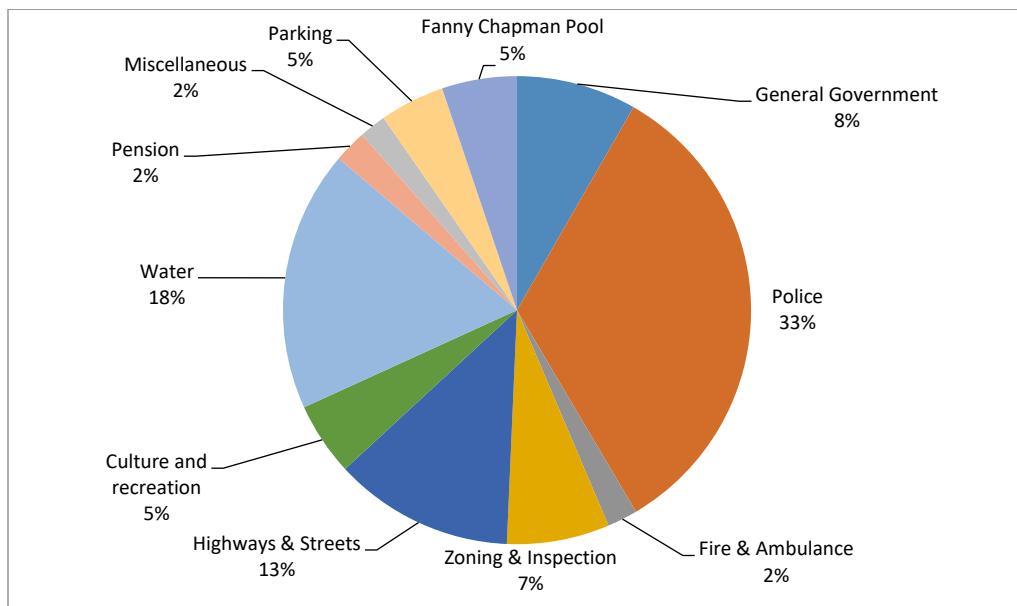


“Charges for Services” is the largest Borough revenue source totaling \$4,330,805 (33% of total revenues) in 2024. The Business-type activities (Water Fund and Fanny Chapman Pool Fund) rely most heavily on this revenue source. Next is the Property Taxes at \$2,556,055 (20%) with a certified assessment of \$120,664,350, Earned Income Tax at \$2,530,053 (19%), Operating & Capital Grants and Contributions at \$1,799,721 (14%), Other Revenue (Connection Permits & Miscellaneous Revenue) at \$349,362 (3%), Other taxes include the Real Estate transfer tax generating \$448,207 and the Local Services Tax generating \$420,700.

Expense Overview

For the 2024 fiscal year, expenses for government and business-type activities totaled \$12,523,219, an increase of \$798,411 (6.8%) over 2023 expenses. The largest areas of expense in 2024 were, in order, Police, Water, and Highways & Streets.

Figure 2
Expenses by Function for the Year Ended December 31, 2024



As indicated above, the Borough's largest program expense is for Police Services at \$4,159,895, followed by Water Operations at \$2,258,493, and Highways & Streets (public works activities) at \$1,556,653.

The change in net position reflects the difference between total revenues and total expenses. For governmental and business-type activities in fiscal 2024, revenues (\$13,024,173) exceeded expenses and net transfers (\$12,523,219) by \$500,954 resulting in an increase in net position by that amount. The year ended with a total net position of \$16,106,368.

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 \$6,318,004, a decrease of (\$162,524) in comparison with the prior year. Of the total, \$895,893 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted* (\$324,392), *assigned* (\$4,867,858), or *nonspendable leases* (\$230,337) 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* (\$772,575) 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 decreased by (\$36,560). The Borough's budget for expenditures in 2024 was \$8,118,884 and the actual expenditures were \$7,993,511, a difference of \$125,373. The Borough's budget for revenues was \$7,678,600 and the actual revenues were \$7,725,751, a positive variance of \$47,151.

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 2024, the combined balance in these funds were \$4,095,283.

In 2024, capital projects and purchases included:

- Borough Hall Public Bathrooms
- Public EV Chargers
- Interactive Code Map
- Fire Marshal vehicle
- Comprehensive Plan
- SALDO Codification
- Fonthill Castle Streambank Improvements
- Public Works Building Roof Repairs
- 2024 Ford F250 lease purchase
- 2024 Asphalt Compactor
- Dynapack CC900G Roller
- Veterans Lane Pedestrian Signal
- Pavement Markings
- Plaza East Parking Lot Resurfacing
- Tennis Court Improvements
- Broad Commons Picnic Grove
- Trash & Recycling Containers

Special Revenue Funds

Special Revenues Funds are comprised of the following minor funds:

Highway Aid Fund

The Borough received \$243,584 in liquid fuels and PA turnback funds in 2024. 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 \$203,434 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 \$59,836 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 \$180,126 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 2024, the following roads were resurfaced and/or patched:

- Broad Street + ADA Pave Repair (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)

The fund balance at the close of 2024 was \$32,236. These funds will be used to supplement the 2025 paving projects.

Debt Service Fund

Real estate taxes and interest totaling \$447,058 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 2024 was (\$2,862).

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 2024, the unrestricted net position was \$929,093.

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 2024 was \$798,217.

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 \$47,151.

- Property and Act 511 Taxes – overage of \$92,588:
 - Property Taxes were \$15,628 greater than anticipated
 - Real Estate Transfer Taxes were \$41,793 less than anticipated
 - Local Services Taxes were \$20,700 greater than anticipated
 - Earned Income Taxes were \$98,053 greater than anticipated

- Investment Income - overage of \$95,845:
 - Interest from investments was \$30,421 greater than anticipated
 - Insurance Dividends were \$14,901 greater than anticipated
 - Cell Tower Lease Interest booked at \$50,523
- Charges for Services - underage of (\$98,786):
 - Building Permits were \$85,512 less than anticipated

Expenditures - Total Expenditures in the General Fund finished under budget by \$125,373.

- General Government expenditures were over budget by \$23,538
- Police Services expenditures were under budget by \$25,777
- Zoning/Planning/Inspection expenditures were over budget by \$15,701
- Public Works expenditures were under budget by \$22,212
- Parking expenditures were under budget by \$75,638
- Culture/Recreation/Miscellaneous expenditures were under budget by \$47,330

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 10.5% rate increase for 2024:

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

<i>CONSUMPTION</i>	<i>CHARGES</i>
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

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, 2024, amounts to \$12,641,000 (*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 1/1/23	Net Additions (Deletions) 2023	Ending Balance 12/31/23
Non-Depreciable Assets			
Land	\$ 510,042	\$ -	\$ 510,042
Construction in progress	-	200,871	200,871
Other Capital Assets			
Land improvements	3,906,775	46,548	3,953,323
Buildings and improvements	6,730,601	23,185	6,753,786
Machinery and equipment	2,339,748	86,203	2,425,951
Vehicles	1,178,235	20,366	1,198,601
Infrastructure	4,110,300	-	4,110,300
Less: accumulated depreciation on capital assets	(6,003,569)	(508,305)	(6,511,874)
Totals	\$ 12,772,132	\$ (131,132)	\$ 12,641,000

Outstanding Debt as of December 31, 2024

Notes payable outstanding as of December 31, 2024 total \$5,658,000. 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, 2024</u>	<u>Additions and Payments</u>	<u>Interest Payments</u>	<u>Balance December 31, 2024</u>
2013	\$ 1,500,000	2.278%	2033	\$ 829,000	\$ (75,000)	\$ (17,318)	\$ 754,000
2015	1,600,000	2.230%	2030	815,000	(109,000)	(16,554)	706,000
2020	5,000,000	2.073%	2040	4,370,000	(218,000)	(86,448)	4,152,000
2022	110,400	0.000%	2027	68,080	(22,080)	-	46,000
							<u>\$ 5,658,000</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 2025 Budget calls for no tax increase in the General Fund, and all other Borough tax rates will remain the same as in 2024.

