# TOWNSHIP OF WARMINSTER
# BUCKS COUNTY, PENNSYLVANIA
## Financial Report
## December 31, 2024

dunlapSLK
A Professional Corporation
Certified Public Accountants & Business Advisors

**TOWNSHIP OF WARMINSTER**
**BUCKS COUNTY, PENNSYLVANIA**
**December 31, 2024**

## Contents

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# Independent Auditors' Report

To the Board of Supervisors
Township of Warminster
Warminster, Pennsylvania

## 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 Township of Warminster, Bucks County, Pennsylvania (the Township), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Responsibilities of Management for the Financial Statements

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

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

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

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required information on pages 4 through 14 and 65 through 80 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 inquires, 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 Township's basic financial statements. The combining and individual nonmajor fund financial statements and combining pension and other benefit trust funds financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and combining pension and other benefit trust funds financial statements are the responsibility of management and were 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*DunlapSLK, PC*

Chalfont, Pennsylvania
December 15, 2025

**TOWNSHIP OF WARMINSTER**
**BUCKS COUNTY, PA**
**Management Discussion and Analysis (Unaudited)**
**Year Ended December 31, 2024**

Our discussion and analysis of Township of Warminster's financial performance provides an overview of the Township's financial activities for the year ended December 31, 2024. Please read it in conjunction with the Township's financial statements, which begin on page 15.

## FINANCIAL HIGHLIGHTS - GOVERNMENT WIDE FINANCIAL STATEMENTS

- The net position of the township's governmental activities ended the year at $45,845,922, an increase of $5,811,133 from the previous year.
- Of this amount, negative ($17,020,496) (*unrestricted net position of governmental activities)* may be used to meet the government's ongoing obligations to citizens and creditors. This amount is negative primarily due to the requirement of including liabilities and deferred inflows and outflows of resources associated with pensions and other post-employment benefits (OPEB) in the statement of net position.
- Net pension liabilities decreased by $2,388,797 from the previous year, ending the current year at $13,826,995.
- Other post-employment benefit liabilities decreased by $2,005,524 from the previous year ending the current year at $7,747,606.
- $45,880,895 of the governmental activities net position is invested in capital assets net of related debt; $2,571,537 is restricted for debt service; $2,578,120 is restricted for culture and recreation; and $11,835,866 is restricted for other purposes.
- The net position of the township's business type activities (Five Ponds Golf Course) ended the year at $7,426,169 an increase of $828,459 from the previous year.
- Warminster Township's total net position increased by $6,639,592 from 2023.

## FINANCIAL HIGHLIGHTS - FUND FINANCIAL STATEMENTS

- As of the close of the current year, Warminster Township's governmental funds reported combined ending fund balances of $26,350,745 compared to $23,900,719 at the end of 2023.
- The general fund ended the year with a fund balance of $10,258,266.
- The unassigned portion of the 2024 general fund balance was $9,903,774, an increase of $1,444,629 from the previous year.

## USING THIS REPORT

This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 15-17) provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements start on page 18. For governmental activities, these statements tell how the Township services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's major funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside the government.

**USING THIS REPORT (continued)**

**Reporting on the Township as a Whole**
The statement of Net Position and Statement of Activities reports information about the Township as a whole, and about its activities in a way that helps answer the question of whether or not the Township is better or worse off, as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid. These statements report the Township's net position and changes in them. The Township's net position (the difference between the assets and liabilities) provide a measurement of the Township's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the Township's financial health is improving or deteriorating.

**Reporting Significant Funds**
The fund financial statements begin on page 18 and provide detailed information about the most significant funds, not the Township as a whole. Some funds are required to be established by State law. However, the Board of Supervisors established other funds to help it control or manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The Township's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at yearend that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance Township programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are described in a reconciliation at the end of fund financial statements.

**The Township as a Trustee**
The Township is the trustee or fiduciary, for its employees' pension plans. It is also responsible for escrow deposits received from developers, businesses, and individuals for legal and engineering fees. All of the Township fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 27 and 28. These activities are excluded from the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**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 Warminster Township, assets and deferred outflows of resources of governmental and business-type activities exceeded liabilities and deferred inflows of resources by $53,272,091 at the close of the most recent year.

## USING THIS REPORT (continued)

### Government-wide Financial Analysis (continued)

By far the largest portion of the Township of Warminster's net position ($50,645,442) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Warminster Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Warminster Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to re-pay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Warminster Township's net position of $16,985,523 represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position of Governmental Activities* (negative $17,020,496) may be used to meet the government's ongoing obligations to citizens and creditors. This amount is negative primarily due to the township's pension and other post-employment benefit liabilities.

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

## THE TOWNSHIP AS A WHOLE

The Statement of Net Position provides an overview of the Township's assets, liabilities, and net position. Over time, this statement will provide a good indicator of the Township's fiscal health. Two years of data are presented in the following tables. During 2024, we continued to update the valuation calculations for capital assets such as land, buildings, vehicles, equipment, furniture, traffic signals, storm sewers, and drainage structures. Management has also updated the five-year capital plans for Police, Public Works, Parks and Recreation and the Township buildings.

## THE TOWNSHIP AS A WHOLE (continued)

### Table 1 - Net Position

| Account | Governmental Activities 2024 | Governmental Activities 2023 | Business-type Activities 2024 | Business-type Activities 2023 | Totals 2024 | Totals 2023 |
|---|---|---|---|---|---|---|
| Capital Assets | $ 57,242,915 | $ 54,779,111 | $5,847,527 | $5,619,041 | $ 63,090,442 | $ 60,398,152 |
| Current and Other Assets | 32,999,643 | 32,736,397 | 3,509,864 | 2,952,564 | 36,509,507 | 35,688,961 |
| Total Assets | 90,242,558 | 87,515,508 | 9,357,391 | 8,571,605 | 99,599,949 | 96,087,113 |
| Deferred Outflows | 4,121,669 | 8,145,636 | - | - | 4,121,669 | 8,145,636 |
| Non-Current Liabilities | 33,200,775 | 38,268,421 | 1,148,935 | 1,328,891 | 34,349,710 | 39,597,312 |
| Current Liabilities | 2,957,518 | 3,820,058 | 782,287 | 645,004 | 3,739,805 | 4,465,062 |
| Total Liabilities | 36,158,293 | 42,088,479 | 1,931,222 | 1,973,895 | 38,089,515 | 44,062,374 |
| Deferred Inflows | 12,360,012 | 13,537,876 | - | - | 12,360,012 | 13,537,876 |
| Net Position | | | | | | |
| Invested in Capital Assets, Net of Related Debt | 45,880,895 | 42,830,091 | 4,764,547 | 4,434,061 | 50,645,442 | 47,264,152 |
| Restricted | 16,985,523 | 18,100,496 | - | - | 16,985,523 | 18,100,496 |
| Unrestricted | (17,020,496) | (20,895,798) | 2,661,622 | 2,163,649 | (14,358,874) | (18,732,149) |
| Total Net Position | $ 45,845,922 | $ 40,034,789 | $7,426,169 | $6,597,710 | $ 53,272,091 | $ 46,632,499 |

As shown above, the negative balance in the "Unrestricted" line item, is of particular concern. This amount became negative upon the implementation of GASB (Governmental Accounting Standards Board) statements regarding pensions and post-employment benefit liabilities and related deferred inflows and outflows. These liabilities exceed the assets available to pay for them resulting in the negative amount. Pension and OPEB liabilities are more completely described in the notes section of this report and are also identified on the Statement of Net Position.

## THE TOWNSHIP AS A WHOLE (continued)

### Table 2 - Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| Account | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| **Program Revenues** | | | | | | |
| Charges for Services | $ 6,440,321 | $ 6,893,420 | $ 4,537,330 | $ 4,270,880 | $ 10,977,651 | $ 11,164,300 |
| Operating Grants and Contributions | 3,310,678 | 3,871,796 | - | - | 3,310,678 | 3,871,796 |
| Capital Grants and Contributions | 331,126 | - | - | - | 331,126 | - |
| **General Revenues** | | | | | | |
| Real Estate Taxes | 8,458,231 | 8,502,994 | - | - | 8,458,231 | 8,502,994 |
| Earned Income and Other Taxes | 9,040,388 | 8,869,052 | - | - | 9,040,388 | 8,869,052 |
| Grants and Contribution | 75,816 | 575,418 | - | - | 75,816 | 575,418 |
| Investment Earnings | 956,875 | 363,558 | 109,965 | 10,240 | 1,066,840 | 373,798 |
| Gain on Disposal of Assets | - | - | 4,500 | - | 4,500 | - |
| Other | 1,128,744 | 472,962 | (750,000) | (450,000) | 378,744 | 22,962 |
| **Total Revenues** (Forwarded) | $ 29,742,179 | $ 29,549,200 | $ 3,901,795 | $ 3,831,120 | $ 33,643,974 | $ 33,380,320 |

**THE TOWNSHIP AS A WHOLE (continued)**

**Table 2 - Changes in Net Position**

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| Account | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| **Total Revenues** (Forwarded) | $ 29,742,179 | $ 29,549,200 | $ 3,901,795 | $ 3,831,120 | $ 33,643,974 | $ 33,380,320 |
| **Program Expenses** | | | | | | |
| General Government | 2,480,932 | 2,098,794 | - | - | 2,480,932 | 2,098,794 |
| Public Safety | 13,090,162 | 14,045,122 | - | - | 13,090,162 | 14,045,122 |
| Public Works | 741,309 | 1,461,471 | - | - | 741,309 | 1,461,471 |
| Culture and Recreation | 2,255,591 | 1,888,966 | - | - | 2,255,591 | 1,888,966 |
| Sanitation | 3,805,210 | 3,677,438 | - | - | 3,805,210 | 3,677,438 |
| Insurance | 400,118 | 290,227 | - | - | 400,118 | 290,227 |
| Interest on Long-Term Debt | 170,750 | 176,792 | - | - | 170,750 | 176,792 |
| Unallocated Depreciation | 986,974 | 948,427 | - | - | 986,974 | 948,427 |
| Golf Course | - | - | 3,073,336 | 2,685,114 | 3,073,336 | 2,685,114 |
| **Total Expenses** | 23,931,046 | 24,587,237 | 3,073,336 | 2,685,114 | 27,004,382 | 27,272,351 |
| **Changes in Net Position** | 5,811,133 | 4,961,963 | 828,459 | 1,146,006 | 6,639,592 | 6,107,969 |
| **Beginning Net Position** | 40,034,789 | 35,072,826 | 6,597,710 | 5,451,704 | 46,632,499 | 40,524,530 |
| **Ending Net Position** | $ 45,845,922 | $ 40,034,789 | $ 7,426,169 | $ 6,597,710 | $ 53,272,091 | $ 46,632,499 |

The total net position of the Township increased by $6,639,592 in 2024. Governmental activities increased Warminster Township's net position by $5,811,133 in 2024 and $4,961,963 in 2023 . Business-type activities increased net position by $828,459 in 2024 and by $1,146,006 in 2023 .

## ITEMS OF GENERAL INTEREST

The non-major governmental funds are shown on the combining balance sheet and combining statement of revenues, expenditures, and changes in fund balance in the supplementary information. The year-end fund balance of the non-major funds is $6,604,281.

Five of the non-major funds are supported by real estate tax millage which for 2024 was as follows: Fire (2.00), Ambulance (0.19), Library (2.35), Park and Recreation (3.50) and Debt Service (2.02). The remaining four funds are designated to fund highway expenditures, police safety equipment, open space and highway traffic.

### Fire Fund

The Township receives real estate tax revenues that are deposited into the *Fire Fund* and then contributed to the Warminster and Hartsville Fire Companies. The funds are used for fire apparatus, housing for the apparatus, training of personnel and all associated expenses. Under Pennsylvania law the funds are restricted to fire protection purposes and cannot be used for any other function. Under the Second Class Township Code, the annual tax cannot exceed ten mills. Tax levies above this limit for fire protection may be approved by residents through referendum.

### Ambulance Fund

The Township receives real estate tax revenues that are deposited into the *Ambulance Fund* and contributed to the Central Bucks Ambulance and Rescue Unit d/b/a Central Bucks Emergency Medical Services. The funds are designated for ambulance and rescue squads serving the township. Under the Second Class Township Code funds cannot be used for any other purpose. The tax levy for ambulance services is 0.19-mill. If an annual tax is proposed above one-half mill, it must be submitted to Township voters in a referendum.

### Library Fund

The Library Fund receives real estate tax revenues. The funds are restricted for use by the Warminster Township Free Library for its yearly operations.

### Debt Service Fund

The Debt Service fund balance is restricted for payment of debt obligations. The debt obligations are funded with real estate tax revenues.

### Highway Aid Fund

The Highway Aid Fund is restricted for highways and streets expenditures.

### Highway Traffic Fund

Real estate tax revenues were collected in previous years in this fund and the balance will be disbursed for the traffic signalization project.

## ANALYSIS OF INDIVIDUAL FUNDS

Warminster Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of Warminster Township's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Warminster Township's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

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

Warminster Township's governmental funds reported combined ending fund balances of $26,350,745 in 2024 and $23,900,719 in 2023. $9,903,774 and $8,459,145 in 2024 and 2023 respectively, constitutes *unassigned fund balance,* which is available for spending at the government's discretion. The remainder of fund balance for 2024 is comprised of: $13,374,270 *restricted* to indicate that it is not available for unrestricted spending; $2,616,800 *assigned* for specific purposes; and $455,901 *non-spendable* for prepaid items and long-term interfund advances.

### General Fund

The General Fund is the primary operating fund of Warminster Township. At the end of the current year, unassigned fund balance of the general fund was $9,903,774, while total fund balance of governmental funds amounted to $26,350,745. At the end of the prior year, unassigned fund balance of the general fund was $8,459,145, with the total fund balance of governmental funds at $23,900,719. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance of governmental funds to total general fund expenditures. Unassigned fund balance represents approximately 60% and 51% for 2024 and 2023, respectively, of total general fund expenditures, while total fund balance represents 89% and 88% for 2024 and 2023, respectively, of total fund expenditures.

The General Fund's fund balance increased by $1,799,121 in the current year compared with an decrease of $1,317,894 during the prior year.

General Fund revenues were over budgeted revenues by 8.1%. Taxes were over budget by 3.3%; Intergovernmental revenues were over budget by 31.8%; Charges for Services were under budget by .6%; Fines, Licenses and Permits were over budget by 25.7%; Interest and Rents were over budget by 511.6% and Miscellaneous Revenue was over budget by 8.7%.

Differences between the final budgeted General Fund expenditures, and actual expenditures were under by 2.7%. General Government was under budget by .03%; public safety expenditures were under budget 2.9%; culture and recreation were under budget by 93.8%, and public works is under budget by 12.5%. The variance in excess of Revenues over (under) Expenditures amounted to $1,799,121 in 2024 and $1,682,106 in 2023.

The Township includes with each year's budget, a five-year Road Improvement Plan that is recommended by the Township Engineer.

## ANALYSIS OF INDIVIDUAL FUNDS (continued)

### Sanitation Fund

The Sanitation Fund was established to track collections from residents for weekly trash services and compile expenditures for the contracted trash company. The residents are billed from our tax collector with the trash fee as a separate line item on their real estate tax bill in March of each year. The fee for sanitation per residential property was $440.00 for 2024 which did not change from 2023. A $55.00 discount is available to senior citizens.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

Warminster Township's investment in capital assets for governmental activities as of December 31, 2024, amounts to $57,242,915 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, machinery and equipment, and infrastructure. Capital asset additions during the year consisted of roads, police vehicles, public works and park maintenance equipment, and traffic lights.

Warminster Township's investment in capital assets for business-type activities as of December 31, 2024, amounts to $5,847,527 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, and machinery and equipment. Capital asset additions during the year consisted of course maintenance equipment.

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

## CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

### Capital Assets (continued)

A summary of capital assets, net of depreciation, is shown below.

**Capital Assets, Net of Depreciation**

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Land | $23,237,264 | $23,237,264 | $1,505,500 | $1,505,500 | $24,742,764 | $24,742,764 |
| Construction in Progress | 6,057,537 | 4,146,555 | 214,441 | 16,520 | 6,271,978 | 4,163,075 |
| Land Improvements | 4,778,575 | 4,973,598 | 2,974,132 | 2,989,952 | 7,752,707 | 7,963,550 |
| Buildings and Improvements | 1,984,419 | 1,735,338 | 738,161 | 807,873 | 2,722,580 | 2,543,211 |
| Machinery and Equipment | 2,169,973 | 1,703,283 | 415,293 | 299,196 | 2,585,266 | 2,002,479 |
| Infrastructure | 19,015,147 | 18,983,073 | - | - | 19,015,147 | 18,983,073 |
| | $57,242,915 | $54,779,111 | $5,847,527 | $5,619,041 | $63,090,442 | $60,398,152 |

### Long-Term Debt

At year-end, the Township had total long-term debt outstanding of $11,362,020 (2024) and 11,949,020 (2023) from governmental activities and $1,082,980 (2024) and $1,184,980 (2023) from business-type activities. Additional information on Warminster Township's long-term debt can be found in the footnotes.

