

**TOWNSHIP OF HAVERFORD
HAVERTOWN, PENNSYLVANIA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2024

INTRODUCTORY SECTION

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FINANCIAL SECTION

Independent Auditors' Report

To the Board of Commissioners
Township of Haverford
Havertown, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Township of Haverford as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township of Haverford'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 of Haverford, 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.

We did not audit the financial statements of the Haverford Township Free Library (discretely presented component unit). Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Haverford Township Free Library, is based solely on the report of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the Haverford Township Free Library were not audited in accordance with *Government Auditing Standards*.

We are required to be independent of Township of Haverford 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.

To the Board of Commissioners
Township of Haverford
Haverford, Pennsylvania

Responsibilities of Management for the Financial Statements

Township of Haverford'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 Township of Haverford's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

To the Board of Commissioners
Township of Haverford
Haverford, Pennsylvania

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the that management's discussion and analysis on pages 6i through 6ix, budgetary comparison information on pages 59 and 60, pension plan information on pages 61 through 66 and postemployment benefits other than pension funding progress on page 67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Township of Haverford's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2025 on our consideration of Township of Haverford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township of Haverford's internal control over financial reporting and compliance.



Limerick, Pennsylvania
May 5, 2025

TOWNSHIP OF HAVERFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2024

The Board of Commissioners and Township Manager of the Township of Haverford ("the Township") are pleased to present to readers of the financial statements of the Township of Haverford this narrative overview and analysis of the financial activities for the year ended December 31, 2024.

FINANCIAL HIGHLIGHTS

Government-Wide

Government-wide net position of the Township at the close of the year was a surplus of \$18,747,472. The total current year change in net position was \$9,474,641. This change was a result of a \$189,909 operational increase in our business-type activities and a \$9,284,732 increase recognized by our governmental activities. This increase in the governmental activities was largely derived from changes in deferred amounts related to pensions and reductions in unfunded OPEB which are reported only in the government-wide financial statements along with excess revenues in the General Fund. These excess revenues were predominately in realty transfer, investment earnings and business taxes. Areas of note on the expenditure side included savings from manufacturing delays of heavy equipment, unfilled positions within our labor force.

The increase in business-type activities was largely a result of continued strong collections of our sewer fee coupled with, higher than expected investment earnings, an inter-fund transfer for capital assets paid by the American Rescue Plan Act Fund while offset by higher than expected treatment costs.

Fund Level

As of the close of the fiscal year, the Township reported combined ending fund balances in Governmental Funds of \$54,645,937, a decrease of \$8,372,897 from the previous year. This decrease is largely the result of the planned use of capital monies on hand (\$8,873,508) along with planned use of monies available through the Township allocation of American Rescue Plan Act (\$1,084,565). When reviewing pure General Fund operations, the Township increased its fund balance by \$1,574,146 by over-performed in business tax collection, realty transfer tax, investment earnings, and recreational revenues. The Township also underspent expenditures in several areas due to continually extended wait times on capital purchases and unfilled labor positions. The total General Fund balance amounted to \$39,046,470, an increase of \$1,574,146 and 74.7 percent of General Fund revenues. An amount of \$26,888,750 is reported as unassigned in the General Fund, or 51.4 percent of total General Fund revenues. A total of \$2,529,132 is reported as restricted in the General Fund due to various external requirements. An amount of \$276,536 is shown as non-spendable since the balance represents prepaid expenses. A total of \$152,064 is shown as assigned by management for replacements and maintenance of our artificial turf field/indoor recreational center facilities. An amount of \$9,199,988 is reported as committed - budgetary reserve in accordance with the financial policies resolution passed by the Board of Commissioners to maintain financial stability.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the Township's basic financial statements. The Township's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

TOWNSHIP OF HAVERFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2024

Government-Wide Financial Statements

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

The Statement of Net Position (page 7) presents information on all of the Township's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The Statement of Activities (page 8) presents information showing how the government's net position changed during the most recent calendar year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future calendar periods (e.g., uncollected taxes and earned but unused vacation leave).

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

Governmental Activities - Most of the Township's basic services are reported in this category. Taxes and charges for services generally support these services. Services provided include general administration, public safety, public works, health and human services, culture and recreation, and community development.

Business-type Activities - The Township charges fees to customers to help it cover all or most of the cost of certain services it provides. The Township provides sanitary sewer services to property owners within the Township.