A 5-year capital improvement plan was implemented in 2014 and will be vital to the Borough's strategic planning in 2025 and future budgets.

Scheduled capital purchases and projects for 2025 include:

- Borough Hall Solar Panels
- Tennis court improvements
- Pickle Ball court resurfacing
- Pump Track paving
- Basketball Court resurfacing (Chapman Park)
- Trash & Recycling Containers
- Drinking Fountains throughout town
- Hardware & software updates for Administration
- Historic Street Light painting
- American Flags & Brackets
- Hanging Flower Basket program
- Parking Vehicle lease payment
- 4G Meter Upgrade lease payment
- Vehicle lift for Public Works
- Storage Building garage door repairs
- Fuel Pump Replacement
- Lighting & Ventilation (Public Works & Water)
- Computers & technology (Public Works)
- 10-Ton Dump Truck
- Backhoe/Loader

- Leaf Boxes (2)
- Battery Operated Tools
- Shade Trees
- General MS4 Activity
- Fonthill Castle Streambank construction (ARPA Funds)
- “Green Light Go” Intersection Improvements
- Main & Court Street pedestrian signage
- West Street school zone
- Broad & Doyle “No Right Turn”
- Pavement/intersection Markings
- Traffic Signal Inspection
- Well #7 Additions & Improvements
- Lead Service Line Replacements
- Water System Leak Detection
- Fire Hydrants/System Valves
- 3” Trash Pump
- Neptune “belt clip” Reading Device
- Hydraulic Modeling
- Soft Dig Trailer with Valve Turner
- DTMA Interconnection Meter Replacement
- Neptune Meter & MIU Replacements
- PFAS Well Upgrades

2025 paving projects funded by the 1.50 mill real estate tax will include pothole patching and the following streets:

- East Court Street (313 to East Street)
- Wood Street (Franklin to Decatur)
- Avenue A (West to Clinton)
- Decatur Street (Franklin to Hamilton)
- Davis Road (North to East)
- Logan Street (Lafayette to West)
- Lantern Drive (Broad to Woodbridge)

Although water rates will remain among the lowest in the region, water rates will increase 6% in 2025 and the quarterly Capital Contribution Fee will increase to \$10.50/unit as the Borough continues to take steps to address the nationwide PFOS/PFAS contamination crisis.

The water rates for 2025 will be:

Quarterly Base Charge Per Meter Size

Meter Size	Base Charge
<1.5"	\$ 33.68
1.5"	\$ 35.41
2"	\$ 38.82
3"	\$ 40.53
4"	\$ 42.25

Quarterly Usage Charges

CONSUMPTION	CHARGES
0-3,000 gallons	Base Charge
3,001-20,000 gallons	\$5.03/1,000 gal
20,001 gallons & up	\$6.28/1,000 gal

Quarterly Capital Contribution Fee

\$10.50 per unit per quarter

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 49.2% of all General Fund expenditures.

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, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,176,096	\$ 1,784,428	\$ 7,960,524
Receivables	3,553,499	253,994	3,807,493
Internal balances	(287,540)	287,540	-
Land	510,043	48,320	558,363
Construction in progress	200,871	-	200,871
Depreciable capital assets, net	11,930,086	2,205,551	14,135,637
Total Assets	<u>22,083,055</u>	<u>4,579,833</u>	<u>26,662,888</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	<u>517,126</u>	<u>238,592</u>	<u>755,718</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 22,600,181</u>	<u>\$ 4,818,425</u>	<u>\$ 27,418,606</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 138,059	\$ 101,935	\$ 239,994
Interest payable	105,387	-	105,387
Unearned revenue	414,805	-	414,805
Non-current liabilities			
Due within one year	531,867	67,312	599,179
Due after one year	<u>6,482,812</u>	<u>1,197,030</u>	<u>7,679,842</u>
Total Liabilities	<u>7,672,930</u>	<u>1,366,277</u>	<u>9,039,207</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Leases	2,266,978	-	2,266,978
Pension plan	<u>4,142</u>	<u>1,911</u>	<u>6,053</u>
Total Deferred Inflows of Resources	<u>2,271,120</u>	<u>1,911</u>	<u>2,273,031</u>
NET POSITION			
Net investment in capital assets	7,530,516	1,706,355	9,236,871
Restricted for:			
Communications equipment	30,663	-	30,663
Fire and ambulance	2,526	-	2,526
Highways and streets	37,903	-	37,903
Culture and recreation	219,095	19,434	238,529
Debt service	37,244	-	37,244
Unrestricted	<u>4,798,184</u>	<u>1,724,448</u>	<u>6,522,632</u>
Total Net Position	<u>12,656,131</u>	<u>3,450,237</u>	<u>16,106,368</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 22,600,181</u>	<u>\$ 4,818,425</u>	<u>\$ 27,418,606</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, 2024

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	\$ 1,038,439	\$ 183,238	\$ 28,938	\$ -
Public safety - Police	4,159,895	353,921	182,455	-
Public safety - Fire and Ambulance	262,703	-	88,210	-
Public safety - Zoning and Inspection	887,449	275,852	-	-
Highways and streets	1,556,653	46,888	243,584	453,756
Parking	560,092	1,025,071	-	-
Culture and recreation	634,259	18,776	21,317	325,000
Miscellaneous	492,755	-	-	-
Debt service interest	23,153	-	-	-
Total Governmental Activities	<u>9,615,398</u>	<u>1,903,746</u>	<u>564,504</u>	<u>778,756</u>
Business-Type Activities				
Water	2,258,493	1,751,658	-	424,864
Fanny Chapman Pool	649,328	675,401	31,597	-
Total Business -Type Activities	<u>2,907,821</u>	<u>2,427,059</u>	<u>31,597</u>	<u>424,864</u>
Total Primary Government	<u>\$ 12,523,219</u>	<u>\$ 4,330,805</u>	<u>\$ 596,101</u>	<u>\$ 1,203,620</u>

General Revenues

Property taxes, levied for general purposes
 Earned income taxes
 Local services taxes
 Real estate transfer tax
 Investment income
 Rents
 Connection permits and Authority reimbursement
 Miscellaneous revenues
 Gain on sale of capital assets
 Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning
 Adjustment-Pension Allocation
 Net Position - Beginning, as Adjusted
 Net Position - Ending