**Outstanding Debt**

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| General Obligation Notes | $11,362,020 | $11,949,020 | $1,082,980 | $1,184,980 | $12,445,000 | $13,134,000 |

## ECONOMIC FORECAST

The elected officials for Warminster Township considered many factors when setting the 2024 calendar year's budget, tax rates, and fees that will be charged for government-wide and business-type activities.
Key economic factors include.

- The unemployment rate for the Township mirrors the surrounding Philadelphia metropolitan area. It is also comparable to both state and national averages.
- Inflationary trends compare favorable to national indices.
- Number of employers filing Earned Income Tax returns and number of employees reported on employer returns.

## ECONOMIC FORECAST (continued)

The Township's largest liabilities continue to be pension and other post-employment benefits (OPEB) which pose a significant challenge to the township's financial health. It will take a multi-faceted and long-term approach to bring down the liabilities to a more manageable level. Strong investment performance, additional contributions to the plans, and benefit concessions may all be necessary. In 2022 an OPEB Trust was established to help lower the liability with an initial deposit of $1,500,000. Since the initial deposit the OPEB labiality has decreased $12,633,030.

As a recipient of Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act, the Township has received $3,396,545. An infrastructure committee was established to make recommendations on what the funds were used for and allocated all the funds to projects that are in progress. As of December 31, 2024, all funds have been disbursed.

The Township's largest source of revenue comes from PA Act 511 local enabling taxes which consist of Earned Income Tax, Business Privilege Tax, Mercantile Tax, and Real Estate Transfer Tax. In 2024 these revenue sources have met or exceeded 2023 collections and continues the upward trend in 2025. Earned income tax has been particularly strong with many people now working from home. With a train station in the township that is actively used for commuting to and from Philadelphia, it is likely that we benefited from this work at home initiative that started during the pandemic.

In 2024, the golf course generated a profit of $828,459 compared to $1,146,006 in 2023 and $1,153,627 in 2022. The golf course performed well since the pandemic and is expected to post a profit again in 2025.

The Township ended 2024 with a balance in the Highway Aid Fund of $684,714. Annually the Commonwealth of Pennsylvania allocates to municipalities a portion of taxes collected on liquid fuels. In 2024, Warminster received approximately $924,108 in liquid fuels funds from the Commonwealth and a similar amount is anticipated to be received in 2025.

The Park and Recreation Fund ended 2024 with a fund balance of $1,887,357. In 2024 and beyond, there are several park enhancement projects contemplated for Warminster Community Park with the assistance of multiple grants. The mill rate for the park fund was increased from 2 mills to 3.5 mills in 2020 to sustain current operations without requiring a subsidy from the General Fund.

The Library Fund ended 2024 with a fund balance of $653,765 compared to $712,105 at the end of 2023. The mill rate for the library fund remained at 2.35 mills to sustain current operations in 2024.

## CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT TEAM

The financial report is designed to provide a general overview of the Township's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Township Manager or Finance Director.

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Statement of Net Position**
**December 31, 2024**

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| **Assets** | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | $ 25,441,290 | $ 3,401,220 | $ 28,842,510 |
| Investments | 144,812 | - | 144,812 |
| Taxes and Other Receivables | 3,545,078 | 54,462 | 3,599,540 |
| Prepaid Expenses and Other Assets | 101,409 | 164,081 | 265,490 |
| Internal Balances | 575,539 | (355,810) | 219,729 |
| Total Current Assets | 29,808,128 | 3,263,953 | 33,072,081 |
| Noncurrent Assets | | | |
| Net Capital Assets | 57,242,915 | 5,847,527 | 63,090,442 |
| Right of Use Asset - Subscriptions | 715,644 | - | 715,644 |
| Right of Use Asset - Operating Leases | 5,477 | 245,911 | 251,388 |
| Fair Value of Derivative Instrument | 2,470,394 | - | 2,470,394 |
| Total Noncurrent Assets | 60,434,430 | 6,093,438 | 66,527,868 |
| **Total Assets** | 90,242,558 | 9,357,391 | 99,599,949 |
| **Deferred Outflows of Resources** | | | |
| Pension and Other Post-Employment Benefit Outflows | 4,121,669 | - | 4,121,669 |
| **Liabilities** | | | |
| Current Liabilities | | | |
| Current Portion of General Obligation Notes/Bonds | 596,000 | 103,000 | 699,000 |
| Current Portion of Compensated Absences | 429,777 | - | 429,777 |
| Current Portion of Subscription Liabilities | 190,179 | - | 190,179 |
| Current Portion of Operating Lease Liabilities | 3,606 | 76,956 | 80,562 |
| Accounts Payable and Accrued Expenses | 804,328 | 94,452 | 898,780 |
| Gift Certificates, Deposits and Other Liabilities | 933,628 | 507,879 | 1,441,507 |
| Total Current Liabilities | 2,957,518 | 782,287 | 3,739,805 |
| Noncurrent Liabilities | | | |
| General Obligation Notes/Bonds Payable | 10,766,020 | 979,980 | 11,746,000 |
| Subscription Liabilities | 561,714 | - | 561,714 |
| Operating Lease Liabilities | 1,871 | 168,955 | 170,826 |
| Compensated Absences | 296,569 | - | 296,569 |
| Net Pension Liability | 13,826,995 | - | 13,826,995 |
| Other Post-Employment Benefits | 7,747,606 | - | 7,747,606 |
| Total Noncurrent Liabilities | 33,200,775 | 1,148,935 | 34,349,710 |
| **Total Liabilities** | 36,158,293 | 1,931,222 | 38,089,515 |
| **Deferred Inflows of Resources** | | | |
| Pension and Other Post-Employment Benefit Inflows | 9,889,618 | - | 9,889,618 |
| Accumulated Increase in Fair Value of Derivative | 2,470,394 | - | 2,470,394 |
| Total Deferred Inflows of Resources | 12,360,012 | - | 12,360,012 |
| **Net Position** | | | |
| Invested in Capital Assets, Net of Related Debt | 45,880,895 | 4,764,547 | 50,645,442 |
| Restricted for Debt Service | 2,571,537 | - | 2,571,537 |
| Restricted for Culture and Recreation | 2,578,120 | - | 2,578,120 |
| Restricted for Other | 11,835,866 | - | 11,835,866 |
| Unrestricted | (17,020,496) | 2,661,622 | (14,358,874) |
| **Total Net Position** | $ 45,845,922 | $ 7,426,169 | $ 53,272,091 |

See notes to financial statements.

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Statement of Activities**
**Year Ended December 31, 2024**

| | | Program Revenue | | |
|---|---|---|---|---|
| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities | | | | |
| General Government | $ 2,480,932 | $ 694,967 | $ - | $ - |
| Public Safety | 13,090,162 | 1,859,674 | 985,890 | - |
| Public Works | 741,309 | 29,229 | 1,944,479 | 331,126 |
| Culture and Recreation | 2,255,591 | 182,830 | 243,074 | - |
| Sanitation | 3,805,210 | 3,673,621 | 137,235 | - |
| Insurance | 400,118 | - | - | - |
| Interest on Long-Term Debt | 170,750 | - | - | - |
| Unallocated Depreciation | 986,974 | - | - | - |
| Total Governmental Activities | 23,931,046 | 6,440,321 | 3,310,678 | 331,126 |
| Business-Type Activities | | | | |
| Golf | 3,073,336 | 4,537,330 | - | - |
| Total | $ 27,004,382 | $ 10,977,651 | $ 3,310,678 | $ 331,126 |

General Revenues
Real Estate Taxes
Other Taxes
Grants and Contributions
Interest Income and Rents
Miscellaneous
Gain on Sale of Capital Assets
Transfers
Total General Revenues

Change in Net Position

Net Position
Beginning of Year

End of Year

See notes to financial statements.

| Net (Expense) Revenue and Changes in Net Position | | |
|---|---|---|
| Governmental Activities | Business-type Activities | Total |
| $ (1,785,965) | $ - | $ (1,785,965) |
| (10,244,598) | - | (10,244,598) |
| 1,563,525 | - | 1,563,525 |
| (1,829,687) | - | (1,829,687) |
| 5,646 | - | 5,646 |
| (400,118) | - | (400,118) |
| (170,750) | - | (170,750) |
| (986,974) | - | (986,974) |
| (13,848,921) | - | (13,848,921) |
| | | |
| - | 1,463,994 | 1,463,994 |
| | | |
| (13,848,921) | 1,463,994 | (12,384,927) |
| | | |
| 8,458,231 | - | 8,458,231 |
| 9,040,388 | - | 9,040,388 |
| 75,816 | - | 75,816 |
| 956,875 | 109,965 | 1,066,840 |
| 378,744 | - | 378,744 |
| - | 4,500 | 4,500 |
| 750,000 | (750,000) | - |
| 19,660,054 | (635,535) | 19,024,519 |
| 5,811,133 | 828,459 | 6,639,592 |
| | | |
| 40,034,789 | 6,597,710 | 46,632,499 |
| $ 45,845,922 | $ 7,426,169 | $ 53,272,091 |

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Balance Sheet**
**Governmental Funds**
**December 31, 2024**

| | General Fund | Sanitation Fund | Capital Reserve Fund |
|---|---|---|---|
| **Assets** | | | |
| Cash and Cash Equivalents | $ 6,709,560 | $ 1,040,715 | $ 10,187,026 |
| Investments | 144,812 | - | - |
| Taxes Receivable | 2,523,295 | - | - |
| Grants and Other Receivables | 522,040 | 92,858 | - |
| Lease Receivable | 318,198 | - | - |
| Prepaid Expenses and Other Assets | - | - | 50,000 |
| Due from Other Funds | 2,974,462 | - | - |
| **Total Assets** | $ 13,192,367 | $ 1,133,573 | $ 10,237,026 |
| **Liabilities and Fund Balances** | | | |
| **Liabilities** | | | |
| Accounts Payable and Accrued Expenses | $ 267,243 | $ - | $ 80,245 |
| Accrued Wages and Payroll Taxes | 761,437 | 1,159 | - |
| Other Liabilities | 465,113 | - | - |
| Due to Other Funds | 1,009 | 363,094 | 1,348,862 |
| Total Liabilities | 1,494,802 | 364,253 | 1,429,107 |
| Deferred Inflows of Resources | | | |
| Deferred Revenue - Special Assessments | - | 89,041 | - |
| Deferred Tax Receipts | 1,139,755 | - | - |
| Deferred Rental Receipts | 299,544 | - | - |
| Total Deferred Inflows of Resources | 1,439,299 | 89,041 | - |
| **Fund Balances** | | | |
| Nonspendable | 354,492 | - | 50,000 |
| Restricted | - | 680,279 | 8,757,919 |
| Assigned | - | - | - |
| Unassigned | 9,903,774 | - | - |
| Total Fund Balances | 10,258,266 | 680,279 | 8,807,919 |
| **Total Liabilities and Fund Balances** | $ 13,192,367 | $ 1,133,573 | $ 10,237,026 |

See notes to financial statements.

| Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|
| | |
| $ 7,503,989 | $ 25,441,290 |
| - | 144,812 |
| 66,399 | 2,589,694 |
| 22,288 | 637,186 |
| - | 318,198 |
| 51,409 | 101,409 |
| 73,756 | 3,048,218 |
| $ 7,717,841 | $ 32,280,807 |
| | |
| $ 64,352 | $ 411,840 |
| 56,896 | 819,492 |
| 168,971 | 634,084 |
| 759,714 | 2,472,679 |
| 1,049,933 | 4,338,095 |
| | |
| - | 89,041 |
| 63,627 | 1,203,382 |
| - | 299,544 |
| 63,627 | 1,591,967 |
| | |
| 51,409 | 455,901 |
| 3,936,072 | 13,374,270 |
| 2,616,800 | 2,616,800 |
| - | 9,903,774 |
| 6,604,281 | 26,350,745 |
| $ 7,717,841 | $ 32,280,807 |

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Reconciliation of Total Governmental Fund Balances to**
**Net Position of Governmental Activities**
**December 31, 2024**

| | |
|---|---|
| Total Governmental Fund Balances | $ 26,350,745 |
| Amounts Reported for Governmental Activities in the Statement of Net Position Are Different Because | |
| Capital Assets Used in Governmental Activities Are Not Financial Resources and, Therefore, Not Reported in Funds, Net of Accumulated Depreciation of $49,009,068. | 57,242,915 |
| Right of Use Asset - Subscriptions is Not a Financial Resource, and Therefore Not Reported in Funds. | 715,644 |
| Right of Use Asset - Operating Leases is Not a Financial Resource, and Therefore Not Reported in Funds. | 5,477 |
| Other Long-Term Assets Are Not Available to Pay Current Period Expenditures, and Therefore Are Deferred in the Funds. | |
| Taxes Receivable | 1,292,423 |
| Deferred Pension and Other Post-Employment Benefit Outflows of Resources Are Not Available in the Current Period | 4,121,669 |
| Long-Term Liabilities Are Not Due and Payable in the Current Period, and, Therefore, Are Not Reported in the Funds. | |
| General Obligation Notes Payable | (11,362,020) |
| Subscription Liabilities | (751,893) |
| Operating Lease Liabilities | (5,477) |
| Accrued Interest | (2,773) |
| Compensated Absences | (296,569) |
| Net Pension Liability | (13,826,995) |
| Other Post-Employment Benefits | (7,747,606) |
| Deferred Pension and Other Post-Employment Benefit Inflows of Resources Are Not Available in the Current Period | (9,889,618) |
| Net Position of Governmental Activities | $ 45,845,922 |

See notes to financial statements.

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Statement of Revenues, Expenditures and Changes in Fund Balances**
**Governmental Funds**
**Year Ended December 31, 2024**

| | General Fund | Sanitation Fund | Capital Reserve Fund |
|---|---|---|---|
| Revenues | | | |
| Taxes | $ 14,065,981 | $ - | $ - |
| Intergovernmental | 805,638 | 137,235 | 3,116,768 |
| Charges for Services | 222,394 | 3,667,572 | - |
| Fines, Licenses and Permits | 2,109,446 | - | - |
| Interest Income and Rents | 275,232 | 36,166 | 479,274 |
| Miscellaneous Revenues | 462,043 | - | 5,500 |
| Total Revenues | 17,940,734 | 3,840,973 | 3,601,542 |
| Expenditures | | | |
| General Government | 2,559,382 | - | 53,073 |
| Public Safety | 12,149,462 | - | 29,942 |
| Public Works | 1,350,710 | - | - |
| Sanitation | - | 3,805,210 | - |
| Culture and Recreation | 619 | - | - |
| Debt Service - Principal | 39,388 | - | 140,785 |
| Debt Service - Interest | 24,605 | - | 21,215 |
| Capital Expenditures | - | - | 3,201,933 |
| Insurance Premiums and Other Expenses | 426,197 | - | - |
| Total Expenditures | 16,550,363 | 3,805,210 | 3,446,948 |
| Excess (Deficiency) of Revenues Over Expenditures | 1,390,371 | 35,763 | 154,594 |
| Other Financing Sources | | | |
| Software Subscriptions | - | - | 442,908 |
| Operating Transfers In | 408,750 | - | 300,000 |
| Total Other Financing Sources | 408,750 | - | 742,908 |
| Net Change in Fund Balances | 1,799,121 | 35,763 | 897,502 |
| Fund Balances | | | |
| Beginning of Year | 8,459,145 | 644,516 | 7,910,417 |
| End of Year | $ 10,258,266 | $ 680,279 | $ 8,807,919 |

See notes to financial statements.

| Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|
| $ 3,443,090 | $ 17,509,071 |
| 1,421,058 | 5,480,699 |
| 41,719 | 3,931,685 |
| 16,946 | 2,126,392 |
| 246,074 | 1,036,746 |
| 209,716 | 677,259 |
| 5,378,603 | 30,761,852 |
| | |
| - | 2,612,455 |
| 1,356,599 | 13,536,003 |
| 319,522 | 1,670,232 |
| - | 3,805,210 |
| 1,807,587 | 1,808,206 |
| 587,000 | 767,173 |
| 170,885 | 216,705 |
| 1,460,620 | 4,662,553 |
| - | 426,197 |
| 5,702,213 | 29,504,734 |
| | |
| (323,610) | 1,257,118 |
| | |
| - | 442,908 |
| 41,250 | 750,000 |
| 41,250 | 1,192,908 |
| | |
| (282,360) | 2,450,026 |
| | |
| 6,886,641 | 23,900,719 |
| | |
| $ 6,604,281 | $ 26,350,745 |

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Reconciliation of the Net Changes in Fund Balances of**
**Governmental Funds to the Statement of Activities**
**Year Ended December 31, 2024**

| | |
|---|---|
| Net Change in Fund Balances - Total Governmental Funds | $ 2,450,026 |
| Amounts Reported for Governmental Activities in the Statement of Activities Are Different Because | |
| Governmental Funds Report Capital Outlays As Expenditures. However, in the Statement of Activities, the Cost of Those Assets is Allocated Over Their Estimated Useful Lives as Depreciation Expense. This is the Amount By Which Capital Outlays of $4,219,646 Exceeded Depreciation Expense of $1,755,842 in the Current Year. | 2,463,804 |
| Governmental Funds Report Capital Outlays for Subscription Assets As Expenditures. However, in the Statement of Activities, the Cost of Those Assets Is Allocated Over Their Estimated Useful Lives as Amortization Expense. | (200,183) |
| Revenues in the Statement of Activities That Do Not Provide Current Financial Resources Are Not Reported As Revenues in the Funds. | |
| Taxes Receivable | (4,403) |
| Grants Receivable | (1,765,000) |
| Repayment of Notes Payable and Software Liability Principal Is An Expenditure in the Governmental Funds, but the Repayment Reduces Liabilities in the Statement of Net Position. | 767,173 |
| 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. | |
| Accrued Interest | 135 |
| Compensated Absences | 185,663 |
| Other Benefits Do Not Require the Use of Current Financial Resources and, Therefore, Are Not Reported as Expenditures in Governmental Funds. | |
| Deferred Pension and Other Post-Employment Benefit Outflows | (4,023,967) |
| Net Pension Liability | 2,388,797 |
| Other Post-Employment Benefits | 2,005,524 |
| Deferred Pension and Other Benefit Inflows | 1,543,564 |
| Change in Net Position of Governmental Activities | $ 5,811,133 |

See notes to financial statements.