Component Unit - The Township includes one separate legal entity in this report: The Haverford Township Free Library. Although legally separate, this component unit is important because the Township is financially responsible for it. Additional financial information regarding the Township's component unit can be found in the statement of net position and statement of activities of this report. A separately audited annual financial report of this component unit may be obtained from the Library.

Fund Financial Statements

The fund financial statements begin on page 9 and provide detailed information about the major individual funds. A fund is a calendar and accounting entity with a self-balancing set of accounts that the Township uses to keep track of specific sources of funding and spending for a particular purpose. In addition to the major funds, statements for nonmajor funds begin on page 68. All of the funds of the Township can be divided into three categories: governmental, proprietary and fiduciary.

TOWNSHIP OF HAVERFORD

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2024

Governmental Funds - Most of the Township's basic services are reported in the Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for future spending. The Governmental Fund financial statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations are provided (pages 10 and 12) to reconcile between the Governmental Funds Balance Sheet and the Statement of Net Position and between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities. These funds are reported using modified accrual accounting, which primarily measures cash and other financial assets usable in the short-term. Governmental Funds include the Special Revenue Funds.

Proprietary Funds - When the Township charges for the services it provides, these services are generally reported in Proprietary Funds. Proprietary Funds (Enterprise Funds) utilize accrual accounting; the same method used by private sector businesses. Enterprise Funds report activities that provide supplies and services to the general public, in our case, sanitary sewer.

Fiduciary Funds - The Township acts as a fiduciary to account for resources held for the benefit of parties outside the government. The Township has three Pension Trust Funds - two for the civilian employees and one for the uniformed employees. These funds are reported using accrual accounting. The government-wide statements exclude Fiduciary Fund activities and balances because these assets are restricted in purpose and do not represent assets available to the Township to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 18 of this report.

Other Information

Other information includes combining financial statements for non-major Governmental Funds. The funds are added together by fund type and presented in single columns in the basic financial statements, but are not reported individually, as with major funds, on the Governmental Funds financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Township's largest component of its net position is its investment in capital assets, less any related debt used to acquire those assets that is still outstanding, which was \$45,568,584 at the end of the year. As the Township utilizes those assets to provide services to its citizens, they are not available for future spending.

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TOWNSHIP OF HAVERFORD

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2024

The component of our net position pertaining to the governmental activities has increased from a year ago by \$9,284,732 during the fiscal year. This increase in the governmental activities was largely derived from changes in deferred amounts related to pensions and reductions in unfunded OPEB which are reported only in the government-wide financial statements along with excess revenues in the General Fund. These excess revenues were predominately in realty transfer, investment earnings and business taxes. Areas of note on the expenditure side included savings from manufacturing delays of heavy equipment, unfilled positions within our labor force. Additionally, the component of our net position that pertains to our business-type activities increased by \$189,909. This increase was largely a result of continually strong collections of our sewer fee, a transfer of \$314,000 for proprietary assets paid by the American Rescue Plan Act fund and \$189,000 in higher than expected investment earnings (again, the result of expected rate cuts by the Federal Reserve Bank that did not materialized in 2024 as economists predicted). Unfortunately, we experienced \$400,000 in higher than expected treatment costs passed-thru to us by Radnor-Haverford-Marple Sewer Authority and Upper Darby Township. This was a result of wet weather events and a new contract between the City of Philadelphia and Upper Darby Township of which we are a third-party.

Table 1 - Net Position	Governmental Activities	
	2024	2023
ASSETS		
Current and other assets	\$ 72,889,220	\$ 87,414,773
Capital assets	97,865,648	79,819,742
TOTAL ASSETS	170,754,868	167,234,515
DEFERRED OUTFLOWS OF RESOURCES	20,885,574	29,459,746
LIABILITIES		
Noncurrent liabilities	149,424,179	157,796,976
Other liabilities	13,292,267	19,306,194
TOTAL LIABILITIES	162,716,446	177,103,170
DEFERRED INFLOWS OF RESOURCES	27,495,336	27,447,163
NET POSITION		
Net investment in capital assets	45,568,584	35,015,830
Restricted	18,128,599	28,175,985
Unrestricted	(62,268,523)	(71,047,887)
TOTAL NET POSITION	\$ 1,428,660	\$ (7,856,072)