Net (Expense) Revenue and
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (826,263)	\$ -	\$ (826,263)
(3,623,519)	-	(3,623,519)
(174,493)	-	(174,493)
(611,597)	-	(611,597)
(812,425)	-	(812,425)
464,979	-	464,979
(269,166)	-	(269,166)
(492,755)	-	(492,755)
(23,153)	-	(23,153)
<u>(6,368,392)</u>	<u>-</u>	<u>(6,368,392)</u>
-	(81,971)	(81,971)
<u>-</u>	<u>57,670</u>	<u>57,670</u>
<u>-</u>	<u>(24,301)</u>	<u>(24,301)</u>
<u>(6,368,392)</u>	<u>(24,301)</u>	<u>(6,392,693)</u>
2,556,055	-	2,556,055
2,530,053	-	2,530,053
420,700	-	420,700
448,207	-	448,207
400,898	57,368	458,266
119,004	12,000	131,004
-	116,155	116,155
143,381	48,961	192,342
40,865	-	40,865
<u>(330,768)</u>	<u>330,768</u>	<u>-</u>
<u>6,328,395</u>	<u>565,252</u>	<u>6,893,647</u>
(39,997)	540,951	500,954
12,390,704	3,214,710	15,605,414
<u>305,424</u>	<u>(305,424)</u>	<u>-</u>
<u>12,696,128</u>	<u>2,909,286</u>	<u>15,605,414</u>
<u>\$ 12,656,131</u>	<u>\$ 3,450,237</u>	<u>\$ 16,106,368</u>

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

DOYLESTOWN BOROUGH

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2024

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,587,282	\$ 4,520,605	\$ 68,209	\$ 6,176,096
Taxes receivable	658,688	-	8,177	666,865
Leases receivable	2,497,315	-	-	2,497,315
Other receivables	104,819	-	-	104,819
Due from other funds	-	-	9,903	9,903
Total Assets	<u>\$ 4,848,104</u>	<u>\$ 4,520,605</u>	<u>\$ 86,289</u>	<u>\$ 9,454,998</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 125,388	\$ 10,517	\$ 2,154	\$ 138,059
Unearned revenue	-	414,805	-	414,805
Due to other funds	<u>287,540</u>	<u>9,903</u>	<u>-</u>	<u>297,443</u>
Total Liabilities	<u>412,928</u>	<u>435,225</u>	<u>2,154</u>	<u>850,307</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	16,194	-	3,039	19,233
Deferred leases	<u>2,266,978</u>	<u>-</u>	<u>-</u>	<u>2,266,978</u>
Total Deferred Inflows of Resources	<u>2,283,172</u>	<u>-</u>	<u>3,039</u>	<u>2,286,211</u>
FUND BALANCES				
Nonspendable: Leases	230,337	-	-	230,337
Restricted:				
Communications equipment	30,663	-	-	30,663
Fire and Ambulance	-	-	1,626	1,626
Highways and streets	3,441	-	33,851	37,292
Culture and recreation	219,095	-	-	219,095
Debt service	-	-	35,716	35,716
Assigned:				
Emergency reserve	772,575	-	-	772,575
Capital projects	-	4,085,380	9,903	4,095,283
Unassigned	<u>895,893</u>	<u>-</u>	<u>-</u>	<u>895,893</u>
Total Fund Balances	<u>2,152,004</u>	<u>4,085,380</u>	<u>81,096</u>	<u>6,318,480</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,848,104</u>	<u>\$ 4,520,605</u>	<u>\$ 86,289</u>	<u>\$ 9,454,998</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, 2024

TOTAL GOVERNMENTAL FUND BALANCES		\$ 6,318,480
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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	\$ 19,152,874
Accumulated depreciation	<u>(6,511,874)</u>
	12,641,000

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	19,233
Earned income taxes receivable	<u>284,500</u>
	303,733

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	517,126
Deferred inflows - pension plan	<u>(4,142)</u>
	512,984

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	(105,387)
Bonds and notes payable	(5,110,484)
Capital lease payable	(375,118)
Net pension liability	(1,340,438)
Compensated absences	<u>(188,639)</u>
	<u>(7,120,066)</u>

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>12,656,131</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, 2024

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes:				
Property	\$ 1,666,628	\$ -	\$ 885,659	\$ 2,552,287
Real estate transfer	448,207	-	-	448,207
Earned income	2,578,053	-	-	2,578,053
Local service	420,700	-	-	420,700
Fees, licenses and permits	201,911	-	-	201,911
Fines and forfeitures	353,921	-	-	353,921
Investment income	155,845	230,753	14,300	400,898
Rents	119,004	-	-	119,004
Intergovernmental revenues	280,496	778,756	243,584	1,302,836
Charges for services	1,347,914	-	-	1,347,914
Other	<u>153,072</u>	<u>30,733</u>	<u>-</u>	<u>183,805</u>
Total Revenues	<u>7,725,751</u>	<u>1,040,242</u>	<u>1,143,543</u>	<u>9,909,536</u>
Expenditures				
Current:				
General government	696,892	71,217	-	768,109
Public safety	4,760,646	232,807	262,703	5,256,156
Public works	1,183,549	355,061	179,133	1,717,743
Parking	506,499	46,732	-	553,231
Culture and recreation	364,570	131,440	-	496,010
Economic development	45,792	55,760	-	101,552
Unallocated insurance and employee benefits	435,563	-	-	435,563
Debt service:				
Principal	-	213,561	335,394	548,955
Interest	<u>-</u>	<u>21,862</u>	<u>108,429</u>	<u>130,291</u>
Total Expenditures	<u>7,993,511</u>	<u>1,128,440</u>	<u>885,659</u>	<u>10,007,610</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(267,760)</u>	<u>(88,198)</u>	<u>257,884</u>	<u>(98,074)</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	40,865	-	-	40,865
Issuance of debt	-	225,453	-	225,453
Transfers in	349,780	159,445	-	509,225
Transfers out	<u>(159,445)</u>	<u>(427,548)</u>	<u>(253,000)</u>	<u>(839,993)</u>
Total Other Financing Sources (Uses)	<u>231,200</u>	<u>(42,650)</u>	<u>(253,000)</u>	<u>(64,450)</u>
Net Change in Fund Balance	<u>(36,560)</u>	<u>(130,848)</u>	<u>4,884</u>	<u>(162,524)</u>
Fund Balance - Beginning	<u>2,188,564</u>	<u>4,216,228</u>	<u>76,212</u>	<u>6,481,004</u>
Fund Balance - Ending	<u>\$ 2,152,004</u>	<u>\$ 4,085,380</u>	<u>\$ 81,096</u>	<u>\$ 6,318,480</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, 2024

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (162,524)
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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	\$ 523,701
Depreciation expense	<u>(654,833)</u>
	(131,132)

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. (44,232)

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	(225,453)
Repayment of debt	650,989
Interest expense	<u>5,104</u>
	430,640

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	(165,471)
Compensated absences	<u>32,722</u>
	(132,749)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>(39,997)</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, 2024