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Statement of Net Position**
**Proprietary Funds - Golf Course**
**December 31, 2024**

| | |
|---|---|
| **Assets** | |
| Current Assets | |
| Cash | $ 3,401,220 |
| Accounts Receivable | 54,462 |
| Inventory | 83,275 |
| Prepaid Expenses | 80,806 |
| Total Current Assets | 3,619,763 |
| Noncurrent Assets | |
| Net Capital Assets | 5,847,527 |
| Right of Use Asset - Operating Lease | 245,911 |
| Total Noncurrent Assets | 6,093,438 |
| **Total Assets** | 9,713,201 |
| **Liabilities** | |
| Current Liabilities | |
| Current Portion of General Obligation Note | 103,000 |
| Current Portion of Operating Lease Liability | 76,956 |
| Accounts Payable and Accrued Expenses | 94,452 |
| Due to Other Funds | 355,810 |
| Gift Certificates and Other Liabilities | 507,879 |
| Total Current Liabilities | 1,138,097 |
| Noncurrent Liabilities | |
| General Obligation Note Payable | 979,980 |
| Operating Lease Liability | 168,955 |
| Total Noncurrent Liabilities | 1,148,935 |
| **Total Liabilities** | 2,287,032 |
| **Net Position** | |
| Invested in Capital Assets, Net of Related Debt | 4,764,547 |
| Unrestricted | 2,661,622 |
| **Total Net Position** | $ 7,426,169 |

See notes to financial statements.

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Statement of Revenues, Expenses and Changes in Net Position**
**Proprietary Funds - Golf Course**
**Year Ended December 31, 2024**

| | |
|---|---|
| Operating Revenues | |
| Golf Course Charges and Fees | $ 3,243,928 |
| Pro Shop Sales | 463,159 |
| Snack Bar and Restaurant | 830,243 |
| Total Operating Revenues | 4,537,330 |
| Operating Expenses | |
| Administration and Clubhouse | 1,426,519 |
| Course and Grounds | 1,425,038 |
| Depreciation | 205,122 |
| Total Operating Expenses | 3,056,679 |
| Operating Gain Before Nonoperating Revenues (Expenses) | 1,480,651 |
| Nonoperating Revenues (Expenses) | |
| Interest Income | 109,965 |
| Interest Expense | (16,657) |
| Gain on Sale of Capital Assets | 4,500 |
| Transfers to Other Funds | (750,000) |
| Total Nonoperating Revenues (Expenses) | (652,192) |
| Change in Net Position | 828,459 |
| Net Position | |
| Beginning of Year | 6,597,710 |
| End of Year | $ 7,426,169 |

See notes to financial statements.

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Statement of Cash Flows**
**Proprietary Funds - Golf Course**
**Year Ended December 31, 2024**

| | |
|---|---|
| Cash Flows from Operating Activities | |
| Receipts from Customers | $ 4,617,156 |
| Payments to Suppliers | (1,165,112) |
| Payments to Employees | (1,426,519) |
| Net Cash Provided by Operating Activities | 2,025,525 |
| | |
| Cash Flows from Noncapital Financing Activities | |
| Transfers to Other Funds | (750,000) |
| | |
| Cash Flows from Capital and Related Financing Activities | |
| Purchase of Capital Assets | (433,608) |
| Gain on Sale of Capital Assets | 4,500 |
| Principal Paid on Capital Debt | (102,000) |
| Interest Paid on Capital Debt | (16,657) |
| Net Cash Used in Capital and Related Financing Activities | (547,765) |
| | |
| Cash Flows from Investing Activities | |
| Interest Income | 109,965 |
| | |
| Net Increase in Cash | 837,725 |
| | |
| Cash | |
| Beginning of Year | 2,563,495 |
| | |
| End of Year | $ 3,401,220 |
| | |
| Reconciliation of Operating Gain to Net Cash Provided by Operating Activities | |
| Operating Gain | $ 1,480,651 |
| Adjustments to Reconcile Operating Gain to Net Cash Provided by Operating Activities | |
| Depreciation Expense | 205,122 |
| Change in Net Assets and Liabilities | |
| (Increase) Decrease | |
| Accounts Receivable | 6,732 |
| Inventory | (22,290) |
| Increase (Decrease) | |
| Accounts Payable and Accrued Expenses | 62,321 |
| Gift Certificates and Other Liabilities | 73,094 |
| Due to Other Funds | 219,895 |
| Net Cash Provided by Operating Activities | $ 2,025,525 |

See notes to financial statements.

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Statement of Fiduciary Net Position**
**Pension and Other Benefit Trust and Custodial Funds**
**December 31, 2024**

| | Pension and Other Benefit Trust Funds | Custodial Funds |
|---|---|---|
| **Assets** | | |
| Cash and Cash Equivalents | $ 1,642,008 | $ 1,149,849 |
| Investments | 58,249,257 | - |
| Contributions Receivable | 21,382 | - |
| Prepaid Pension | 293,759 | - |
| Accrued Interest Receivable | 128 | - |
| **Total Assets** | 60,206,534 | 1,149,849 |
| **Liabilities** | | |
| Due to Other Funds | - | 219,729 |
| Accounts Payable | - | 17,858 |
| **Total Liabilities** | - | 237,587 |
| **Net Position** | | |
| Restricted for | | |
| Held in Trust for Pension and Other Benefits | 60,206,534 | - |
| Held for Individuals, Organizations and Others | - | 912,262 |
| Total Net Position | $ 60,206,534 | $ 912,262 |

See notes to financial statements.

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Statement of Changes in Fiduciary Net Position**
**Pension and Other Benefit Trust and Custodial Funds**
**Year Ended December 31, 2024**

| | Pension and Other Benefit Trust Funds | Custodial Funds |
|---|---|---|
| **Additions** | | |
| Contributions | | |
| Plan Members | $ 279,831 | $ - |
| State | 610,281 | - |
| Employer | 2,647,851 | - |
| Total Contributions | 3,537,963 | - |
| Deposits | - | 989,363 |
| Investment Earnings | | |
| Net Increase in Fair Value of Investments | 3,867,358 | - |
| Interest and Dividends | 1,527,842 | - |
| | 5,395,200 | - |
| Less Investment Expense | (122,335) | - |
| Total Net Investment Income | 5,272,865 | - |
| Miscellaneous Revenue | 1,956 | - |
| Total Additions | 8,812,784 | 989,363 |
| **Deductions** | | |
| Benefits | 3,864,359 | - |
| Refunds of Contributions | 10,405 | - |
| Professional Fees | - | 319,942 |
| Escrow Releases | - | 694,532 |
| Administrative Expense | 19,450 | 18,268 |
| Total Deductions | 3,894,214 | 1,032,742 |
| Change in Net Position | 4,918,570 | (43,379) |
| **Net Position** | | |
| Beginning of Year | 55,287,964 | 955,641 |
| End of Year | $ 60,206,534 | $ 912,262 |

See notes to financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Warminster, Pennsylvania (the "Township") is located in the southern section of Bucks County, and is part of the Philadelphia Metropolitan Area. The Township covers an area of approximately ten square miles.

The financial statements of the Township have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below:

### A. Reporting Entity

The Township of Warminster is a Township of the Second Class under Pennsylvania law. The Township is governed by an elected five-member Board of Supervisors.

The Township provides a full range of municipal services including police protection, sanitation, public works activities, parks and recreational facilities, and general administrative services. In addition, the Township operates a golf course and a public library.

In evaluating the Township as a primary government, management has addressed all potential component units. Consistent with applicable guidance, the criteria used by the Township to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. Blended component units, although legally separate entities are, in substance, part of the government's operation and so data from these units are combined with data of the primary government.

**Pension Plans** - The Police and Non-Uniform Pension Plans are single employer defined benefit pension plans that provide pensions for all eligible uniform and non-uniform employees (see Note 11). Although the plans are separate legal entities they are reported as if they are part of the government as they are governed by the Board of Supervisors and the Township is responsible for funding the plans. The Plans are reported as fiduciary funds and issue separate financial statements.

### B. Basis of Presentation and Accounting

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the government, except for Fiduciary Funds. The statements distinguish between those activities of the Township that are governmental and business-type.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### B. Basis of Presentation and Accounting (continued)

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This approach differs from the manner in which Governmental Funds financial statements are prepared. Governmental Funds financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for Governmental Funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Township's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Township, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Township.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### FUND FINANCIAL STATEMENTS

Fund financial statements report detailed information about the Township. The focus of Governmental Fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Proprietary and fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Township considers property taxes and governmental fund revenues as available if they are collected within sixty days after year end. Those revenues susceptible to accrual are property taxes, earned income taxes, business privilege taxes, mercantile taxes, local services taxes, interest, intergovernmental, charges for services, and certain miscellaneous revenues. Permits and fines are not susceptible to accrual because generally they are not measurable until received in cash. In applying the susceptibility-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the programs are used as guidance.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### B. Basis of Presentation and Accounting (continued)

**FUND FINANCIAL STATEMENTS (continued)**

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due, except they are accrued when the principal and interest are due early in the next year and financial resources for their payment have been provided in the current year. The financial statements for Governmental Funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenue, expenses, and payments relating to the government's business activities are accounted for through proprietary funds. Proprietary funds are reported using the economic resources measurement focus, and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Operating statements present increases (e.g., revenues) when they are earned and decreases (e.g., expenses) when they are incurred. Operating revenues include charges for services. Operating expenses include costs of services as well as, materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Fiduciary Funds are reported using the economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

The funds of the financial reporting entity are described below.

**<u>Governmental Funds</u>**

**General Fund -** The General Fund is the general operating fund of the Township and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### B. Basis of Presentation and Accounting (continued)

**FUND FINANCIAL STATEMENTS (continued)**

**Governmental Funds (continued)**

**Special Revenue Funds -** Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The reporting entity includes the following special revenue funds:

| Fund | Description | Major Fund? |
|---|---|---|
| Park and Recreation | Accounts for tax revenues and expenditures for park and recreational programs | No |
| Sanitation | Accounts for revenues and expenditures for the trash collection within the Township | Yes |
| Ambulance | Accounts for tax revenues and expenditures of ambulance funds | No |
| Fire Protection | Accounts for tax revenues and expenditures of fire protection funds | No |
| Library | Accounts for tax revenue received to be spent for library operation and programs | No |
| Open Space | Accounts for revenue received to be spent preserving open space | No |
| Highway Aid | Accounts for revenues and expenditures of state liquid fuels grant funds | No |
| Highway Traffic Improvement | Accounts for revenues and expenditures for traffic signalization project | No |

**Debt Service Fund -** The Debt Service Fund accounts for tax revenues collected for the payment of debt obligations.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### B. Basis of Presentation and Accounting (continued)

**FUND FINANCIAL STATEMENTS (continued)**

**Governmental Funds (continued)**

**Capital Projects Fund -** Capital projects funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The reporting entity includes the following capital projects funds:

| Fund | Description | Major Fund? |
|---|---|---|
| Capital Reserve | Accounts for acquisition or construction of capital assets | Yes |
| Police Safety Equipment | Accounts for the revenue and expenses to be used for the purchase of police safety equipment | No |

**Proprietary Funds**

**Enterprise Fund -** Enterprise funds are used to account for the operations of the golf course that are financed primarily through user charges or where the governing body has decided determination of net income is appropriate.

**Fiduciary Funds**

**Pension and Other Benefit Trust Funds and Custodial Funds -** Pension and Other Benefit Trust Funds (the Police, two Non-Uniform Pension Plans, and the OPEB Trust) and Custodial Funds are used to account for assets held by a third party in the Township's name in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Pension and Other Benefit Trust Funds are presented as required by accounting standards in the Township's Fiduciary Fund statements.

### C. Cash and Investments

Included in cash are cash equivalents with a maturity of three months or less. For the purposes of the statement of cash flows, the Township's proprietary fund type considers all highly liquid investments with a maturity of three months or less when purchased to be cash or cash equivalents.

Investments in debt and equity securities with readily determinable fair market values are recorded at fair value, as required by GASB Statement No. 72, Fair Value Measurement and Application. Realized and unrealized gains and losses are recorded in the statement of changes in plan net position (pension trust funds).

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### D. Lease Receivable

The Township's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Additionally, a deferred inflow of resources is recorded for the lease. The deferred inflow is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow is amortized on a straight-line basis over the term of the lease.

### E. Inventories

Inventories of the proprietary fund are valued at the lower of cost or net realizable value, determined by the first-in, first-out method.

### F. Interfund Transactions and Eliminations Policy

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

### G. Capital Assets

Capital assets, which include land, land improvements, buildings and building improvements, infrastructure and machinery and equipment are reported in the governmental activities and business-type activities column in the government-wide financial statements and in the fund financial statements for the proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair value at the time of donation or dedication.

The Township defines capital assets as assets with an estimated useful life in excess of five years and an initial, individual cost greater than $5,000. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

| Classifications | Years |
|---|---|
| Land Improvements | 15 - 40 |
| Buildings and Improvements | 15 - 40 |
| Machinery, Equipment and Furniture | 5 - 20 |
| Infrastructure | 20 - 40 |

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has one type of this item that qualifies for reporting in this category.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period, and so will not be recognized as an inflow of resources (revenue) until then. The Township has two types of this item that qualifies for reporting in this category in the government-wide financial statements. Additionally, the Township has one type of this item that qualifies for reporting in this category in the fund financial statements as well. Accordingly, this item, unavailable revenue, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenue from several sources: grants, rentals, property taxes, earned income taxes and local services taxes. The government wide statement does not report unavailable revenues.

### I. 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 and business-type activities column of the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issue costs are reported as an expense in the year incurred.

In the fund financial statements, Governmental Funds 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 and payment of principal and interest reported as expenditures. 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 expenditures.

### J. Net Position

Net position is reported on the government-wide, proprietary and fiduciary statements only, and represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### K. Fund Balance

The Township implemented GASB Statement No. 54 for the year ending December 31, 2011. GASB Statement No. 54 establishes standards for fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Additionally, the definitions of the general fund, special revenue fund type, debt service fund type and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain items within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types have also been modified for clarity and consistency.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

**Restricted fund balance** - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Assigned fund balance -** This classification reflects amounts constrained by the Township's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Supervisors or an official or body given the authority by the Board of Supervisors has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

**Committed fund balance** – includes amounts that can only be used for specific purposes with constraints that are established by a formal action of the Board of Supervisors (the Board). The constraint can only be changed or removed by another formal action of the Board. The Township's fund balance policy requires passage of a Resolution or an Ordinance by the Board in order to set aside funds as Committed.