<u>Business-Type Activities</u>		<u>Totals</u>	
<u>2024</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>
\$ 11,820,171	\$ 12,014,490	\$ 84,709,391	\$ 99,429,263
<u>6,484,005</u>	<u>6,111,945</u>	<u>104,349,653</u>	<u>85,931,687</u>
<u>18,304,176</u>	<u>18,126,435</u>	<u>189,059,044</u>	<u>185,360,950</u>
<u>81,238</u>	<u>204,422</u>	<u>20,966,812</u>	<u>29,664,168</u>
616,537	746,701	150,040,716	158,543,677
<u>450,065</u>	<u>455,253</u>	<u>13,742,332</u>	<u>19,761,447</u>
<u>1,066,602</u>	<u>1,201,954</u>	<u>163,783,048</u>	<u>178,305,124</u>
<u>-</u>	<u>-</u>	<u>27,495,336</u>	<u>27,447,163</u>
6,484,005	6,111,945	52,052,589	41,127,775
-	-	18,128,599	28,175,985
<u>10,834,807</u>	<u>11,016,958</u>	<u>(51,433,716)</u>	<u>(60,030,929)</u>
\$ <u>17,318,812</u>	\$ <u>17,128,903</u>	\$ <u>18,747,472</u>	\$ <u>9,272,831</u>

TOWNSHIP OF HAVERFORD

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2024

Table 2 highlights the Township's revenues and expenses for the fiscal year ended December 31, 2024. These two main components are subtracted to yield the change in net position. This table utilizes the full-accrual method of accounting.

Table 2 - Changes in Net Position	Governmental Activities	
	2024	2023
REVENUES		
Program revenues		
Charges for services	\$ 10,580,439	\$ 11,003,247
Operating grants and contributions	16,179,248	8,245,312
General revenues		
Real estate taxes	33,118,547	32,231,488
Franchise Fees	876,176	926,791
Miscellaneous	1,331,429	4,139,248
Investment earnings	4,055,505	3,416,038
TOTAL REVENUES	<u>66,141,344</u>	<u>59,962,124</u>
EXPENSES		
General government	4,010,494	4,098,075
Public Safety	27,493,760	26,556,408
Public Works - Sanitation	5,914,592	6,021,225
Public Works - Highways and streets	5,835,615	1,775,823
Culture and recreation	9,265,387	10,189,098
Community development	1,777,928	1,670,852
Debt Service	2,017,188	1,973,589
Loss on sale of asset	827,122	-
Sewer	-	-
TOTAL EXPENSES	<u>57,142,086</u>	<u>52,285,070</u>
CHANGE IN NET POSITION BEFORE TRANSFERS	8,999,258	7,677,054
TRANSFERS	<u>285,474</u>	<u>95,716</u>
CHANGE IN NET POSITION	9,284,732	7,772,770
	<u>(7,856,072)</u>	<u>(15,628,842)</u>
NET POSITION, ENDING	\$ <u>1,428,660</u>	\$ <u>(7,856,072)</u>

Business-Type Activities		Totals	
2024	2023	2024	2023
\$ 4,622,209	\$ 4,663,736	\$ 15,202,648	\$ 15,666,983
-	-	16,179,248	8,245,312
-	-	33,118,547	32,231,488
-	-	876,176	926,791
-	-	1,331,429	4,139,248
562,879	549,976	4,618,384	3,966,014
<u>5,185,088</u>	<u>5,213,712</u>	<u>71,326,432</u>	<u>65,175,836</u>
-	-	4,010,494	4,098,075
-	-	27,493,760	26,556,408
-	-	5,914,592	6,021,225
-	-	5,835,615	1,775,823
-	-	9,265,387	10,189,098
-	-	1,777,928	1,670,852
-	-	2,017,188	1,973,589
-	-	827,122	-
4,709,705	4,116,249	4,709,705	4,116,249
<u>4,709,705</u>	<u>4,116,249</u>	<u>61,851,791</u>	<u>56,401,319</u>
475,383	1,097,463	9,474,641	8,774,517
<u>(285,474)</u>	<u>(95,716)</u>	<u>-</u>	<u>-</u>
189,909	1,001,747	9,474,641	8,774,517
<u>17,128,903</u>	<u>16,127,156</u>	<u>9,272,831</u>	<u>498,314</u>
\$ <u><u>17,318,812</u></u>	\$ <u><u>17,128,903</u></u>	\$ <u><u>18,747,472</u></u>	\$ <u><u>9,272,831</u></u>