	GENERAL FUND				Variance with Final Budget	
	Budgeted Amounts		ACTUAL			
	Original	Final				
Revenues						
Taxes:						
Property	\$ 1,651,000	\$ 1,651,000	\$ 1,666,628	\$ 15,628		
Real estate transfer	490,000	490,000	448,207	(41,793)		
Earned income	2,480,000	2,480,000	2,578,053	98,053		
Local service	400,000	400,000	420,700	20,700		
Fees, licenses and permits	209,200	209,200	201,911	(7,289)		
Fines and forfeitures	403,000	403,000	353,921	(49,079)		
Investment income	60,000	60,000	155,845	95,845		
Rents	138,500	138,500	119,004	(19,496)		
Intergovernmental revenues	260,950	260,950	280,496	19,546		
Charges for services	1,446,700	1,446,700	1,347,914	(98,786)		
Other	139,250	139,250	153,072	13,822		
Total Revenues	7,678,600	7,678,600	7,725,751	47,151		
Expenditures						
Current:						
General government	673,354	673,354	696,892	(23,538)		
Public safety	4,769,212	4,769,212	4,760,646	8,566		
Public works	1,205,761	1,205,761	1,183,549	22,212		
Parking	582,137	582,137	506,499	75,638		
Culture and recreation	411,900	411,900	364,570	47,330		
Economic development	45,020	45,020	45,792	(772)		
Unallocated insurance and employee benefits	431,500	431,500	435,563	(4,063)		
Total Expenditures	8,118,884	8,118,884	7,993,511	125,373		
Excess (Deficiency) of Revenues Over Expenditures	(440,284)	(440,284)	(267,760)	172,524		
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	10,000	10,000	40,865	30,865		
Transfers in	342,780	342,780	349,780	7,000		
Transfers out	(48,000)	(48,000)	(159,445)	(111,445)		
Total Other Financing Sources (Uses)	304,780	304,780	231,200	(73,580)		
Net Change in Fund Balance	(135,504)	(135,504)	(36,560)	98,944		
Fund Balance - Beginning	135,504	135,504	2,188,564			
Fund Balance - Ending	\$ -	\$ -	\$ 2,152,004			

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

DOYLESTOWN BOROUGH
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2024

	Business-type Activities			
	Water	Water Capital	Fanny Chapman Pool	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 964,739	\$ 819,689	\$ 1,784,428
Accounts receivable	53,808	4,426	-	58,234
Unbilled revenues receivable	195,760	-	-	195,760
Due from other funds	279,251	8,289	-	287,540
Land	32,720	-	15,600	48,320
Depreciable assets, net	287,928	1,033,582	884,041	2,205,551
Total Assets	849,467	2,011,036	1,719,330	4,579,833
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan	238,592	-	-	238,592
Total Assets and Deferred Outflows of Resources	\$ 1,088,059	\$ 2,011,036	\$ 1,719,330	\$ 4,818,425
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	\$ 51,536	\$ 48,361	\$ 2,038	\$ 101,935
Notes payable, current maturity	65,869	-	1,443	67,312
Total Current Liabilities	117,405	48,361	3,481	169,247
Noncurrent				
Notes payable, net of current maturity	472,469	-	7,735	480,204
Net pension liability	618,450	-	-	618,450
Compensated absences, net of current maturity	98,376	-	-	98,376
Total Noncurrent Liabilities	1,189,295	-	7,735	1,197,030
Total Liabilities	1,306,700	48,361	11,216	1,366,277
DEFERRED INFLOWS OF RESOURCES				
Pension plan	1,911	-	-	1,911
NET POSITION				
Net investment in capital assets	(217,690)	1,033,582	890,463	1,706,355
Restricted	-	-	19,434	19,434
Unrestricted	(2,862)	929,093	798,217	1,724,448
Total Net Position	(220,552)	1,962,675	1,708,114	3,450,237
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 1,088,059	\$ 2,011,036	\$ 1,719,330	\$ 4,818,425

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, 2024

	Business-type Activities			
	Water	Water Capital	Fanny Chapman Pool	Total
Operating Revenues				
Charges for services	\$ 1,751,658	\$ -	\$ 675,401	\$ 2,427,059
Wheeling fee	2,144	-	-	2,144
Other	41,827	-	4,990	46,817
Total Operating Revenues	<u>1,795,629</u>	<u>-</u>	<u>680,391</u>	<u>2,476,020</u>
Operating Expenses				
Salaries, benefits, and related taxes	1,110,569	-	333,059	1,443,628
Utilities	74,827	-	22,766	97,593
Supplies	177,036	-	31,425	208,461
Repairs and maintenance	179,739	392,051	98,612	670,402
Property and liability insurance	55,384	-	9,190	64,574
Other	180,930	-	59,938	240,868
Depreciation	64,836	19,932	94,338	179,106
Total Operating Expenses	<u>1,843,321</u>	<u>411,983</u>	<u>649,328</u>	<u>2,904,632</u>
Operating Income (Loss)	<u>(47,692)</u>	<u>(411,983)</u>	<u>31,063</u>	<u>(428,612)</u>
Nonoperating Revenues (Expense)				
Connection permits and reimbursements	-	116,155	-	116,155
Contributions	-	424,864	31,597	456,461
Investment income	-	38,093	19,275	57,368
Rentals and other	-	-	12,000	12,000
Interest expense	(3,189)	-	-	(3,189)
Total Nonoperating Revenues (Expense)	<u>(3,189)</u>	<u>579,112</u>	<u>62,872</u>	<u>638,795</u>
Income (Loss) before Transfers	<u>(50,881)</u>	<u>167,129</u>	<u>93,935</u>	<u>210,183</u>
Transfers in				
Total Transfers	<u>-</u>	<u>330,768</u>	<u>-</u>	<u>330,768</u>
Changes in Net Position	<u>(50,881)</u>	<u>497,897</u>	<u>93,935</u>	<u>540,951</u>
Net Position - Beginning	135,753	1,464,778	1,614,179	3,214,710
Adjustment-Pension Allocation	(305,424)	-	-	(305,424)
Net Position - Beginning, as Adjusted	<u>(169,671)</u>	<u>1,464,778</u>	<u>1,614,179</u>	<u>2,909,286</u>
Net Position - Ending	<u>\$ (220,552)</u>	<u>\$ 1,962,675</u>	<u>\$ 1,708,114</u>	<u>\$ 3,450,237</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, 2024