**Unassigned fund balance -** This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

**Use of fund balance -** The restricted fund balance shall be reduced to the extent that the underlying reason for the restriction has been eliminated. Then committed, assigned and unassigned in that order as needed.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### L. Real Estate Tax Revenue

Real estate taxes are levied on March 1 and payable under the following terms: 2% discount March 1 through April 30; face amount May 1 through June 30; and a 10% penalty after June 30. Taxes unpaid are liened in January of the subsequent year.

The tax rate for 2024 was 24.06 mills on an assessed valuation of $347,502,670. The mills were levied for the following purposes:

| | Mills |
|---|---|
| General Purpose | 14.00 |
| Fire Protection | 2.00 |
| Ambulance | .19 |
| Library | 2.35 |
| Park and Recreation | 3.50 |
| Debt Service | 2.02 |
| | 24.06 |

### M. Taxes Receivable

The Township, in accordance with GAAP, recognized the delinquent and unpaid taxes receivable, reduced by an allowance for uncollectible taxes, as determined by the administration. A portion of the net amount estimated to be collectible, which was measurable and available within 60 days, was recognized as revenue and the remaining balance deferred in the fund financial statements. All taxes, net of uncollectible amounts, are recognized in the period for which levied in the government-wide financial statements, regardless of when they are collected.

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

| | | | Governmental Funds | | |
|---|---|---|---|---|---|
| | Gross Taxes Receivable | Allowance for Uncollectible Taxes | Net Estimated to Be Collectible | Tax Revenue Recognized | Deferred Taxes |
| Real Estate | $ 158,924 | $ - | $ 158,924 | $ 6,631 | $ 152,293 |
| Other Taxes | 2,430,770 | - | 2,430,770 | 1,379,681 | 1,051,089 |
| | $ 2,589,694 | $ - | $ 2,589,694 | $ 1,386,312 | $ 1,203,382 |

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### N. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

### O. Pension Plans

The Township provides a defined benefit pension plan for all non-uniformed employees hired prior to January 1, 2012, and all uniformed police personnel. The Township's policy is to fund the normal cost and amortize the unfunded prior service cost. Additionally, during 2012, the Board established a defined contribution plan for all full-time non-uniformed non-bargaining employees hired on or after January 1, 2012, and for all full-time non-uniform bargaining unit employees, hired on or after January 1, 2013.

### P. Self-Insurance

The Township is self-insured for worker's compensation liability, as participant with other townships in a self-insurance pool. The self-insurance pool is a total risk and cost sharing pool for all participants. The amount of any liabilities in excess of assets may be assessed to participating members. Stop-loss insurance is provided to protect against catastrophic losses.

Premiums are paid by the General Fund. The Township does not have any claim liability in addition to premiums, unless an assessment is made. No assessment was made for 2024.

### Q. Compensated Absences

The Township's policy to accrue compensated absences for employees is a follows:

Vacation Pay – Vacation accrues at various rates based on length of service. Employees are encouraged to utilize earned vacations time by December 31, of each period; however, current practice allows for the carryover of prescribed levels of unused time to the subsequent calendar year. Accrued vacation pay totaled $429,777 at December 31, 2024.

Holiday, Compensated Time Off and Bank of Time – The Township's union contract with the police also allows police officers to carry forward and accrue holiday time, comp time, and a bank of time, subject to certain limits. Accrued holiday, compensated time off, and bank of time totaled $296,569 at December 31, 2024.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### R. Adoption of New Accounting Standards

**Accounting Changes and Error Corrections**
Effective January 1, 2024, the Township adopted GASB Statement 100 – *Accounting Changes and Error Corrections*. The statement established accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements. There was no effect on these financial statements from the adoption of this standard.

**Compensated Absences**
Effective January 1, 2024, the Township adopted GASB Statement No. 101 – *Compensated Absences*. The statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. There was no effect on these financial statements from the adoption of this standard.

## 2. CASH AND INVESTMENTS

Following are the components of the Township's cash and cash equivalents at December 31, 2024:

| | |
|---|---|
| Cash and Cash Equivalents | $ 31,634,367 |
| Total Bank Balance | 13,587,180 |
| Total Money Market Funds | 20,826,828 |
| Total External Investment Pool | 1,192,762 |
| Add Petty Cash | 1,560 |
| Less Reconciling Items | (3,973,963) |
| Financial Statement Balance | $ 31,634,367 |

By State statute, The Township may appoint one or more depositories for Township funds and approve security to be furnished by any such depository. This security may be in the form of collateral consisting of obligations of the United States or the Commonwealth of Pennsylvania, or any political subdivision thereof, deposited with the bank or trust company. Pennsylvania Act 72 of 1971, as amended, allows depositories to satisfy the collateralization requirement by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institution's trust department.

## 2. CASH AND INVESTMENTS (continued)

### Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. All Township bank deposits are entirely insured or collateralized under a pooled asset program to secure public deposits, in accordance with Act 72 of the Commonwealth of Pennsylvania. As of December 31, 2024, $32,272,000 of the Township's bank balance of $32,772,000 was uninsured, but collateralized by securities held by the bank or by its trust department or agent but not in the Township's name.

### Investments

For investments of governmental fund types, state law allows the Township 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 Township may also invest in shares of registered investment companies, provided that investments of the Company are authorized investments, as noted above. At December 31, 2024, the Township had $144,812 invested in Level 1 equity securities as a result of a demutualization process several years ago. These funds will be distributed in 2026.

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

Additionally, GAAP established a fair value hierarchy that is based on the valuation inputs used in the fair value measurements. Measurements using quoted prices in active markets for identical assets and liabilities fall within Level 1 of the hierarchy; measurements using significant other observable inputs fall within Level 2; and measurements using significant unobservable inputs fall within Level 3.

Information related to the Township's fiduciary fund investments measured at fair value on a recurring basis at December 31, 2024, is as follows:

| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| ExchangeTraded Funds | $ 57,914,197 | $ 57,914,197 | $ - | $ - |
| Mutual Funds | 335,060 | 335,060 | - | - |
| Total Investments | $ 58,249,257 | $ 58,249,257 | $ - | $ - |

## 2. CASH AND INVESTMENTS (continued)

### Custodial Credit Risk - Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Township does not have a formal investment policy that addresses custodial credit risk. As of December 31, 2024, the Township's fiduciary funds held no investments that were exposed to custodial credit risk.

Concentration of credit risk is the risk of loss attributable to the magnitude of a pension plan's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The pension plans do not have a formal investment policy that addresses concentration of credit risk, however, as of December 31, 2024, no investment in any one organization represented five percent (5%) or more of net position available for benefits.

### Interest Rate Risk - Investments for the Police Pension Plan, Non-Uniformed Defined Contribution Plan, and OPEB Plan.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. The Pension and Other Benefit Plans do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2024, the fiduciary fund's investment balance exposed to interest rate risk was as follows:

| | Investment Maturities (in years) | | | | |
|---|---|---|---|---|---|
| Investment Type | Fair Value | Less than 1 | 1-5 | 6-10 | > 10 |
| Exchange Traded Funds | $ 11,604,159 | $ - | $ 584,265 | $ 11,019,894 | $ - |
| Bond Mutual Funds | 65,040 | - | 8,364 | 56,676 | - |
| | $ 11,669,199 | $ - | $ 592,629 | $ 11,076,570 | $ - |

### Interest Rate Risk – Investments for the Non-Uniformed Pension Plan

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. The Pension Plans' formal investment policy states that the duration of the fixed income portfolio shall be within 50% to 120% of the assigned benchmark duration. As of December 31, 2024, the fiduciary fund's investment balance exposed to interest rate risk was as follows:

| | Investment Maturities (in years) | | | | |
|---|---|---|---|---|---|
| Investment Type | Fair Value | Less than 1 | 1-5 | 6-10 | > 10 |
| Exchange Traded Funds | $ 4,417,560 | $ - | $ 217,467 | $ 4,200,093 | $ - |

## 2. CASH AND INVESTMENTS (continued)

**<u>Credit Risk - Investments for the Police Pension Plan and Non-Uniformed Pension Plan</u>**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Pension Plans' investment policy states that the average credit quality of the fixed income portfolio shall be maintained at the average minimum of A by Moody's. The credit risk of a debt instrument as measured by a Nationally Recognized Statistical Rating Organization (NRSRO) (Morningstar for bond mutual funds or Moody's for bonds and mortgages) is as follows for the fiduciary fund investments:

| | Fair Value | Credit Quality |
|---|---|---|
| Fixed Asset Mutual Funds | $ 14,008,067 | AA |
| Fixed Asset Mutual Funds | 764,492 | BBB |
| Fixed Asset Mutual Funds | 778,006 | BB |
| | $ 15,550,565 | |

**<u>Credit Risk – Investments for the Non-Uniformed Defined Contribution Plan and OPEB Plan</u>**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Non-Uniformed Defined Contribution Plan and OPEB Plan do not have a formal investment policy that addresses credit risk. The credit risk of a debt instrument as measured by a NRSRO (Morningstar for bond mutual funds or Moody's for bonds and mortgages) is as follows for the fiduciary fund investments:

| | Fair Value | Credit Quality |
|---|---|---|
| Bond Mutual Fund | $ 65,040 | Not Rated |

U.S. Government obligations are not considered to have credit risk and do not require disclosure of credit quality. Money market funds and mutual funds are not rated as indicated above.

## 3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following is a summary of interfund receivables and payables at December 31, 2024:

| | Interfund Receivables | Interfund Payables |
|---|---|---|
| General Fund | $ 2,974,462 | $ 1,009 |
| Sanitation Fund | - | 363,094 |
| Capital Reserve Fund | - | 1,348,862 |
| Proprietary Fund | - | 355,810 |
| Agency Fund | - | 219,729 |
| Nonmajor Funds | 73,756 | 759,714 |
| | $ 3,048,218 | $ 3,048,218 |

These balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund transfers are summarized as follows for the year ended December 31, 2024:

| | Transfers to Other Funds | Transfers from Other Funds |
|---|---|---|
| General Fund | $ 41,250 | $ 450,000 |
| Capital Reserve Fund | - | 300,000 |
| Proprietary Fund | 750,000 | - |
| Nonmajor Funds | - | 41,250 |
| | $ 791,250 | $ 791,250 |

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## 4. PROPERTY TAXES

Taxes are levied on residents of the Township based on salary, wages, commissions, net income from business or any other earned income. The official rate is 1%; the Centennial School District receives one-half of this amount. The tax is likewise levied at the rate of 1% on all nonresidents with earned income attributable to Warminster, except Philadelphia residents. If the home township and/or school district of the nonresident have the earned income tax enacted, the monies are sent to their collector. All remaining nonresident collected tax remains with the Township.

## 5. LEASE RECEIVABLE

In 2009, the Township entered into a lease with a communications company for the rental of space for cell tower antennae. The agreement runs through 2034, and with approximately 2.5% percent increases each year. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 1.46%, which was the rate on the Township's variable rate general obligation note as of December 31, 2022. In 2024, the Township recognized $29,955 of lease revenue and $5,007 of interest revenue under these leases.

| Year | Principal | Interest | Total Lease Payments |
|---|---|---|---|
| 2025 | $ 25,849 | $ 4,646 | $ 30,495 |
| 2026 | 26,986 | 4,268 | 31,254 |
| 2027 | 28,261 | 3,874 | 32,135 |
| 2028 | 29,577 | 3,462 | 33,039 |
| 2029 | 30,935 | 3,030 | 33,965 |
| Thereafter | 176,590 | 7,956 | 184,546 |
| | $ 318,198 | $ 27,236 | $ 345,434 |

## 6. CAPITAL ASSETS

The following summary reflects the changes in the Capital Assets for the year ended December 31, 2024.

| | Balance 1/1/24 | Additions | Disposals/ Transfers | Balance 12/31/24 |
|---|---|---|---|---|
| **Governmental Activities** | | | | |
| Assets Not Being Depreciated | | | | |
| Land | $ 23,237,264 | $ - | $ - | $ 23,237,264 |
| Construction in Progress | 4,146,555 | 2,236,550 | 325,568 | 6,057,537 |
| Total Assets Not Being Depreciated | 27,383,819 | 2,236,550 | 325,568 | 29,294,801 |
| Depreciable Assets | | | | |
| Land Improvements | 6,085,473 | 73,033 | - | 6,158,506 |
| Buildings and Improvements | 7,015,163 | 325,568 | - | 7,340,731 |
| Machinery and Equipment | 11,906,556 | 891,015 | - | 12,797,571 |
| Infrastructure | 49,641,326 | 1,019,048 | - | 50,660,374 |
| Total Depreciable Assets | 74,648,518 | 2,308,664 | - | 76,957,182 |
| Less Accumulated Depreciation | | | | |
| Land Improvements | 1,111,875 | 268,056 | - | 1,379,931 |
| Buildings and Improvements | 5,279,825 | 76,487 | - | 5,356,312 |
| Machinery and Equipment | 10,203,273 | 424,325 | - | 10,627,598 |
| Infrastructure | 30,658,253 | 986,974 | - | 31,645,227 |
| Total Accumulated Depreciation | 47,253,226 | 1,755,842 | - | 49,009,068 |
| Total Governmental Activities Net Capital Assets | $ 54,779,111 | $ 2,789,372 | $ 325,568 | $ 57,242,915 |
| **Business-Type Activities** | | | | |
| Assets Not Being Depreciated | | | | |
| Land | $ 1,505,500 | $ - | $ - | $ 1,505,500 |
| Construction in Progress | 16,520 | 197,921 | - | 214,441 |
| Total Assets Not Being Depreciated | 1,522,020 | 197,921 | - | 1,719,941 |
| Depreciable Assets | | | | |
| Land Improvements | 4,438,355 | 69,868 | - | 4,508,223 |
| Buildings and Improvements | 2,221,675 | - | - | 2,221,675 |
| Machinery and Equipment | 1,635,825 | 165,818 | - | 1,801,643 |
| Total Depreciable Assets | 8,295,855 | 235,686 | - | 8,531,541 |
| Less Accumulated Depreciation | | | | |
| Land Improvements | 1,448,402 | 85,689 | - | 1,534,091 |
| Buildings and Improvements | 1,413,802 | 69,712 | - | 1,483,514 |
| Machinery and Equipment | 1,336,630 | 49,720 | - | 1,386,350 |
| Total Accumulated Depreciation | 4,198,834 | 205,121 | - | 4,403,955 |
| Total Business-Type Activites Net Capital Assets | $ 5,619,041 | $ 228,486 | $ - | $ 5,847,527 |

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## 6. CAPITAL ASSETS (continued)

Depreciation expense for Governmental Activities was charged as direct expense to programs of the primary government as follows:

| | |
|---|---|
| General Government | $ 7,541 |
| Public Safety | 176,529 |
| Public Works | 137,413 |
| Parks and Recreation | 652,506 |
| Unallocated Depreciation | 986,974 |
| Total Depreciation Expense | $ 1,960,963 |

## 7. LONG-TERM LIABILITIES

The following is a summary of governmental and business-type long-term activity of the Township at December 31, 2024:

| | Balance 1/1/24 | Additions | Reductions | Balance 12/31/24 | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities** | | | | | |
| General Obligation Bonds - 2021 | $ 11,949,020 | $ - | $ 587,000 | $ 11,362,020 | $ 596,000 |
| Subscription Liabilities | 489,158 | 442,908 | 180,173 | 751,893 | 190,179 |
| Operating Lease Liabilities | 24,598 | - | 19,121 | 5,477 | 3,606 |
| Compensated Absences | 1,123,360 | - | 397,014 | 726,346 | 429,777 |
| Total Governmental Activities | $ 13,586,136 | $ 442,908 | $ 1,183,308 | $ 12,845,736 | $ 1,219,562 |
| **Business-Type Activities** | | | | | |
| General Obligation Bonds - 2021 | $ 1,184,980 | $ - | $ 102,000 | $ 1,082,980 | $ 103,000 |
| Operating Lease Liabilities | 321,999 | - | 76,088 | 245,911 | 76,956 |
| Total Business-Type Activities | $ 1,506,979 | $ - | $ 178,088 | $ 1,328,891 | $ 179,956 |

## 7. LONG-TERM LIABILITIES (continued)

### General Obligation Notes

The Township entered into general obligation notes as follows:

**Governmental Activities**

The Township issued General Obligation Bonds, Series 2021, in the amount of $12,000,000 (Series A), $1,377,000 (Series B), and $1,583,000 (Series C) through the Delaware Valley Regional Finance Authority. This issue was split between Governmental Activities in the amount of $12,692,583 and the Business-type activities in the amount of $2,267,417. The funds were used for design, construction, installation, furnishing and equipping of renovations at Warminster Community Park, the acquisition and rehabilitation of the Shenandoah Woods property, various other capital projects and the current refunding of the General Obligation Notes, Series 2015 and 2019. The issue is non-electoral debt and principal is due annually on July 25. The Township executed a fixed rate swap agreement (see Note 16), which fixed its interest rate at 1.46% per annum, payable monthly until July 25, 2041.