	Business-type Activities			
	Water	Water Capital	Fanny Chapman Pool	Total
Cash flows from operating activities				
Cash received from customers	\$ 1,772,220	\$ (162)	\$ 680,391	\$ 2,452,449
Cash paid to employees	(1,110,569)	-	(333,059)	(1,443,628)
Cash paid to suppliers	(541,130)	(361,765)	(220,906)	(1,123,801)
Net cash provided by (used in) operating activities	<u>120,521</u>	<u>(361,927)</u>	<u>126,426</u>	<u>(114,980)</u>
Cash flows from non-capital financing activities				
Connection permits	-	116,155	-	116,155
Rentals and other	-	-	12,000	12,000
Contributions	-	424,864	31,597	456,461
Transfers from other funds	-	330,768	-	330,768
Net cash provided by (used in) non-capital financing activities	<u>-</u>	<u>871,787</u>	<u>43,597</u>	<u>915,384</u>
Cash flows from capital and related financing activities				
Purchase of property and equipment	(54,219)	(815,093)	(23,000)	(892,312)
Principal paid on long-term debt	(63,113)	-	(1,378)	(64,491)
Interest paid on long-term debt	(3,189)	-	-	(3,189)
Net cash provided by (used in) capital and related financing activities	<u>(120,521)</u>	<u>(815,093)</u>	<u>(24,378)</u>	<u>(959,992)</u>
Cash flows from investing activities				
Earnings on investments	-	38,093	19,275	57,368
Net cash provided by (used in) investing activities	<u>-</u>	<u>38,093</u>	<u>19,275</u>	<u>57,368</u>
Net increase (decrease) in cash and cash equivalents	-	(267,140)	164,920	(102,220)
Beginning cash and cash equivalents	-	1,231,879	654,769	1,886,648
Ending cash and cash equivalents	<u>\$ -</u>	<u>\$ 964,739</u>	<u>\$ 819,689</u>	<u>\$ 1,784,428</u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Net operating income (loss)	<u>\$ (47,692)</u>	<u>\$ (411,983)</u>	<u>\$ 31,063</u>	<u>\$ (428,612)</u>
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	64,836	19,932	94,338	179,106
Changes in assets and liabilities				
(Increase) decrease in receivables	(23,409)	(162)	-	(23,571)
(Increase) decrease in due from other funds	14,101	(2,090)	-	12,011
(Increase) decrease in deferred outflows	127,827	-	-	127,827
Increase (decrease) in accounts payables and accruals	21,360	32,376	1,025	54,761
Increase (decrease) in deferred inflow	1,911	-	-	1,911
Increase (decrease) in net pension liability	(53,393)	-	-	(53,393)
Increase (decrease) in compensated absences	14,980	-	-	14,980
Net adjustments	<u>168,213</u>	<u>50,056</u>	<u>95,363</u>	<u>313,632</u>
Cash provided by (used in) operating activities	<u>\$ 120,521</u>	<u>\$ (361,927)</u>	<u>\$ 126,426</u>	<u>\$ (114,980)</u>

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

DOYLESTOWN BOROUGH

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

December 31, 2024

	Non-Uniform Pension <u>Trust Fund</u>	Custodial <u>Fund</u> <u>Escrows</u>
ASSETS		
Cash and cash equivalents	\$ 320,964	\$ 412,513
Investments, at fair value:		
Exchange Traded Funds	495,444	-
Mutual Funds - Equity	2,310,625	-
Mutual Funds - International Equity	756,054	-
Mutual Funds - Fixed Income	2,237,694	-
Total Investments	<u>5,799,817</u>	<u>-</u>
Total Assets	<u>\$ 6,120,781</u>	<u>\$ 412,513</u>
NET POSITION		
Net Position - Restricted for:		
Pension benefits	\$ 6,120,781	\$ -
Developers and others	<u>-</u>	<u>412,513</u>
Total Net Position	<u>\$ 6,120,781</u>	<u>\$ 412,513</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, 2024

	Non-Uniform Pension Trust Fund	Custodial Fund Escrows
Additions		
Contributions		
Employer contributions	\$ 100,895	\$ -
State aid	182,455	-
Escrow receipts	-	114,995
Total Contributions	<u>283,350</u>	<u>114,995</u>
Investment Income		
Net appreciation (depreciation) in fair value of investments	283,127	-
Interest and dividend income	<u>312,593</u>	7,000
Total investment earnings	595,720	7,000
Less investment expense	(18,190)	-
Net Investment Income	<u>577,530</u>	<u>7,000</u>
Total Additions	<u>860,880</u>	<u>121,995</u>
Deductions		
Benefits	174,673	-
Escrow disbursements	-	129,948
Total Deductions	<u>174,673</u>	<u>129,948</u>
Change in Net Position	686,207	(7,953)
Net Position - Restricted:		
Beginning of Year	5,434,574	420,466
End of Year	<u>\$ 6,120,781</u>	<u>\$ 412,513</u>

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

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024, 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, 2024.

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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, 2024 are recognized as revenue for the year ending December 31, 2024.

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, 2024

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 50% of their accumulated sick days beginning after 180 days.

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

I. Summary of significant accounting policies (Continued)

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

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.

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 future periods 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 future periods 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.

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

I. Summary of significant accounting policies (Continued)

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

8. *Deferred outflows/inflows of resources (continued)*

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.

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.

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

I. Summary of significant accounting policies (Continued)

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

9. *Net position (continued)*

	Governmental Activities	Business-Type Activities	Total
Net Investment in Capital Assets			
Capital assets not being depreciated	\$ 710,914	\$ 48,320	\$ 759,234
Capital assets being depreciated, net of accumulated depreciation	11,930,086	2,205,551	14,135,637
Less: Long-term debt outstanding	(5,110,484)	(547,516)	(5,658,000)
Total Net Investment in Capital Assets	<u>\$ 7,530,516</u>	<u>\$ 1,706,355</u>	<u>\$ 9,236,871</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.

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).

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

I. Summary of significant accounting policies (Continued)

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

10. *Fund balance (continued)*

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.

11. *Restated Net Assets-Fund Balance*

A prior period adjustment was made to allocate a portion of the pension liability and deferred items to the Water Fund. The adjustment resulted in a restatement of \$305,424 to the Water Fund, Governmental Activities and Proprietary Activities statements.

12. *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.F. for disclosure.

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

I. Summary of significant accounting policies (Continued)

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

13. *New Accounting Pronouncements*

In 2024, the Borough adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*, and GASB Statement No. 101, *Compensated Absences*. The statements had no material effect. 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 2024. 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, 2024, expenditures over appropriations for the General Fund were as follows: general government, economic development, and unallocated expense in the amount of \$23,538, \$772, and \$4,063, respectively. The over expenditures were funded through revenues in excess of budget.

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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 \$8,122,782. Of the bank balance, \$750,000 was covered by federal depository insurance and \$58,199 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 AAA 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, 2024

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, 2024, 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, 2024:

	<u>Amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Average Rating</u>	<u>Average Maturity</u>
GOVERNMENTAL ACTIVITIES					
Externally Pooled Investments (PLGIT)	\$ 50,693	\$ -	\$ 50,693	AAAm	1 day
BUSINESS-TYPE ACTIVITIES					
Externally Pooled Investments (PLGIT)	\$ 7,506	\$ -	\$ 7,506	AAAm	1 day
FIDUCIARY FUNDS					
Externally Pooled Investments (PLGIT)	\$ 19,675	\$ -	\$ 19,675	AAAm	1 day
Exchange Traded Funds	495,444	495,444	-	not applicable	not applicable
Mutual Funds - Equity	2,310,625	2,310,625	-	not applicable	not applicable
Mutual Funds - International Equity	756,054	756,054	-	not applicable	not applicable
Mutual Funds - Fixed Income	2,237,694	2,237,694	-	A+ to BBB	7 years
Total Fiduciary Funds	\$ 5,819,492	\$ 5,799,817	\$ 19,675		

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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:

	Other Governmental				Water Capital	Total
	<u>General</u>	<u>Funds</u>	<u>Water</u>	<u>Capital</u>		
Receivables:						
Taxes receivable	\$ 658,688	\$ 8,177	\$ -	\$ -	\$ 666,865	
Leases receivable	2,497,315	-	-	-	2,497,315	
Other receivable	104,819	-	-	-	104,819	
Accounts receivable	-	-	53,808	4,426	58,234	
Unbilled revenue	-	-	195,760	-	195,760	
Interest receivable	-	-	-	-	-	
Total Receivables	<u>\$ 3,260,822</u>	<u>\$ 8,177</u>	<u>\$ 249,568</u>	<u>\$ 4,426</u>	<u>\$ 3,522,993</u>	

The Borough has entered into various lease agreements for cell tower and property rentals. Under these agreements, the Borough receives minimum monthly payments. For lease agreements with noncancelable terms, the lease receivable is measured at the present value of the noncancelable 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, 2024, the principal and interest receivable on long-term noncancelable leases was as follows:

Year Ending <u>December 31</u>	<u>Governmental Activities</u>	
	<u>Lease Receivable</u>	<u>Interest</u>
2025	\$ 87,577	\$ 48,815
2026	92,173	47,015
2027	96,944	45,126
2028	102,139	43,132
2029	109,081	41,018
2030-2034	632,723	169,275
2035-2039	590,745	105,232
2040-2044	352,824	55,267
2045-2049	206,687	32,451
2050-2054	190,364	11,111
2055-2058	<u>36,058</u>	<u>1,087</u>
	<u>\$ 2,497,315</u>	<u>\$ 599,529</u>

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

III. Detailed notes on all funds (Continued)

C. *Capital assets*

Capital asset activity for the year ended December 31, 2024 was as follows:

Governmental activities:	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 510,042	\$ -	\$ -	\$ 510,042
Construction in progress	- -	200,871	- -	200,871
Total capital assets, not being depreciated	<u>510,042</u>	<u>200,871</u>	<u>- -</u>	<u>710,913</u>
Capital assets, being depreciated:				
Land improvements	3,906,775	46,548	- -	3,953,323
Building and building improvements	6,730,601	23,185	- -	6,753,786
Fixtures and equipment	2,339,748	192,896	(106,693)	2,425,951
Vehicles	1,178,235	60,201	(39,835)	1,198,601
Infrastructure	4,110,300	- -	- -	4,110,300
Total capital assets being depreciated	<u>18,265,659</u>	<u>322,830</u>	<u>(146,528)</u>	<u>18,441,961</u>
Less accumulated depreciation for:				
Land improvements	1,485,941	140,254	- -	1,626,195
Building and building improvements	330,077	164,191	- -	494,268
Fixtures and equipment	1,681,136	148,878	(106,693)	1,723,321
Vehicles	772,226	90,240	(39,835)	822,631
Infrastructure	1,734,189	111,270	- -	1,845,459
Total accumulated depreciation	<u>6,003,569</u>	<u>654,833</u>	<u>(146,528)</u>	<u>6,511,874</u>
Total capital assets, being depreciated, net	<u>12,262,090</u>	<u>(332,003)</u>	<u>- -</u>	<u>11,930,087</u>
Governmental activities capital assets, net	<u>\$ 12,772,132</u>	<u>\$ (131,132)</u>	<u>\$ - -</u>	<u>\$ 12,641,000</u>

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

III. Detailed notes on all funds (Continued)

C. *Capital assets (continued)*

Business-type activities:	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
	<u>Balance</u>			<u>Balance</u>
Capital assets, not being depreciated:				
Land	\$ 48,320	\$ -	\$ -	\$ 48,320
Construction in progress	- - -	- - -	- - -	- - -
Total capital assets, not being depreciated	<u>48,320</u>	<u>-</u>	<u>-</u>	<u>48,320</u>
Capital assets, being depreciated:				
Land improvements	2,352,709	23,000	-	2,375,709
Building and building improvements	910,552	- - -	- - -	910,552
Fixtures and equipment	1,989,761	804,067	(16,034)	2,777,794
Vehicles	375,381	65,245	(9,640)	430,986
Total capital assets being depreciated	<u>5,628,403</u>	<u>892,312</u>	<u>(25,674)</u>	<u>6,495,041</u>
Less accumulated depreciation for:				
Land improvements	1,649,142	52,268	-	1,701,410
Building and building improvements	503,852	45,729	-	549,581
Fixtures and equipment	1,628,763	74,083	(16,034)	1,686,812
Vehicles	354,301	7,026	(9,640)	351,687
Total accumulated depreciation	<u>4,136,058</u>	<u>179,106</u>	<u>(25,674)</u>	<u>4,289,490</u>
Total capital assets, being depreciated, net	<u>1,492,345</u>	<u>713,206</u>	<u>-</u>	<u>2,205,551</u>
Business-type activities capital assets, net	<u>\$ 1,540,665</u>	<u>\$ 713,206</u>	<u>\$ -</u>	<u>\$ 2,253,871</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 236,100
Public safety - zoning and inspection	16,632
Highway and streets	249,318
Parking	13,741
Culture and recreation	<u>139,042</u>
Total depreciation expense-governmental activities	<u>\$ 654,833</u>
Business-type activities:	
Water	\$ 84,768
Fanny Chapman Pool	<u>94,338</u>
Total depreciation expense-business-type activities	<u>\$ 179,106</u>

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

III. Detailed notes on all funds (Continued)

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2024 are as follows:

	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
General	\$ -	\$ 287,540
Capital Projects	- -	9,903
Capital Reserve	9,903	-
Water	279,251	-
Water Capital	8,289	-
Total	\$ 297,443	\$ 297,443

Interfund balances are primarily a result of:

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

Interfund transfers:

	Transfer in	Transfer out
General	\$ 349,780	\$ 159,445
Capital Projects	159,445	427,548
Other governmental funds	- -	253,000
Water Capital	330,768	-
Total	\$ 839,993	\$ 839,993

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 \$8,210,400. General obligation notes are direct obligations and pledge the full faith and credit of the Borough.

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

III. Detailed notes on all funds (Continued)

E. *Long-term debt (continued)*

Amounts outstanding at December 31, 2024 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Government-type activities	2.073-2.278%	\$ 5,110,484
Business-type activities	2.23-2.278%	<u>547,516</u>
		<u>\$ 5,658,000</u>

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

Year Ending December 31	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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	373,303	95,788	73,697	14,144	447,000	109,932
2030-2034	1,560,634	269,305	195,366	9,161	1,756,000	278,466
2035-2039	1,413,000	120,111	-	-	1,413,000	120,111
2040	300,000	6,219	-	-	300,000	6,219
Total	<u>\$ 5,110,484</u>	<u>\$ 933,075</u>	<u>\$ 547,516</u>	<u>\$ 88,330</u>	<u>\$ 5,658,000</u>	<u>\$ 1,021,405</u>

Financed Purchases

The assets acquired through financed purchases are as follows:

Asset:	Governmental Activities
Machinery and equipment	\$ 917,599
Accumulated Depreciation	<u>(487,628)</u>
Total	<u>\$ 429,971</u>

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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, 2024 are as follows:

Year Ended December 31,	Governmental Activities
2025	\$ 184,368
2026	105,094
2027	85,660
2028	<u>37,662</u>
Total minimum lease payments	412,784
Less: amounts representing interest	<u>(37,666)</u>
Present value of minimum lease payments	<u><u>375,118</u></u>