**Business-Type Activities**

As noted above, the Township issued General Obligation Bonds, Series 2021, $2,267,417 which was recognized in the Business-type activities fund.

The general obligation notes were issued as tax-exempt and are subject to federal arbitrage regulations.

Maturities of long-term debt are as follows:

| Year | Principal | 12/31/24 Interest Rate | Interest | Total Debt Service |
|---|---|---|---|---|
| 2025 | $ 699,000 | 1.46 - 1.50% | $ 177,445 | $ 876,445 |
| 2026 | 708,000 | 1.46 - 1.50% | 167,184 | 875,184 |
| 2027 | 718,000 | 1.46 - 1.50% | 156,787 | 874,787 |
| 2028 | 727,000 | 1.46 - 1.50% | 146,249 | 873,249 |
| 2029 | 738,000 | 1.46 - 1.50% | 135,568 | 873,568 |
| 2030-2034 | 3,844,000 | 1.46 - 1.50% | 512,333 | 4,356,333 |
| 2035-2039 | 3,528,000 | 1.46 - 1.50% | 242,769 | 3,770,769 |
| 2040-2041 | 1,483,000 | 1.46 - 1.50% | 23,536 | 1,506,536 |
| | $ 12,445,000 | | $ 1,561,871 | $ 14,006,871 |

## 8. SUBSCRIPTION LIABILITIES

The Township has entered into several subscriptions of software programs. Each agreement is renewable annually with small percentage increases each year anticipated. One subscription expires in 2026 while the remaining ones have no expiration. The Township anticipates renewing these subscriptions for at least the next ten years, at which point they will be re-evaluated. The subscription liabilities are measured at the present value of the future minimum payments expected to be made at a discount rates of 4.79 - 5.03%. In 2024, the Township recognized $180,173 of subscription expense and $45,820 of interest expense under these leases.

The Township's future subscription payments are as follows:

| Year | Principal | Interest | Total Payments |
|---|---|---|---|
| 2025 | $ 190,179 | $ 37,095 | $ 227,274 |
| 2026 | 200,695 | 27,883 | 228,578 |
| 2027 | 49,751 | 18,159 | 67,910 |
| 2028 | 53,611 | 15,657 | 69,268 |
| 2029 | 57,692 | 12,960 | 70,652 |
| 2030-2032 | 199,965 | 20,588 | 220,553 |
| | $ 751,893 | $ 132,342 | $ 884,235 |

## 9. OPERATING LEASE LIABILITIES

The Township has entered into two leases for office equipment and a golf cart lease, which are accounted for as operating leases. The office equipment leases are governmental fund liabilities and the golf cart lease is a business-type fund liability. The monthly payments range from $318 to $7,352, and have varying expiration dates from June 2026 to December 2027. Operating lease expense for the year ended December 31, 2024 in the governmental and business-type funds were was $20,049 and $88,227, respectively.

### Other Information

| | Governmental Activities | Business-Type Activities |
|---|---|---|
| Weighted-average remaining lease term - operating leases | 18 Months | 36 Months |
| Weighted-average discount rate - operating leases | 3.77% | 3.77% |

## 9. OPERATING LEASE LIABILITIES (continued)

At December 31, 2024, the annual undiscounted cash flows of the operating lease liabilities mature as follows:

| Year Ending December 31, | Governmental Activities | Business-Type Activities |
|---|---|---|
| 2025 | $ 3,812 | $ 88,227 |
| 2026 | 1,942 | 88,227 |
| 2027 | - | 85,022 |
| | 5,754 | 261,476 |
| Discount Lease Payments | (277) | (15,565) |
| | $ 5,477 | $ 245,911 |

TOWNSHIP OF WARMINSTER
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## 10. FUND BALANCE CLASSIFICATIONS

| | General Fund | Sanitation | Capital Reserve | Nonmajor Governmental Funds | Total |
|---|---|---|---|---|---|
| Nonspendable: | | | | | |
| Prepaid Items | $ - | $ - | $ 50,000 | $ 51,409 | $ 101,409 |
| Long-Term Interfund Advances | 354,492 | - | - | - | 354,492 |
| | 354,492 | - | 50,000 | 51,409 | 455,901 |
| Restricted for: | | | | | |
| Sanitation | - | 680,279 | - | - | 680,279 |
| Capital Purchases | - | - | 8,757,919 | - | 8,757,919 |
| Fire Protection | - | - | - | 301,921 | 301,921 |
| Ambulance Services | - | - | - | 20,504 | 20,504 |
| Debt Service | - | - | - | 2,561,533 | 2,561,533 |
| Public Works Equipment Acquisition | - | - | - | 367,400 | 367,400 |
| Traffic Improvements | - | - | - | 684,714 | 684,714 |
| | - | 680,279 | 8,757,919 | 3,936,072 | 13,374,270 |
| Assigned for: | | | | | |
| Open Space Preservation | - | - | - | 1,344 | 1,344 |
| Library | - | - | - | 653,765 | 653,765 |
| Parks and Recreation | - | - | - | 1,887,107 | 1,887,107 |
| Police Safety Equipment | - | - | - | 74,584 | 74,584 |
| | - | - | - | 2,616,800 | 2,616,800 |
| Unassigned | 9,903,774 | - | - | - | 9,903,774 |
| Total Fund Balances | $ 10,258,266 | $ 680,279 | $ 8,807,919 | $ 6,604,281 | $ 26,350,745 |

## 11. DEFINED BENEFIT PENSION PLANS

### A. Summary of Significant Accounting Policies

**Basis of Accounting**
The Plans' financial statements are prepared using the accrual basis of accounting. Plan pension payments and member/employer contributions are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

**Method Used to Value Investments**
Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

### B. Plan Descriptions

**Plan Administration**
The Township contributes to two public employee retirement systems (PERS), one for its police employees and one for its non-uniformed employees. The Township of Warminster Police Pension Plan is a single-employer defined benefit pension plan covering the full-time police officers. The Plan was established effective December 2, 1957 and was restated by Ordinance No. 545, as amended. The Township of Warminster Non-Uniformed Pension Plan is a single-employer defined benefit pension plan covering the full-time non-bargaining unit employees that were hired prior to January 1, 2012, and full-time bargaining unit employees hired prior to January 1, 2013. The Plan was established effective July 1, 1966 and was restated by Ordinance No. 417, as amended. The plans are included in the financial statements of the Township as a pension trust fund. Standalone reports prepared by the actuary for each plan can be obtained by contacting the Township. The plans are governed by the Township Board of Supervisors, which is responsible for the management of plan assets. The Board has delegated the authority to manage certain plan assets to PFM Asset Management, LLC.

**Plan Membership**
At December 31, 2024, plan memberships consisted of the following:

| | Police | Non-Uniform |
|---|---|---|
| Active Employees | 39 | 16 |
| Retirees and Beneficiaries Currently Receiving Benefits | 62 | 56 |
| Terminated Employees Entitled to Benefits but Not Yet Receiving Them | 1 | 19 |
| Total | 102 | 91 |

## 11. DEFINED BENEFIT PENSION PLANS (continued)

### B. Plan Descriptions (continued)

**Benefits Provided**
The following table provides information concerning the **Township's Police Pension Plan**:

| | |
|---|---|
| Covered Employees: | All full-time uniformed employees. |
| Normal Retirement: | Age 50 and 25 years of service, or if hired prior to January 1, 2005, age 50 and 25 years of service, or age 55 and 20 years of service. If hired on or after January 1, 2016 age 54 and 25 years of service. |
| Early Retirement: | 20 years of service (Act 24). |
| Vesting: | 100% after 12 years of service. |
| Retirement Benefit: | 50% of final average 36 months of compensation plus $100 per month for completion of 26th year of service. |
| Death Benefit: | 50% of the pension which the retired member was receiving or which an active member would have received if he had been retired. If a member is killed in service, the monthly benefit would be 100% of the officer's salary at the time of death. If eligible for vesting, refund of contributions with interest or 50% of vested benefit payable at officer's superannuation retirement date. |
| Disability Benefit Service Related: | Greater of 50% of final average 36 months of compensation, or 50% of salary at time of disability offset by social security. |
| Non-Service Related: | None. |
| Post-Retirement Adjustments: | 75% of final average monthly compensation (FAMC). If a pension is less than 45% of FAMC, then the cumulative COLA would be 30% of FAMC, not to exceed 5% in any one year. |
| Pre-Act 44 Deferred Retirement Option Program: | An active member who has met the eligibility requirements for normal retirement may elect to participate in the DROP for a period of up to 60 months. |
| Member Contribution Rate: | 5% of compensation. |

## 11. DEFINED BENEFIT PENSION PLANS (continued)

### B. Plan Descriptions (continued)

**Benefits Provided (continued)**
The following table provides information concerning the **Township's Non-Uniform Pension Plan**:

| | |
|---|---|
| Covered Employees: | All full-time non-uniformed employees. |
| Normal Retirement: | Age 62 with 5 years of credited service AFSCME-62 and 5, or age 55 and 20 years of service. |
| Early Retirement: | 55 and 20 years of service for WETO and Non-Bargaining. During 2019, added early retirement window that provides immediate retirement benefit if age 60 and 35 years of service, obtained by July 10, 2017 |
| Vesting: | 100% after 5 years of credited service. |
| Retirement Benefit: | 2.5% of final average compensation (final average 48 months, salary and overtime) times years and months of credited service |
| Death Benefit: | With 5 years of service, spouse receives 50% of the benefit the member would have received if he/she had elected a 50% joint and survivor, and returned on the first day eligible for retirement or on the date of death if later. |
| Disability Benefit Service Related: | Accrued benefit to disability date without reduction for early retirement, offset by Workers' Compensation or Township Disability but not for Social Security. There is no benefit payable for non-service related disability. |
| Non-Service Related: | None. |
| Post-Retirement Adjustments: | Non-Bargaining Employees – Cost of living provided for those who retire on or after January 1, 2000; Bargaining Employees – Cost of living provided for those who retire after January 1, 2004. |
| Member Contributions: | 2% of compensation for "at will" employees only. |

## 11. DEFINED BENEFIT PENSION PLANS (continued)

### B. Plan Descriptions (continued)

**Contributions**
Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for municipal pension plans. Under Act 205 provisions, a municipal budget must provide for the full payment of the minimum municipal obligation (MMO) to each employee pension fund of the municipality. Act 189 of 1990 amended Act 205 and redefined the calculation used to determine the MMO to employee pension funds. The MMO is now defined as the total financial requirements to the pension fund, less funding adjustments and estimated member contributions.

For the Police Pension Plan, as a condition of participation, full-time police are required to contribute 5% of compensation to the Plan. This contribution is governed by the Plan's ordinances and collective bargaining agreement. If a participating employee leaves covered employment of the Township, other than due to employment-connected death or disability, before 12 years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or to a designated beneficiary.

For the Non-Uniform Plan, as a condition of participation, "at will" full-time employees are required to contribute 2% of their compensation to the Plan; however, other employees are not required to contribute to the Plan. This contribution is governed by the Plan's ordinances and collective bargaining agreement. If a participating employee leaves covered employment of the Township, other than due to employment-connected death or disability, before 5 years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or to a designated beneficiary.

The Township contributed to the Police Pension Plan – State Aid of $610,281 and Township contribution of $2,022,607; and to the Non-Uniform Pension Plan – State Aid of $0 and Township contribution of $534,919.

### C. Deferred Retirement Option Program (DROP)

An active member who has met the requirements for normal retirement may elect to participate in the DROP for a period of up to 60 months. The monthly pension shall be calculated as of the date of participation in the DROP. The DROP plan account balance is distributed to the member in a lump sum at the termination of DROP.

As of December 31, 2024, there were five DROP participants with a balance of $1,167,421.

## 11. DEFINED BENEFIT PENSION PLANS (continued)

### D. Pension Liability

**Net Pension Liability**
An actuarial valuation of the total pension liability is performed biennially. The total pension liability as of December 31, 2024, was determined as part of an actuarial valuation at January 1, 2023. Update procedures were used to roll forward January 1, 2023 liabilities to the plan's fiscal plan year ending December 31, 2024. The actuarial assumptions used in January 1, 2023 valuation are as follows:

| | |
|---|---|
| Actuarial Assumptions | |
| Inflation Rate | 2.25% |
| Salary Increases | 5.00% |
| Investment Rate of Return | 7.50% |
| Police Mortality Rates | PubS-2010 Mortality projected to 2026 using scale MP-2020 |
| Non-Uniform Mortality Rates | PubS-2010 Mortality projected to 2026 using scale MP-2020 |

**Discount Rate**
The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on the Plans' current target investment allocation and the associated long-term expected investment returns for its asset classes, the Plans' long-term returns may be less than its actuarial discount rate assumption used to determine its pension liability. This may result in future increased total and net pension liability. The actuary recommends that the governing body explore the costs of lowering the actuarial assumed investment rate of return going forward to be more consistent with the anticipated investment returns.

**Net Pension Liability Sensitivity**
The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 7.50% as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate.

| | 1% Decrease 6.50% | Current Discount Rate 7.50% | 1% Increase 8.50% |
|---|---|---|---|
| Net Pension Liability - Police | $17,619,012 | $11,432,700 | $6,254,457 |
| Net Pension Liability - Non-Uniform | $4,246,152 | $2,394,295 | $807,121 |

**Changes in Net Pension Liability**
The following table shows the changes in net pension liability recognized over the measurement period for both the Police and Non-Uniform Defined Benefit Pension Plans.

## 11. DEFINED BENEFIT PENSION PLANS (continued)

### D. Pension Liability (continued)

### Changes in Net Pension Liability (continued)

| | Police Pension Plan Increase (Decrease) | | |
|---|---|---|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a) – (b) |
| Balance at December 31, 2023 | $ 51,195,201 | $ 37,856,029 | $ 13,339,172 |
| Changes for the Year | | | |
| Service Cost | 853,420 | - | 853,420 |
| Interest | 3,733,064 | - | 3,733,064 |
| Changes in Benefit Terms | - | - | - |
| Difference Between Expected and Actual Experience | - | - | - |
| Changes in Assumptions | - | - | - |
| Contributions - Employer | - | 2,022,607 | (2,022,607) |
| Contributions - State Aid | - | 610,281 | (610,281) |
| Contributions - Employee | - | 274,874 | (274,874) |
| Net Investment Income | - | 3,595,794 | (3,595,794) |
| Benefit Payments | (2,842,030) | (2,842,030) | - |
| Administrative Expense | - | (10,600) | 10,600 |
| Net Changes | 1,744,454 | 3,650,926 | (1,906,472) |
| Balances at December 31, 2024 | $ 52,939,655 | $ 41,506,955 | $ 11,432,700 |

| | Non-Uniform Pension Plan Increase (Decrease) | | |
|---|---|---|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) – (b) |
| Balance at December 31, 2023 | $ 18,300,254 | $ 15,423,634 | $ 2,876,620 |
| Changes for the Year | | | |
| Service Cost | 183,584 | - | 183,584 |
| Interest | 1,334,300 | - | 1,334,300 |
| Changes in Benefit Terms | - | - | - |
| Difference Between Expected and Actual Experience | - | - | - |
| Changes in Assumptions | - | - | - |
| Contributions - Employer | - | 534,919 | (534,919) |
| Contributions - State Aid | - | - | - |
| Contributions - Employee | - | 4,957 | (4,957) |
| Net Investment Income | - | 1,469,183 | (1,469,183) |
| Benefit Payments | (1,019,170) | (1,019,170) | - |
| Administrative Expense | - | (8,850) | 8,850 |
| Net Changes | 498,714 | 981,039 | (482,325) |
| Balances at December 31, 2024 | $ 18,798,968 | $ 16,404,673 | $ 2,394,295 |

## 11. DEFINED BENEFIT PENSION PLANS (continued)

### D. Pension Liability (continued)

**Pension Expense and Deferred Outflows and Deferred Inflows of Resources**
For the year ended December 31, 2024, the Township recognized total pension expense of $3,544,710. At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences Between Expected and Actual Experience | $ 162,821 | $ - |
| Changes of Assumptions | 795,094 | - |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 2,250,072 | - |
| | $ 3,207,987 | $ - |

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

| Year Ending December 31, | Amount |
|---|---|
| 2025 | $ 2,412,894 |
| 2026 | 1,962,404 |
| 2027 | (936,614) |
| 2028 | (230,697) |
| Thereafter | - |
| | $ 3,207,987 |

### E. Investments

**Long Term Expected Rate of Return on Investments**
The long-term expected rate of return on the Plan's investments was determined using an asset allocation study conducted by the Plan's investment management consultant in December 2019 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were 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. Best-estimates or arithmetic real rates of return for each major class included in the Plan's target asset allocation as of December 31, 2024, are listed in the table on the following page.