Long-Term Liabilities Summary

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

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	\$ 5,468,742	\$ -	\$ (358,258)	\$ 5,110,484	\$ 365,768
Financed purchases	442,396	225,453	(292,731)	375,118	166,099
Net pension liability	2,128,007	470,398	(1,257,967)	1,340,438	-
Compensated absences	<u>221,361</u>	<u>-</u>	<u>(32,722)</u>	<u>188,639</u>	<u>-</u>
Governmental activity					
Long-Term Liabilities	<u><u>8,260,506</u></u>	<u><u>695,851</u></u>	<u><u>(1,941,678)</u></u>	<u><u>7,014,679</u></u>	<u><u>531,867</u></u>
Business-type activities:					
Notes payable	\$ 613,338	\$ -	\$ (65,822)	\$ 547,516	\$ 67,312
Net pension liability	671,843	221,364	(274,757)	618,450	-
Compensated absences	<u>83,396</u>	<u>14,980</u>	<u>-</u>	<u>98,376</u>	<u>-</u>
Business-type activity					
Long-Term Liabilities	<u><u>1,368,577</u></u>	<u><u>236,344</u></u>	<u><u>(340,579)</u></u>	<u><u>1,264,342</u></u>	<u><u>67,312</u></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, 2024

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, 2024 was \$157,384. The pooling agreement permits the pool to make additional assessments to its members. At December 31, 2024, there were no additional assessments due or anticipated; instead, the pool declared a dividend of which the Borough's share was \$1,537.
- The Delaware Valley Workers' Compensation Trust - The insurance expense for the year ended December 31, 2024 was \$50,492. The Borough paid \$856 as a result from a payroll audit of the 2022 coverage year. There were no additional assessments due or anticipated. An audit of the 2024 payroll will be performed in 2025. At December 31, 2024, the pool declared a dividend of which the Borough's share was \$23,364.
- The Delaware Valley Health Trust - The insurance expense for the year ended December 31, 2024 was \$627,138. There were no additional assessments due or anticipated. At December 31, 2024, 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, 2024

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 6% of base salary. The Borough's contribution for 2024 was \$122,357.

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, 2024:

Inactive employees (or their beneficiaries) currently receiving benefits	16
Inactive employees entitled to benefits but not yet receiving them	8
Active employees	30
	<u>54</u>

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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, 2024

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 2024. 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 \$182,455 for the pensions for the year ended December 31, 2024.

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, 2024, the annual money-weighted rate of return on Plan investments, net of investment expense was 10.52 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, 2024

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, 2024 were as follows:

	<u>Non-Uniformed</u>
Total pension liability	\$ 8,079,669
Plan fiduciary net position	<u>(6,120,781)</u>
Net Pension Liability	<u><u>\$ 1,958,888</u></u>
Plan fiduciary net position as a percentage of the total pension liability	75.8%

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	2.10%
Salary Increases	4.00%
Investment Rate of Return	6.75%
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, 2024 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, 2024

IV. Other information (Continued)

D. Employee retirement systems and pension plans (continued)

Assumption and changes in benefit terms: None since the January 1, 2023 actuarial valuation.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	43.0%	6.6%
International Equity	17.0%	7.50%
Fixed Income	37.0%	4.70%
Real Estate	0.0%	7.90%
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, 2024

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 Liability	Plan Fiduciary Net Position	Net Pension Liability
<u>Non-Uniformed Pension Plan</u>			
Balance at December 31, 2023	\$ 7,562,580	\$ 5,434,573	\$ 2,128,007
Changes for the year:			
Service cost	175,347	-	175,347
Interest	516,415	-	516,415
Change of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Change of assumptions	-	-	-
Contributions - employer	-	283,350	(283,350)
Net investment income	-	577,531	(577,531)
Benefit payments, including refunds of employee contributions	(174,673)	(174,673)	-
Other changes	-	-	-
Net Changes	<u>517,089</u>	<u>686,208</u>	<u>(169,119)</u>
Balance at December 31, 2024	<u>\$ 8,079,669</u>	<u>\$ 6,120,781</u>	<u>\$ 1,958,888</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 (5.75%)	Discount Rate (6.75%)	Increase (7.75%)
Net pension liability			
Non-Uniformed	\$ 2,811,805	\$ 1,958,888	\$ 1,229,651

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

IV. Other information (Continued)

D. Employee retirement systems and pension plans (continued)

Deferred Outflows and Inflows of Resources: For the year ended December 31, 2024, the Borough recognized pension expense of \$525,166 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Non-Uniformed Pension</u>		
Differences between expected and actual experience	\$ 367,139	\$ 6,053
Change in assumptions	305,355	-
Net difference between projected and actual earnings on pension plan investments	83,224	-
Total	<u>\$ 755,718</u>	<u>\$ 6,053</u>

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

Year Ended <u>December 31:</u>	Governmental- Activities		Proprietary- Activities		Total
	<u>Non-Uniformed</u>	<u>Non-Uniformed</u>	<u>Non-Uniformed</u>	<u>Non-Uniformed</u>	
2025	\$ 171,498	\$ 80,705	\$ 252,203		
2026	191,459	90,098	281,557		
2027	4,575	2,153	6,728		
2028	51,734	24,345	76,079		
2029	45,255	21,297	66,552		
Thereafter	48,463	18,083	66,546		
Total	<u>\$ 512,984</u>	<u>\$ 236,681</u>	<u>\$ 749,665</u>		

Payable to the Pension Plan: For the year ended December 31, 2024, there was no amount payable for contributions to the pension plan.

DOYLESTOWN BOROUGH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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, 2024, \$412,513 represents the balance of these monies held in escrow.

F. Subsequent Event

In 2025, the Borough was awarded \$6,000,000 for a PFAS Water Treatment Project of wells 9, 10, & 12 in the form of \$1,043,503 loan and \$4,956,497 as a Principal Forgiveness loan.

**REQUIRED
SUPPLEMENTARY INFORMATION**

DOYLESTOWN BOROUGH

REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability										
Service cost	\$ 175,347	\$ 168,603	\$ 153,561	\$ 147,655	\$ 105,067	\$ 100,784	\$ 91,653	\$ 87,917	\$ 81,879	\$ 78,353
Interest	516,415	482,863	430,031	401,486	354,516	332,021	299,197	280,893	267,061	254,492
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	<u>(174,673)</u>	<u>(147,631)</u>	<u>(145,871)</u>	<u>(148,657)</u>	<u>(139,094)</u>	<u>(114,522)</u>	<u>(119,540)</u>	<u>(120,623)</u>	<u>(132,635)</u>	<u>(204,935)</u>
Net change in total pension liability	517,089	1,062,190	437,721	887,825	320,489	488,079	271,310	333,404	216,305	(112,271)
Total pension liability - beginning	<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>
Total pension liability - ending (a)	<u><u>\$ 8,079,669</u></u>	<u><u>\$ 7,562,580</u></u>	<u><u>\$ 6,500,390</u></u>	<u><u>\$ 6,062,669</u></u>	<u><u>\$ 5,174,844</u></u>	<u><u>\$ 4,854,355</u></u>	<u><u>\$ 4,366,276</u></u>	<u><u>\$ 4,094,966</u></u>	<u><u>\$ 3,761,562</u></u>	<u><u>\$ 3,545,257</u></u>
Plan fiduciary net position										
Contributions - employer	\$ 283,350	\$ 274,944	\$ 217,524	\$ 214,470	\$ 128,926	\$ 132,341	\$ 121,767	\$ 59,788	\$ 52,837	\$ 51,238
Net investment income	577,531	693,225	(927,817)	547,561	600,837	715,557	(299,636)	518,961	235,730	(84,769)
Benefit payments, including refunds of employee contributions	<u>(174,673)</u>	<u>(147,631)</u>	<u>(145,871)</u>	<u>(148,657)</u>	<u>(139,094)</u>	<u>(114,522)</u>	<u>(119,540)</u>	<u>(120,623)</u>	<u>(132,635)</u>	<u>(204,935)</u>
Other	-	-	470	-	(178,304)	-	-	-	-	-
Net change in plan fiduciary net position	686,208	820,538	(855,694)	613,374	412,365	733,376	(297,409)	458,126	155,932	(238,466)
Plan fiduciary net position - beginning	<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>
Plan fiduciary net position - ending (b)	<u><u>\$ 6,120,781</u></u>	<u><u>\$ 5,434,573</u></u>	<u><u>\$ 4,614,035</u></u>	<u><u>\$ 5,469,729</u></u>	<u><u>\$ 4,856,355</u></u>	<u><u>\$ 4,443,990</u></u>	<u><u>\$ 3,710,614</u></u>	<u><u>\$ 4,008,023</u></u>	<u><u>\$ 3,549,897</u></u>	<u><u>\$ 3,393,965</u></u>
Township's net pension liability - ending (a)-(b)	<u><u>\$ 1,958,888</u></u>	<u><u>\$ 2,128,007</u></u>	<u><u>\$ 1,886,355</u></u>	<u><u>\$ 592,940</u></u>	<u><u>\$ 318,489</u></u>	<u><u>\$ 410,365</u></u>	<u><u>\$ 655,662</u></u>	<u><u>\$ 86,943</u></u>	<u><u>\$ 211,665</u></u>	<u><u>\$ 151,292</u></u>
Plan fiduciary net position as a percentage of the total pension liability	75.8%	71.9%	71.0%	90.2%	93.8%	91.5%	85.0%	97.9%	94.4%	95.7%
Covered payroll	\$ 2,273,560	\$ 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
Net pension liability as a percentage of covered payroll	86.2%	98.5%	90.7%	29.3%	16.2%	21.7%	36.2%	5.2%	12.1%	8.8%
Annual money weighted return, net of investment expenses	10.52%	14.82%	-17.10%	11.39%	13.83%	19.50%	-7.58%	14.86%	7.09%	-2.11%

Notes to Schedule:

Assumption changes: None since 1/1/2023 valuation
 Change in benefit terms: None since 1/1/2023 valuation

DOYLESTOWN BOROUGH

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS - NON-UNIFORM PENSION PLAN

Fiscal Year Ended <u>December 31.</u>	Actuarially Determined <u>Contribution</u>	Actual Employer <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered Payroll	Contribution as a Percentage of Covered <u>Payroll</u>
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%
2024	283,350	283,350	-	2,273,560	12.46%

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	1/1/2023
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	N/A
Asset valuation method	Five-year smoothed value of assets
Inflation	2.1%
Salary increases	4%, average, including inflation
Investment rate of return	6.75%, 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-2021

Assumption changes: None since 1/1/2023 valuation

Change in benefit terms: None since 1/1/2023 valuation

DOYLESTOWN BOROUGH

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2024

	Special Revenue Funds						Capital Reserve	Debt Service	Total Nonmajor Governmental Funds
	Fire Tax	Ambulance	Highway Aid	Road Improvement Tax	Total Special Revenue				
ASSETS									
Cash and cash equivalents	\$ 1,763	\$ 491	\$ 1,615	\$ 31,198	\$ 35,067	\$ -	\$ 33,142	\$ 68,209	
Taxes receivable	1,875	551	-	1,649	4,075	-	4,102	8,177	
Due from other funds	-	-	-	-	-	9,903	-	9,903	
Total Assets	<u>\$ 3,638</u>	<u>\$ 1,042</u>	<u>\$ 1,615</u>	<u>\$ 32,847</u>	<u>\$ 39,142</u>	<u>\$ 9,903</u>	<u>\$ 37,244</u>	<u>\$ 86,289</u>	
LIABILITIES									
Accounts payable	\$ 1,663	\$ 491	\$ -	\$ -	\$ 2,154	\$ -	\$ -	\$ 2,154	
Total Liabilities	<u>\$ 1,663</u>	<u>\$ 491</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,154</u>	
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - property taxes	699	201	-	611	1,511	-	1,528	3,039	
Total Deferred Inflows of Resources	<u>699</u>	<u>201</u>	<u>-</u>	<u>611</u>	<u>1,511</u>	<u>-</u>	<u>1,528</u>	<u>3,039</u>	
FUND BALANCES									
Restricted:									
Fire and Ambulance	1,276	350	-	-	1,626	-	-	1,626	
Highways and streets	-	-	1,615	32,236	33,851	-	-	33,851	
Debt service	-	-	-	-	-	-	35,716	35,716	
Assigned: Capital projects	-	-	-	-	-	9,903	-	9,903	
Total Fund Balances	<u>1,276</u>	<u>350</u>	<u>1,615</u>	<u>32,236</u>	<u>35,477</u>	<u>9,903</u>	<u>35,716</u>	<u>81,096</u>	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,638</u>	<u>\$ 1,042</u>	<u>\$ 1,615</u>	<u>\$ 32,847</u>	<u>\$ 39,142</u>	<u>\$ 9,903</u>	<u>\$ 37,244</u>	<u>\$ 86,289</u>	

DOYLESTOWN BOROUGH

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

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2024

	Special Revenue Funds						Capital Reserve	Debt Service	Total Nonmajor Governmental Funds
	Fire Tax	Ambulance	Highway Aid	Road Improvement Tax	Total Special Revenue				
Revenues									
Property taxes	\$ 202,777	\$ 59,640	\$ -	\$ 178,921	\$ 441,338	\$ -	\$ 444,321	\$ 885,659	
Interest	657	196	9,505	1,205	11,563	-	2,737	14,300	
Intergovernmental revenues	-	-	243,584	-	243,584	-	-	243,584	
Total Revenues	203,434	59,836	253,089	180,126	696,485	-	447,058	1,143,543	
Expenditures									
Current									
Public safety	202,998	59,705	-	-	262,703	-	-	262,703	
Public works	-	-	-	179,133	179,133	-	-	179,133	
Debt service									
Principal	-	-	-	-	-	-	335,394	335,394	
Interest	-	-	-	-	-	-	108,429	108,429	
Total Expenditures	202,998	59,705	-	179,133	441,836	-	443,823	885,659	
Excess (Deficiency) of Revenues									
Over Expenditures	436	131	253,089	993	254,649	-	3,235	257,884	
Other Financing Sources (Uses)									
Transfers out	-	-	(253,000)	-	(253,000)	-	-	(253,000)	
Total Other Financing Sources (Uses)	-	-	(253,000)	-	(253,000)	-	-	(253,000)	
Net Change in Fund Balance	436	131	89	993	1,649	-	3,235	4,884	
Fund Balance - Beginning	840	219	1,526	31,243	33,828	9,903	32,481	76,212	
Fund Balance - Ending	\$ 1,276	\$ 350	\$ 1,615	\$ 32,236	\$ 35,477	\$ 9,903	\$ 35,716	\$ 81,096	