## 11. DEFINED BENEFIT PENSION PLANS (continued)

### E. Investments (continued)

**Long Term Expected Rate of Return on Investments (continued)**

| Asset Class | Target | | Long-Term Expected Real Rate of return* |
|---|---|---|---|
| US Equity | 42.00% | | 7.55% |
| International Equity | 16.00% | | 7.06% |
| Emerging Equity | 7.00% | | 7.43% |
| Core Fixed Income | 17.50% | | 4.70% |
| Intermediate Inv. Grade Corp. | 8.75% | | 5.40% |
| High Yield | 4.38% | | 6.79% |
| Emerging Debt | 4.38% | | 5.96% |
| Cash | 0.00% | | 2.72% |
| Total Net Blended Return | | * | 4.17% |
| Long-Term Expected Rate of Return (Including Inflation) | | | 6.67% |

* Excludes 2.50% inflation assumption.

**Rate of Return**
For the year ended December 31, 2024, the annual money-weighted rate of return on the police and non-uniform pension plan investments, net of pension plan investment expense, was 9.50% and 9.53%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## 12. NON-UNIFORM DEFINED CONTRIBUTION PENSION PLAN

During 2012, the Board established through Ordinance 709, a defined contribution plan for all full-time non-uniformed non-bargaining employees hired on or after January 1, 2012, and per collective bargaining agreement, all full-time non-uniformed bargaining unit employees hired after January 1, 2013. The Board has delegated the authority to manage certain plan assets to PFM Asset Management, LLC. The Township annually contributes 5% of eligible employees' covered compensation. Participants are not required to contribute. The Township, if eligible, may allocate State Aid received from the Commonwealth of Pennsylvania to the Plan. Forfeitures due to non-vested terminations are used to reduce mandatory municipal contributions. To the extent that these fundings are not adequate to cover the Township's obligation to the Plan, the Township would then be required to contribute.

For the year ended December 31, 2024, there were 22 participants in this plan, and the Township contribution to the plan was $79,291.

## 13. DEFERRED COMPENSATION PLAN

The Township permits the Township employees and police an option to participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits each employee to defer a percentage of their salary until future years. The plan does not require a contribution by the Township.

## 14. COMMITMENTS AND CONTINGENCIES

The Township is the defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of the administration of the Township, the outcome of these lawsuits will not have a material adverse effect on the accompanying basic financial statements.

The Township participates in certain grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. In the opinion of the administration of the Township, there are no significant contingency liabilities relating to compliance with such rules and regulations; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

The Township has a contractual agreement for solid waste collection services from 2019 through 2023 totaling $17,428,308. In 2023, this contract was extended through 2025 in the amount of $7,429,260. The amount remaining on this contract at December 31, 2024, was $3,787,464.

## 15. POST-EMPLOYMENT BENEFITS

**Plan Description**
The Warminster Township's Other Post-Employment Benefits offered to retirees is a single-employer defined benefit plan for benefits other than pension which is controlled by the provisions of collectively bargained agreements between the Township of Warminster and the covered employees. The Other Post-Employment Benefits offered to employees and retirees is a single-employer defined benefit plan for benefits other than pension which is controlled by the Township of Warminster. Separate financial statements are not issued for the plan. In 2022, the Township established a trust to fund future benefit payments.

## 15. POST-EMPLOYMENT BENEFITS (continued)

### Benefits Provided

- For police, the Township will fully pay for insurance coverage for the retiree, spouse and eligible dependents for ten years for service-related disability or nine years for retirement and non-service related disability. After this time, the retiree may continue coverage by paying the full cost. Members who retire after January 1, 2011 and are covered by the Personal Choice plan may also receive up to $1,500 per year into an HRA to cover medical and prescription drug copays. For Officers who retire after February 1, 2015, the Township will reimburse officers for payment of copays to the extent they exceed previous DVHT PP$10/25 Plan. The retiree is provided life insurance of $50,000 for 5 years, then $10,000 per year until age 70; spouse receives $5,000 until age 70; and dependents receive $3,000 until age 23.

- Union AFSCME 1598 receives full insurance coverage paid by the Township for the retiree, spouse and eligible dependents until Medicare eligibility. Upon Medicare eligibility, coverage becomes Security 65 and the retiree pays the full cost of the coverage. Members who retire after January 1, 2011 and are covered by the Personal Choice plan may also receive up to $1,000 per year into an HRA to cover medical and prescription drug copays.

- Union AFSCME 2289 employees receive full insurance coverage paid by the Township for the retiree, spouse and eligible dependents until Medicare eligibility. Upon Medicare eligibility, coverage becomes Security 65 and the retiree pays the full cost of the coverage. Members who retire after January 1, 2011 and are covered by the Personal Choice plan may also receive up to $1,000 per year into an HRA to cover medical and prescription drug copays.

### Employees Covered by the Plan

The following eligible Police and Non-Uniformed employees and retirees were covered by the plan:

| | |
|---|---|
| Active Participants | 58 |
| Vested Former Participants | - |
| Retired Participants | 34 |
| Total | 92 |

### Contributions

The Township made contributions of $377,074 to the Trust in 2024.

### Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

### Long-Term Expected Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## 15. POST-EMPLOYMENT BENEFITS (continued)

### Net OPEB Liability

An actuarial valuation of the total OPEB liability is performed biannually. The total OEPB liability as of December 31, 2024, was determined as part of an actuarial valuation at January 1, 2025. Updated procedures were used to roll back to the municipality's fiscal year ending December 31, 2024. This report was based upon the Plan's actuarial assumptions, asset valuation method and cost method as described below:

| | |
|---|---|
| Actuarial assumptions | |
| Valuation Method | Entry Age Normal |
| Discount Rate | 5.24% |
| Salary Increases | 5.00% |
| Investment Rate of Return | 7.50% |
| Healthcare Cost Trend Rate | Health care costs are assumed to change as follows: 7.9% in 2025 with 0.9% decrease per year until 5.2% in 2028. Rates decrease from 5.2% in 2028 to 4.036% in 2075. |
| Mortality Rates | Pub-2010 headcount-weighted mortality tables, with generational projection using MP-2021. |

### Discount Rate

The discount rate used to measure the total OPEB liability was 5.24%, and is based on the S&P Municipal Bond 20-year High Grade Rate Index at December 31, 2024.

### Net OPEB Liability Sensitivity – Discount Rate

The following is a sensitivity analysis of the net OPEB liability to changes in the discount rate. The table below presents the total OPEB liability calculated using the discount rate of 5.24% as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.24%) or one percentage point higher (6.24%) than the current rate.

| | 1% Decrease 4.24% | Current Discount Rate 5.24% | 1% Increase 6.24% |
|---|---|---|---|
| Net OPEB Liability | $8,389,159 | $7,747,606 | $7,150,627 |

### Net OPEB Liability Sensitivity – Healthcare Trend

The following is a sensitivity analysis of the net OPEB liability to changes in the healthcare trend rate. The table below presents the net OPEB liability calculated using the current trend rate as well as what the total OPEB liability would be if it were calculated using a healthcare trend rate that is 1% higher or 1% higher than expected.

| | 1% Decrease | Current Trend Rates | 1% Increase |
|---|---|---|---|
| Net OPEB Liability | $7,054,230 | $7,747,606 | $8,524,676 |

## 15. POST-EMPLOYMENT BENEFITS (continued)

### Changes in Net OPEB Liability

The following table shows the changes in net OPEB liability recognized over the measurement period.

| | Other Post-Employment Benefit Plan Increase (Decrease) | | |
|---|---|---|---|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) – (b) |
| Balance at December 31, 2023 | $ 11,531,260 | $ 1,778,130 | $ 9,753,130 |
| Changes for the Year | | | |
| Service Cost | 388,043 | - | 388,043 |
| Interest | 462,528 | - | 462,528 |
| Difference Between Expected and Actual Experience | (2,078,053) | - | (2,078,053) |
| Change in Benefit Terms | - | - | - |
| Changes in Assumptions | (219,381) | - | (219,381) |
| Contributions - Employer | - | 377,074 | (377,074) |
| Net Investment Income | - | 181,587 | (181,587) |
| Benefit Payments | (377,074) | (377,074) | - |
| Administrative Expense | - | - | - |
| Net Changes | (1,823,937) | 181,587 | (2,005,524) |
| Balances at December 31, 2024 | $ 9,707,323 | $ 1,959,717 | $ 7,747,606 |

### OPEB Expense and Deferred Outflows Related to OPEB

For the year ended December 31, 2024, the Township recognized OPEB income of $1,854,745. At December 31, 2024, the Township had deferred inflows and outflows of resources related to the OPEB plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences Between Expected and Actual Experience | $ - | $ (7,838,345) |
| Changes of Assumptions | 913,682 | (1,942,939) |
| Differences Between Projected and Actual Earnings | - | (108,334) |
| | $ 913,682 | $ (9,889,618) |

## 15. POST-EMPLOYMENT BENEFITS (continued)

### OPEB Expense and Deferred Outflows Related to OPEB (continued)

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

| Year Ending December 31, | Amount |
|---|---|
| 2025 | $ (2,571,957) |
| 2026 | (2,721,634) |
| 2027 | (2,595,684) |
| 2028 | (314,747) |
| 2029 | (305,104) |
| Thereafter | (466,810) |
| | $ (8,975,936) |

## 16. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

As described in Note 7, the Township entered into a fixed rate swap agreement. The agreement applies to the total amount of the notes outstanding. The purpose of this agreement is to hedge the risk of change in the interest rates and to assist the Township in stabilizing the cash flow requirements needed to service the outstanding amounts (also defined as the "notional amount"). The interest rate swap agreement began in 2021 and ends on the date concurrent with the final payment of the loan. Under the interest rate swap agreement, the Township is required to make monthly interest payments at 1.46% over the remaining term of the loan.

With the execution of the fixed rate swap agreement and in accordance with GASB No. 53, "Accounting and Financial Reporting for Derivative Instruments", the Township accounts for the interest rate swap as a hedging derivative. The swap agreement has been determined to be effectively hedged under both the consistent critical terms and quantitative methods standards of GASB 53. As such, the change in fair value of the swap agreement has been reflected as a deferred inflow of resources in the Statement of Net Position. The market value of the interest rate swap in favor of the Township as of December 31, 2024, was $2,470,394 and is recorded in the governmental financial statements in the statement of net position.

| | |
|---|---|
| Fair Value of Derivative Instrument on December 31, 2023 | $ 2,104,694 |
| Change in Fair Value | 365,700 |
| Fair Value of Derivative Instrument on December 31, 2024 | $ 2,470,394 |

## 17. SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions through December 15, 2025, the date which the financial statements were available to be issued.

# TOWNSHIP OF WARMINSTER
## BUCKS COUNTY, PA
## Required Supplementary Information
## Schedule of Changes in the Township's Net Pension Liability and Related Ratios
## Police Pension Plan
## December 31, 2024
## (Unaudited)

| | Measurement Date as of December 31, | | | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| **Total Pension Liability** | | | | | |
| Service Cost | $ 853,420 | $ 812,781 | $ 890,694 | $ 785,445 | $ 869,792 |
| Interest | 3,733,064 | 3,606,125 | 3,444,892 | 3,347,693 | 3,233,838 |
| Changes in Benefit Terms | - | - | - | - | - |
| Differences Between Expected and Actual Experience | - | 541,481 | - | (2,057,246) | - |
| Changes of Assumptions | - | 2,644,154 | - | 1,275,081 | - |
| Benefit Payments (Including Refunds of Member Contributions) | (2,842,030) | (2,610,741) | (2,390,661) | (1,874,758) | (1,753,112) |
| **Net Change in Total Pension Liability** | 1,744,454 | 4,993,800 | 1,944,925 | 1,476,215 | 2,350,518 |
| **Total Pension Liability** | | | | | |
| Beginning of Year | 51,195,201 | 46,201,401 | 44,256,476 | 42,780,261 | 40,429,743 |
| End of Year | $ 52,939,655 | $ 51,195,201 | $ 46,201,401 | $ 44,256,476 | $ 42,780,261 |
| **Plan Fiduciary Net Position** | | | | | |
| Contributions | | | | | |
| Employer | $ 2,022,607 | $ 1,497,041 | $ 1,480,640 | $ 2,255,137 | $ 1,558,011 |
| State Aid | 610,281 | 396,296 | 404,075 | 412,567 | 413,602 |
| Member | 274,874 | 246,748 | 231,125 | 259,890 | 251,157 |
| Net Investment Income (Loss) | 3,595,794 | 4,953,072 | (6,938,500) | 4,548,080 | 4,866,719 |
| Benefit Payments (Including Refunds of Member Contributions) | (2,842,030) | (2,610,741) | (2,390,661) | (1,874,758) | (1,753,112) |
| Administrative Expense | (10,600) | (15,350) | (8,050) | (14,150) | (12,300) |
| **Net Change in Plan Fiduciary Net Position** | 3,650,926 | 4,467,066 | (7,221,371) | 5,586,766 | 5,324,077 |
| **Plan Fiduciary Net Position** | | | | | |
| Beginning of Year | 37,856,029 | 33,388,963 | 40,610,334 | 35,023,568 | 29,699,491 |
| End of Year | $ 41,506,955 | $ 37,856,029 | $ 33,388,963 | $ 40,610,334 | $ 35,023,568 |

**TOWNSHIP OF WARMINSTER**
**BUCKS COUNTY, PA**
**Required Supplementary Information**
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**
**Police Pension Plan**
**December 31, 2024**
**(Unaudited)**

(Continued)

| | Measurement Date as of December 31, | | | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| **Township's Ending Net Pension Liability (Asset)** | $ 11,432,700 | $ 13,339,172 | $ 12,812,438 | $ 3,646,142 | $ 7,756,693 |
| Plan Fiduciary Net Position As a Percentage of the Total Pension Liability | 78.4% | 73.9% | 72.3% | 91.8% | 81.9% |
| Covered Employee Payroll | $ 3,950,000 | $ 4,892,222 | $ 4,810,720 | $ 5,180,000 | $ 5,026,944 |
| Township's Net Pension Liability As a Percentage of Covered Employee Payroll | 289.4% | 272.7% | 266.3% | 70.4% | 154.3% |

# TOWNSHIP OF WARMINSTER
## BUCKS COUNTY, PA
## Required Supplementary Information
## Schedule of Changes in the Township's Net Pension Liability and Related Ratios
## Police Pension Plan
## December 31, 2024
## (Unaudited)

| | Measurement Date as of December 31, | | | | |
|---|---|---|---|---|---|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| **Total Pension Liability** | | | | | |
| Service Cost | $ 828,373 | $ 789,341 | $ 751,753 | $ 764,465 | $ 748,718 |
| Interest | 3,059,938 | 2,812,920 | 2,674,285 | 2,625,667 | 2,509,147 |
| Changes in Benefit Terms | - | - | - | (101,939) | - |
| Differences Between Expected and Actual Experience | 1,199,090 | - | (1,168,368) | - | (1,117,051) |
| Changes of Assumptions | - | - | 102,441 | - | 1,934,049 |
| Benefit Payments (Including Refunds of Member Contributions) | (1,758,831) | (1,746,501) | (1,714,872) | (1,692,673) | (1,737,668) |
| **Net Change in Total Pension Liability** | 3,328,570 | 1,855,760 | 645,239 | 1,595,520 | 2,337,195 |
| **Total Pension Liability** | | | | | |
| Beginning of Year | 37,101,173 | 35,245,413 | 34,600,174 | 33,004,654 | 30,667,459 |
| End of Year | $ 40,429,743 | $ 37,101,173 | $ 35,245,413 | $ 34,600,174 | $ 33,004,654 |
| **Plan Fiduciary Net Position** | | | | | |
| Contributions | | | | | |
| Employer | $ 1,170,377 | $ 1,188,264 | $ 1,378,415 | $ 966,142 | $ 798,577 |
| State Aid | 450,604 | 412,226 | 403,766 | 349,972 | 345,033 |
| Member | 259,073 | 250,498 | 315,871 | 218,370 | 212,130 |
| Net Investment Income (Loss) | 5,004,997 | (1,540,212) | 3,742,520 | 983,191 | (540,626) |
| Benefit Payments (Including Refunds of Member Contributions) | (1,758,831) | (1,746,501) | (1,714,872) | (1,692,673) | (1,737,668) |
| Administrative Expense | (15,800) | (7,450) | (16,731) | (12,732) | (14,736) |
| **Net Change in Plan Fiduciary Net Position** | 5,110,420 | (1,443,175) | 4,108,969 | 812,270 | (937,290) |
| **Plan Fiduciary Net Position** | | | | | |
| Beginning of Year | 24,589,071 | 26,032,246 | 21,923,277 | 21,111,007 | 22,048,297 |
| End of Year | $ 29,699,491 | $ 24,589,071 | $ 26,032,246 | $ 21,923,277 | $ 21,111,007 |

**TOWNSHIP OF WARMINSTER**
**BUCKS COUNTY, PA**
**Required Supplementary Information**
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**
**Police Pension Plan**
**December 31, 2024**
**(Unaudited)**

| (Continued) | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| | Measurement Date as of December 31, | | | | |
| **Township's Ending Net Pension Liability** | $ 10,730,252 | $ 12,512,102 | $ 9,213,167 | $ 12,676,897 | $ 11,893,647 |
| Plan Fiduciary Net Position As a Percentage of the Total Pension Liability | 73.5% | 66.3% | 73.9% | 63.4% | 64.0% |
| Covered Employee Payroll | $ 4,908,376 | $ 4,737,616 | $ 4,049,180 | $ 4,100,000 | $ 4,349,962 |
| Township's Net Pension Liability As a Percentage of Covered Employee Payroll | 218.6% | 264.1% | 209.0% | 309.2% | 273.4% |

Assumption Changes - In 2015, the mortality assumption was changed from the 1992 Railroad Board Table to the Blue Collar RP-2000 Table projected to 2015 using Scale AA. In 2017 the mortality assumption was changed from the Blue Collar RP-2000 Table projected to 2015 to the Blue Collar RP-2000 Table projected to 2017 using Scale AA. In 2021, the mortality assumption was changed from the Blue Collar RP-2000 table projected to 2017 using Scale AA to the PubS-2010 projected 5 years past 2021 valuation date using MP-2020. In 2023, the interest rate was changed from 8% to 7.5%.

Benefit Changes - In 2016, for participants hired on or after 1/1/16, the normal retirement eligibility was changed from age 50 and 25 years of service to age 54 and 25 years of service. In 2016, the Killed in Service Benefit has been removed from the plan and is now provided by the Commonwealth of Pennsylvania.

**TOWNSHIP OF WARMINSTER**
**BUCKS COUNTY, PA**
**Required Supplementary Information**
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**
**Non-Uniform Pension Plan**
**December 31, 2024**
**(Unaudited)**

| | Measurement Date as of December 31, | | | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| **Total Pension Liability** | | | | | |
| Service Cost | $ 183,584 | $ 174,842 | $ 199,161 | $ 175,627 | $ 219,732 |
| Interest | 1,334,300 | 1,299,795 | 1,370,339 | 1,331,134 | 1,267,621 |
| Changes in Benefit Terms | - | - | - | - | - |
| Differences Between Expected and Actual Experience | - | (1,246,171) | - | (482,281) | - |
| Changes of Assumptions | - | 826,871 | - | 647,007 | - |
| Benefit Payments (Including Refunds of Member Contributions) | (1,019,170) | (1,009,968) | (887,711) | (794,416) | (833,717) |
| **Net Change in Total Pension Liability** | 498,714 | 45,369 | 681,789 | 877,071 | 653,636 |
| **Total Pension Liability** | | | | | |
| Beginning of Year | 18,300,254 | 18,254,885 | 17,573,096 | 16,696,025 | 16,042,389 |
| End of Year | $ 18,798,968 | $ 18,300,254 | $ 18,254,885 | $ 17,573,096 | $ 16,696,025 |
| **Plan Fiduciary Net Position** | | | | | |
| Contributions | | | | | |
| Employer | $ 534,919 | $ 260,724 | $ 288,883 | $ 632,447 | $ 296,090 |
| State Aid | - | 174,837 | 155,414 | 158,310 | 167,410 |
| Member | 4,957 | 4,606 | 5,936 | 6,501 | 6,312 |
| Net Investment Income (Loss) | 1,469,183 | 2,038,288 | (2,990,076) | 1,996,602 | 2,205,765 |
| Benefit Payments (Including Refunds of Member Contributions) | (1,019,170) | (1,009,968) | (887,711) | (794,416) | (833,717) |
| Administrative Expense | (8,850) | (15,950) | (8,150) | (14,850) | (12,400) |
| **Net Change in Plan Fiduciary Net Position** | 981,039 | 1,452,537 | (3,435,704) | 1,984,594 | 1,829,460 |
| **Plan Fiduciary Net Position** | | | | | |
| Beginning of Year | 15,423,634 | 13,971,097 | 17,406,801 | 15,422,207 | 13,592,747 |
| End of Year | $ 16,404,673 | $ 15,423,634 | $ 13,971,097 | $ 17,406,801 | $ 15,422,207 |

**TOWNSHIP OF WARMINSTER**
**BUCKS COUNTY, PA**
**Required Supplementary Information**
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**
**Non-Uniform Pension Plan**
**December 31, 2024**
**(Unaudited)**

| (Continued) | Measurement Date as of December 31, 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Township's Ending Net Pension Liability** | $ 2,394,295 | $ 2,876,620 | $ 4,283,788 | $ 166,295 | $ 1,273,818 |
| Plan Fiduciary Net Position As a Percentage of the Total Pension Liability | 87.3% | 84.3% | 76.5% | 99.1% | 92.4% |
| Covered Employee Payroll | $ 1,200,000 | $ 1,400,000 | $ 1,461,934 | $ 1,380,000 | $ 1,472,526 |
| Township's Net Pension Liability As a Percentage of Covered Employee Payroll | 199.5% | 205.5% | 293.0% | 12.1% | 86.5% |

# TOWNSHIP OF WARMINSTER
## BUCKS COUNTY, PA
## Required Supplementary Information
## Schedule of Changes in the Township's Net Pension Liability and Related Ratios
## Non-Uniform Pension Plan
## December 31, 2024
## (Unaudited)

| | Measurement Date as of December 31, | | | | |
|---|---|---|---|---|---|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| **Total Pension Liability** | | | | | |
| Service Cost | $ 209,269 | $ 307,899 | $ 293,237 | $ 313,686 | $ 298,749 |
| Interest | 1,219,689 | 1,326,947 | 1,261,723 | 1,233,540 | 1,172,646 |
| Changes in Benefit Terms | 86,351 | - | - | - | - |
| Differences Between Expected and Actual Experience | (2,153,513) | - | (496,869) | - | (282,744) |
| Changes of Assumptions | - | - | 51,958 | - | 386,946 |
| Benefit Payments (Including Refunds of Member Contributions) | (846,834) | (772,706) | (735,944) | (723,222) | (727,091) |
| **Net Change in Total Pension Liability** | (1,485,038) | 862,140 | 374,105 | 824,004 | 848,506 |
| **Total Pension Liability** | | | | | |
| Beginning of Year | 17,527,427 | 16,665,287 | 16,291,182 | 15,467,178 | 14,618,672 |
| End of Year | $ 16,042,389 | $ 17,527,427 | $ 16,665,287 | $ 16,291,182 | $ 15,467,178 |
| **Plan Fiduciary Net Position** | | | | | |
| Contributions | | | | | |
| Employer | $ 437,030 | $ 471,462 | $ 385,630 | $ 468,473 | $ 372,415 |
| State Aid | 189,458 | 192,060 | 178,942 | 174,986 | 164,676 |
| Member | 6,127 | 5,954 | 7,305 | 14,231 | 8,043 |
| Net Investment Income (Loss) | 2,328,438 | (718,238) | 1,837,911 | 486,947 | (240,050) |
| Benefit Payments (Including Refunds of Member Contributions) | (846,834) | (772,706) | (735,944) | (723,222) | (727,091) |
| Administrative Expense | (14,750) | (9,050) | (17,650) | (10,606) | (17,193) |
| **Net Change in Plan Fiduciary Net Position** | 2,099,469 | (830,518) | 1,656,194 | 410,809 | (439,200) |
| **Plan Fiduciary Net Position** | | | | | |
| Beginning of Year | 11,493,278 | 12,323,796 | 10,667,602 | 10,256,793 | 10,695,993 |
| End of Year | $ 13,592,747 | $ 11,493,278 | $ 12,323,796 | $ 10,667,602 | $ 10,256,793 |

**TOWNSHIP OF WARMINSTER**
**BUCKS COUNTY, PA**
**Required Supplementary Information**
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**
**Non-Uniform Pension Plan**
**December 31, 2024**
**(Unaudited)**

| (Continued) | Measurement Date as of December 31, 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **Township's Ending Net Pension Liability** | $ 2,449,642 | $ 6,034,149 | $ 4,341,491 | $ 5,623,580 | $ 5,210,385 |
| Plan Fiduciary Net Position As a Percentage of the Total Pension Liability | 84.7% | 65.6% | 73.9% | 65.5% | 66.3% |
| Covered Employee Payroll | $ 1,589,018 | $ 1,833,924 | $ 1,870,528 | $ 1,933,764 | $ 1,908,282 |
| Township's Net Pension Liability As a Percentage of Covered Employee Payroll | 154.2% | 329.0% | 232.1% | 290.8% | 273.0% |

Assumption Changes - In 2015, the mortality assumption was changed from the RP-2000 Table to the RP-2000 Table projected to 2015 using Scale AA. In 2017, the mortality assumption was changed from the RP-2000 Table projected 2015 to the RP-2000 Table project to 2017 using Scale AA. In 2021, the mortality assumption was changed from the RP-2000 table projected to 2017 using Scale AA to the PubS-2010 projected 5 years past 2021 valuation date using MP-2020. In 2023, the interest rate was changed from 8% to 7.5%.

Benefit Changes - In 2019, an Early Retirement Window was added to the plan that provided an unreduced immediate retirement benefit if age 60 and 35 years of service was obtained by July 10, 2017.

**TOWNSHIP OF WARMINSTER**
**BUCKS COUNTY, PA**
**Required Supplementary Information**
**Schedule of Township Contributions**
**Police Pension Plan**
**December 31, 2024**
**(Unaudited)**

| Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Employee Payroll | Contributions As a Percentage of Covered Employee Payroll |
|---|---|---|---|---|---|
| 2015 | $ 1,143,610 | $ 1,143,610 | $ - | $ 4,349,962 | 26.29% |
| 2016 | $ 1,113,215 | $ 1,316,114 | $ (202,899) | $ 4,100,000 | 32.10% |
| 2017 | $ 1,782,181 | $ 1,782,181 | $ - | $ 4,409,180 | 40.42% |
| 2018 | $ 1,600,490 | $ 1,600,490 | $ - | $ 4,737,616 | 33.78% |
| 2019 | $ 1,620,981 | $ 1,620,981 | $ - | $ 4,908,376 | 33.02% |
| 2020 | $ 1,971,614 | $ 1,971,614 | $ - | $ 5,026,944 | 39.22% |
| 2021 | $ 2,667,704 | $ 2,667,704 | $ - | $ 5,180,000 | 51.50% |
| 2022 | $ 1,884,715 | $ 1,884,715 | $ - | $ 4,810,720 | 39.18% |
| 2023 | $ 1,893,337 | $ 1,893,337 | $ - | $ 4,892,222 | 38.70% |
| 2024 | $ 2,332,888 | $ 2,632,888 | $ (300,000) | $ 3,950,000 | 66.66% |

**Notes to Schedule:**

Valuation Date:

| | |
|---|---|
| Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which the contributions are reported. | January 1, 2023 |

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Dollar Closed |
| Remaining Amortization Period | 7 years |
| Asset Valuation Method | Fair Market Value |
| Inflation | 2.25% |
| Salary Increases | 5.0% per year |
| Investment Rate of Return | 7.50% (net of pension plan investment expenses including inflation) |
| Retirement Age | 50 and 25 years of service, 55 and 20 years of service, 54 and 25 years of service |
| Mortality | PubS-2010 Mortality projected to 2026 using scale MP-2020 |

**TOWNSHIP OF WARMINSTER**
**BUCKS COUNTY, PA**
**Required Supplementary Information**
**Schedule of Township Contributions**
**Non-Uniform Pension Plan**
**December 31, 2024**
**(Unaudited)**

| Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Employee Payroll | Contributions As a Percentage of Covered Employee Payroll |
|---|---|---|---|---|---|
| 2015 | $ 537,091 | $ 537,091 | $ - | $ 1,908,282 | 28.15% |
| 2016 | $ 542,010 | $ 643,459 | $ (101,449) | $ 1,933,764 | 33.27% |
| 2017 | $ 564,572 | $ 564,572 | $ - | $ 1,870,528 | 30.18% |
| 2018 | $ 663,522 | $ 663,522 | $ - | $ 1,833,924 | 36.18% |
| 2019 | $ 626,488 | $ 626,488 | $ - | $ 1,589,018 | 39.43% |
| 2020 | $ 463,500 | $ 463,500 | $ - | $ 1,472,526 | 31.48% |
| 2021 | $ 790,757 | $ 790,757 | $ - | $ 1,380,000 | 57.30% |
| 2022 | $ 444,297 | $ 444,297 | $ - | $ 1,461,934 | 30.39% |
| 2023 | $ 435,561 | $ 435,561 | $ - | $ 1,400,000 | 31.11% |
| 2024 | $ 534,919 | $ 534,919 | $ - | $ 1,200,000 | 44.58% |

**Notes to Schedule:**

Valuation Date:

| | |
|---|---|
| Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which the contributions are reported. | January 1, 2023 |

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Dollar Closed |
| Remaining Amortization Period | 8 years |
| Asset Valuation Method | Fair Market Value |
| Inflation | 2.25% |
| Salary Increases | 5.0% per year |
| Investment Rate of Return | 7.50% (net of pension plan investment expenses including inflation) |
| Retirement Age | 62 with 5 years of credited service; AFSCME-62 and 5 or age 55 and 20 years of service |
| Mortality | PubS-2010 Mortality projected to 2026 using scale MP-2020 |

**TOWNSHIP OF WARMINSTER**
**BUCKS COUNTY, PA**
**Required Supplementary Information**
**Schedule of Investment Returns**
**December 31, 2024**
**(Unaudited)**

| | Police | Non-Uniform |
|---|---|---|
| Annual Money-Weighted Rate of Return, Net of Investment Expense | | |
| 2015 | (2.51)% | (2.30)% |
| 2016 | 4.66% | 4.57% |
| 2017 | 17.07% | 17.23% |
| 2018 | (5.92)% | (5.83)% |
| 2019 | 20.35% | 20.26% |
| 2020 | 16.39% | 16.23% |
| 2021 | 12.99% | 12.95% |
| 2022 | (17.09)% | (17.18)% |
| 2023 | 14.83% | 14.59% |
| 2024 | 9.50% | 9.53% |

**TOWNSHIP OF WARMINSTER**
**BUCKS COUNTY, PA**
**Required Supplementary Information**
**Schedule of Changes in the Township's OPEB Liability and Related Ratios**
**December 31, 2024**
**(Unaudited)**

| | Measurement Date as of December 31, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| **Total OPEB Liability** | | | | | | | |
| Service Cost | $ 388,043 | $ 2,408,310 | $ 1,206,704 | $ 1,119,566 | $ 966,046 | $ 1,045,784 | $ 880,343 |
| Interest | 462,528 | 1,003,513 | 411,910 | 679,170 | 677,402 | 588,726 | 615,573 |
| Changes in Benefit Terms | - | (583,637) | - | (170,026) | - | - | - |
| Differences Between Expected and Actual Experience | (2,078,053) | (8,367,261) | - | (3,047,717) | - | (501,111) | - |
| Changes of Assumptions | (219,381) | (2,436,528) | (581,551) | 2,292,007 | 898,079 | (579,156) | 847,280 |
| Benefit Payments (Including Refunds of Member Contributions) | (377,074) | (1,458,812) | (452,024) | (450,021) | (496,980) | (492,940) | (443,597) |
| **Net Change in Total OPEB Liability** | (1,823,937) | (9,434,415) | 585,039 | 422,979 | 2,044,547 | 61,303 | 1,899,599 |
| **Total OPEB Liability** | | | | | | | |
| Beginning of Year | 11,531,260 | 20,965,675 | 20,380,636 | 19,957,657 | 17,913,110 | 17,851,807 | 15,952,208 |
| End of Year | $ 9,707,323 | $ 11,531,260 | $ 20,965,675 | $ 20,380,636 | $ 19,957,657 | $ 17,913,110 | $ 17,851,807 |
| **Plan Fiduciary Net Position** | | | | | | | |
| Employer Contributions | 377,074 | 1,458,812 | 1,952,024 | - | - | - | - |
| Net Investment Income (Loss) | 181,587 | 247,216 | 40,465 | - | - | - | - |
| Benefit Payments (Including Refunds of Member Contributions) | (377,074) | (1,458,812) | (452,024) | - | - | - | - |
| Administrative Expense | - | (9,551) | - | - | - | - | - |
| **Net Change in Plan Fiduciary Net Position** | 181,587 | 237,665 | 1,540,465 | - | - | - | - |
| **Plan Fiduciary Net Position** | | | | | | | |
| Beginning of Year | 1,778,130 | 1,540,465 | - | - | - | - | - |
| End of Year | $ 1,959,717 | $ 1,778,130 | $ 1,540,465 | $ - | $ - | $ - | $ - |

**TOWNSHIP OF WARMINSTER**
**BUCKS COUNTY, PA**
**Required Supplementary Information**
**Schedule of Changes in the Township's OPEB Liability and Related Ratios**
**December 31, 2024**
**(Unaudited)**

| | Measurement Date as of December 31, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| (Continued) | | | | | | | |
| **Ending Net OPEB Liability** | $ 7,747,606 | $ 9,753,130 | $ 19,425,210 | $ 20,380,636 | $ 19,957,657 | $ 17,913,110 | $ 17,851,807 |
| Plan Fiduciary Net Position As a Percentage of the Total OPEB Liability | 20.2% | 15.4% | 7.3% | 0.0% | 0.0% | 0.0% | 0.0% |
| Covered Employee Payroll | $ 5,640,276 | $ 5,956,587 | $ 6,206,235 | $ 6,206,235 | $ 5,284,213 | $ 5,284,213 | $ 5,412,717 |
| Township's Total OPEB Liability As a Percentage of Covered Employee Payroll | 137.4% | 163.7% | 337.8% | 328.4% | 377.7% | 339.0% | 329.8% |

Assumption Changes - The discount rate changed from 4.89 to 5.34%. The trend and mortality assumptions were updated.

Benefits Changes - Police medical coverage ends at Medicare age. AFSCME and AFSME - WTEO employees now make contributions to receive coverage. AFSCME and AFSME - WTEO employees may choose to elect the HSA plan with 50% HSA funding from the Township. Police Officers no longer receive the copay reimbursements from the Township. One Police Officer received two additional years of life insurance coverage.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is complete, available information is presented.

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**General Fund**
**Year Ended December 31, 2024**

| | Original Budget | Actual | Variance Favorable (Unfavorable) |
|---|---|---|---|
| Revenues | | | |
| Taxes | $ 13,614,850 | $ 14,065,981 | $ 451,131 |
| Intergovernmental | 611,450 | 805,638 | 194,188 |
| Charges for Services | 223,700 | 222,394 | (1,306) |
| Fines, Licenses and Permits | 1,678,700 | 2,109,446 | 430,746 |
| Interest Income and Rents | 45,000 | 275,232 | 230,232 |
| Miscellaneous Revenues | 424,897 | 462,043 | 37,146 |
| Total Revenues | 16,598,597 | 17,940,734 | 1,342,137 |
| Expenditures | | | |
| General Government | 2,560,209 | 2,559,382 | 827 |
| Public Safety | 12,512,188 | 12,149,462 | 362,726 |
| Public Works | 1,544,500 | 1,350,710 | 193,790 |
| Culture and Recreation | 10,000 | 619 | 9,381 |
| Debt Service - Principal | - | 39,388 | (39,388) |
| Debt Service - Interest | - | 24,605 | (24,605) |
| Insurance Premiums and Other Expenses | 380,450 | 426,197 | (45,747) |
| Total Expenditures | 17,007,347 | 16,550,363 | 456,984 |
| Excess (Deficiency) of Revenues Over Expenditures | (408,750) | 1,390,371 | 1,799,121 |
| Other Financing Sources (Uses) | | | |
| Operating Transfers In (Out) | 408,750 | 408,750 | - |
| Net Change in Fund Balances | - | 1,799,121 | 1,799,121 |
| Fund Balances | | | |
| Beginning of Year | - | 8,459,145 | 8,459,145 |
| End of Year | $ - | $ 10,258,266 | $ 10,258,266 |

See notes to schedules of budget to actual comparisons.

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**Sanitation Fund**
**Year Ended December 31, 2024**

| | Original Budget | Actual | Variance Favorable (Unfavorable) |
|---|---|---|---|
| Revenues | | | |
| Intergovernmental | $ 75,000 | $ 137,235 | $ 62,235 |
| Charges for Services | 3,700,000 | 3,667,572 | (32,428) |
| Interest Income and Rents | 500 | 36,166 | 35,666 |
| Total Revenues | 3,775,500 | 3,840,973 | 65,473 |
| Expenditures | | | |
| Sanitation | 3,808,892 | 3,805,210 | 3,682 |
| Excess (Deficiency) of Revenues Over Expenditures | (33,392) | 35,763 | 69,155 |
| Fund Balances | | | |
| Beginning of Year | - | 644,516 | 644,516 |
| End of Year | $ (33,392) | $ 680,279 | $ 713,671 |

See notes to schedules of budget to actual comparisons.

**TOWNSHIP OF WARMINSTER**
**BUCKS COUNTY, PA**
**Notes to Schedules of Budget to Actual Comparisons**
**December 31, 2024**

## 1. BASIS OF PRESENTATION

The Township follows the procedures below in establishing the budgetary data in the general fund and the special revenue funds:

During September, Township department heads are required to submit preliminary operating budgets to the Chief Administrative Officer for the fiscal year commencing the following January 1. The operating budgets submitted include proposed expenditures and the means of financing them as well as narrative justification for increases in the operating expenditures.

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

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

All budget revisions require the approval of the Township Board of Supervisors. In 2024, there were no budget revisions to any fund, therefore the original budget is the final budget.

Formal budgetary integration is employed as a management control device during the year for all Governmental Fund Types. Budgetary control is maintained at the fund level.

All appropriations lapse at year end.

The budget amounts presented are as revised by the Township Board of Supervisors.

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Combining Balance Sheet**
**Nonmajor Governmental Funds**
**December 31, 2024**

| | Ambulance Fund | Fire Protection Fund | Library Fund | Park and Recreation Fund |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and Cash Equivalents | $ 80,864 | $ 874,725 | $ 753,995 | $ 2,120,674 |
| Taxes Receivable | 1,254 | 13,201 | 15,511 | 23,099 |
| Other Receivables | - | - | - | 22,288 |
| Prepaid Expenses | - | 51,159 | - | 250 |
| Due from Other Funds | - | - | - | 55,931 |
| **Total Assets** | $ 82,118 | $ 939,085 | $ 769,506 | $ 2,222,242 |
| **Liabilities and Fund Balances** | | | | |
| **Liabilities** | | | | |
| Accounts Payable and Accrued Expenses | $ - | $ 40,840 | $ 10,746 | $ 10,228 |
| Accrued Wages and Payroll Taxes | - | - | 30,948 | 25,948 |
| Other Liabilities | - | - | - | 168,971 |
| Due to Other Funds | 60,412 | 532,515 | 59,184 | 107,603 |
| Total Liabilities | 60,412 | 573,355 | 100,878 | 312,750 |
| Deferred Inflows of Resources | | | | |
| Deferred Tax Receipts | 1,202 | 12,650 | 14,863 | 22,135 |
| **Fund Balances** | | | | |
| Nonspendable | - | 51,159 | - | 250 |
| Restricted | 20,504 | 301,921 | - | - |
| Assigned | - | - | 653,765 | 1,887,107 |
| Total Fund Balances | 20,504 | 353,080 | 653,765 | 1,887,357 |
| **Total Liabilities and Fund Balances** | $ 82,118 | $ 939,085 | $ 769,506 | $ 2,222,242 |

| Open Space Fund | Highway Aid Fund | Police Safety Equipment Fund | Highway Traffic Improvement Fund | Debt Service | Total Nonmajor Governmental Funds |
|---|---|---|---|---|---|
| $ 1,344 | $ 687,126 | $ 74,710 | $ 367,400 | $ 2,543,151 | $ 7,503,989 |
| - | - | - | - | 13,334 | 66,399 |
| - | - | - | - | - | 22,288 |
| - | - | - | - | - | 51,409 |
| - | - | - | - | 17,825 | 73,756 |
| $ 1,344 | $ 687,126 | $ 74,710 | $ 367,400 | $ 2,574,310 | $ 7,717,841 |
| | | | | | |
| $ - | $ 2,412 | $ 126 | $ - | $ - | $ 64,352 |
| - | - | - | - | - | 56,896 |
| - | - | - | - | - | 168,971 |
| - | - | - | - | - | 759,714 |
| - | 2,412 | 126 | - | - | 1,049,933 |
| | | | | | |
| - | - | - | - | 12,777 | 63,627 |
| | | | | | |
| - | - | - | - | - | 51,409 |
| - | 684,714 | - | 367,400 | 2,561,533 | 3,936,072 |
| 1,344 | - | 74,584 | - | - | 2,616,800 |
| 1,344 | 684,714 | 74,584 | 367,400 | 2,561,533 | 6,604,281 |
| $ 1,344 | $ 687,126 | $ 74,710 | $ 367,400 | $ 2,574,310 | $ 7,717,841 |

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**
**Nonmajor Governmental Funds**
**Year Ended December 31, 2024**

| | Ambulance Fund | Fire Protection Fund | Library Fund | Park and Recreation Fund |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $ 65,053 | $ 684,521 | $ 804,312 | $ 1,197,819 |
| Intergovernmental | - | 345,083 | 151,867 | - |
| Charges for Services | - | - | 767 | 40,952 |
| Fines, Licences and Permits | - | - | 16,946 | - |
| Interest Income and Rents | - | - | 465 | 135,029 |
| Miscellaneous Revenues | - | - | 18,389 | 189,989 |
| Total Revenues | 65,053 | 1,029,604 | 992,746 | 1,563,789 |
| Expenditures | | | | |
| Public Safety | 60,507 | 1,296,092 | - | - |
| Public Works | - | - | - | - |
| Culture and Recreation | - | - | 818,727 | 988,860 |
| Debt Service - Principal | - | - | - | - |
| Debt Service - Interest | - | - | - | - |
| Capital Expenditures | - | - | 232,359 | 478,261 |
| Total Expenditures | 60,507 | 1,296,092 | 1,051,086 | 1,467,121 |
| Excess (Deficiency) of Revenues Over Expenditures | 4,546 | (266,488) | (58,340) | 96,668 |
| Other Financing Sources | | | | |
| Operating Transfers In | - | 41,250 | - | - |
| Net Change in Fund Balances | 4,546 | (225,238) | (58,340) | 96,668 |
| Fund Balances | | | | |
| Beginning of Year | 15,958 | 578,318 | 712,105 | 1,790,689 |
| End of Year | $ 20,504 | $ 353,080 | $ 653,765 | $ 1,887,357 |

| | Open Space Fund | Highway Aid Fund | Police Safety Equipment Fund | Highway Traffic Improvement Fund | Debt Service | Total Nonmajor Governmental Funds |
|---|---|---|---|---|---|---|
| | $ - | $ - | $ - | $ - | $ 691,385 | $ 3,443,090 |
| | - | 924,108 | - | - | - | 1,421,058 |
| | - | - | - | - | - | 41,719 |
| | - | - | - | - | - | 16,946 |
| | - | 745 | - | 329 | 109,506 | 246,074 |
| | - | - | 1,338 | - | - | 209,716 |
| | - | 924,853 | 1,338 | 329 | 800,891 | 5,378,603 |
| | | | | | | |
| | - | - | - | - | - | 1,356,599 |
| | - | 319,522 | - | - | - | 319,522 |
| | - | - | - | - | - | 1,807,587 |
| | - | - | - | - | 587,000 | 587,000 |
| | - | - | - | - | 170,885 | 170,885 |
| | - | 750,000 | - | - | - | 1,460,620 |
| | - | 1,069,522 | - | - | 757,885 | 5,702,213 |
| | | | | | | |
| | - | (144,669) | 1,338 | 329 | 43,006 | (323,610) |
| | | | | | | |
| | - | - | - | - | - | 41,250 |
| | | | | | | |
| | - | (144,669) | 1,338 | 329 | 43,006 | (282,360) |
| | | | | | | |
| | 1,344 | 829,383 | 73,246 | 367,071 | 2,518,527 | 6,886,641 |
| | | | | | | |
| | $ 1,344 | $ 684,714 | $ 74,584 | $ 367,400 | $ 2,561,533 | $ 6,604,281 |

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Combining Statement of Fiduciary Net Position**
**Pension and Other Benefit Trust Funds**
**December 31, 2024**

| | Police Pension | Non-Uniform Pension - Defined Benefit | Non-Uniform Pension - Defined Contribution | OPEB Trust | Total |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and Cash Equivalents | $ 1,130,041 | $ 432,531 | $ - | $ 79,436 | $ 1,642,008 |
| Investments | 40,149,462 | 15,884,454 | 335,060 | 1,880,281 | 58,249,257 |
| Contributions Receivable | 20,954 | 428 | - | - | 21,382 |
| Prepaid Pension | 206,498 | 87,261 | - | - | 293,759 |
| Accrued Interest Receivable | - | - | 128 | - | 128 |
| **Total Assets** | 41,506,955 | 16,404,674 | 335,188 | 1,959,717 | 60,206,534 |
| **Liabilities** | - | - | - | - | - |
| **Net Position** | | | | | |
| Held in Trust for Pension and Other Benefits | $ 41,506,955 | $ 16,404,674 | $ 335,188 | $ 1,959,717 | $ 60,206,534 |

**WARMINSTER TOWNSHIP**
**BUCKS COUNTY, PA**
**Combining Statement of Changes in Fiduciary Net Position**
**Pension and Other Benefit Trust Funds**
**Year Ended December 31, 2024**

| | Police Pension | Non-Uniform Pension - Defined Benefit | Non-Uniform Pension - Defined Contribution | OPEB Trust | Total |
|---|---|---|---|---|---|
| Additions | | | | | |
| Contributions | | | | | |
| Plan Members | $ 274,874 | $ 4,957 | $ - | $ - | $ 279,831 |
| State | 610,281 | - | - | - | 610,281 |
| Employer | 2,022,607 | 534,919 | 79,290 | 11,035 | 2,647,851 |
| Total Contributions | 2,907,762 | 539,876 | 79,290 | 11,035 | 3,537,963 |
| Investment Earnings | | | | | |
| Net Increase in Fair Value of Investments | 2,623,793 | 1,080,189 | 36,940 | 126,436 | 3,867,358 |
| Interest and Dividends | 1,054,900 | 423,076 | - | 49,866 | 1,527,842 |
| | 3,678,693 | 1,503,265 | 36,940 | 176,302 | 5,395,200 |
| Less Investment Expense | (82,897) | (34,442) | (1,794) | (3,202) | (122,335) |
| Total Net Investment Earnings | 3,595,796 | 1,468,823 | 35,146 | 173,100 | 5,272,865 |
| Miscellaneous Revenue | - | - | 1,956 | - | 1,956 |
| Total Additions | 6,503,558 | 2,008,699 | 116,392 | 184,135 | 8,812,784 |
| Deductions | | | | | |
| Benefits | 2,842,030 | 1,018,811 | 971 | 2,547 | 3,864,359 |
| Refunds of Contributions | - | - | 10,405 | - | 10,405 |
| Administrative Expense | 10,600 | 8,850 | - | - | 19,450 |
| Total Deductions | 2,852,630 | 1,027,661 | 11,376 | 2,547 | 3,894,214 |
| Change in Net Position | 3,650,928 | 981,038 | 105,016 | 181,588 | 4,918,570 |
| Net Position, Held in Trust | | | | | |
| Beginning of Year | 37,856,027 | 15,423,636 | 230,172 | 1,778,129 | 55,287,964 |
| End of Year | $ 41,506,955 | $ 16,404,674 | $ 335,188 | $ 1,959,717 | $ 60,206,534 |