TOWNSHIP OF HAVERFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2024

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

As the Township completed the fiscal year, its Governmental Funds reported healthy fund balances of \$54,645,937, a decrease of \$8,372,897. The General Fund increased \$1,574,146 while the Capital Projects and American Rescue Fund decreased \$8,873,508 and \$1,084,565, respectively. Of the current ending fund balances, \$276,536 is shown as non-spendable since it represents prepaid items, \$152,064 is reported as assigned for particular purposes, \$9,199,888 is reported as committed for budgetary reserve in the General Fund, \$18,128,599 is shown as restricted by external sources while \$26,888,750 is shown as unassigned.

Governmental Funds

General Fund, Comparison to Final Budget - Revenue figures exceeded final budget expectations by \$2,543,989, or 4.9 percent. Continuing with last year's theme of inflationary pricing, the Township over-performed in business tax collection by \$503,000 as our business taxes are gross receipt based. Investment earnings over-performed by \$800,000 due to expected federal interest rate cuts that did not come to fruition. The populating of our neighborhoods, schools, parks and sense of community propelled our realty transfer tax revenues to exceed budget by over \$280,000. Miscellaneous receipts from workers compensation refunds, prescription rebates, and COBRA/retiree payments exceeded budget by \$480,000. On the expenditure side, continued supply chain delays with the manufacturing of heavy equipment helped reduce our expected spending by over \$450,000. Several open positions in public works and parks maintenance generated savings of over \$370,000 in wage costs. For the year, we are pleased to report that total expenditures were less than budget expectations by \$944,566, or 1.8 percent.

American Rescue Plan Fund - the Township was the grateful recipient of over \$19m in ARPA funding from the federal government to combat the negative health and economic effects from the COVID-19 pandemic. In 2024, we invested \$6.1m of those dollars in various projects from park improvements to improved government services to infrastructure. Unrestricted investment earnings generated over \$787,000 in additional revenues for the Township.

Non-major Governmental Funds - The activities in the non-major governmental funds are primarily funded by federal grants for specific federally approved projects. Any increase in expenditures is offset by related increase in funding. These grants are cost-reimbursement basis grants.

Proprietary Fund

Sewer Fund - This fund experienced an increase in its net position by \$189,909. This increase was largely a result of continually strong collections of our sewer fee, a transfer of \$314,000 for proprietary assets paid by the American Rescue Plan Act fund and \$189,000 in higher than expected investment earnings (again, the result of expected rate cuts by the Federal Reserve Bank that did not materialized in 2024 as economists predicted). Unfortunately, we experienced \$400,000 in higher than expected treatment costs passed-thru to us by Radnor-Haverford-Marple Sewer Authority and Upper Darby Township. This was a result of wet weather events and a new contract between the City of Philadelphia and Upper Darby Township of which we are a third-party.

TOWNSHIP OF HAVERFORD
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2024, the Township had invested \$104,349,653, net of accumulated depreciation, in a broad range of capital assets (see the table below). Depreciation expense for this calendar year totaled \$4,457,838.

Programs	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 14,713,479	\$ 14,713,479	\$ -	\$ -	\$ 14,713,479	\$ 14,713,479
Construction in progress	20,159,335	7,969,713	-	-	20,159,335	7,969,713
Buildings and improvements	35,454,318	35,200,238	811,067	811,067	36,265,385	36,011,305
Machinery and equipment	37,152,362	31,470,499	1,314,108	1,131,894	38,466,470	32,602,393
Infrastructure and improvements	46,948,087	44,623,107	6,995,965	6,703,129	53,944,052	51,326,236
Accumulated depreciation	(56,561,933)	(54,157,294)	(2,637,135)	(2,534,145)	(59,199,068)	(56,691,439)
	<u>\$ 97,865,648</u>	<u>\$ 79,819,742</u>	<u>\$ 6,484,005</u>	<u>\$ 6,111,945</u>	<u>\$ 104,349,653</u>	<u>\$ 85,931,687</u>

Additional information on the Township’s capital assets is contained in Note E to the financial statements. Highlighting construction in progress is the renovation and expansion of the Haverford Township Free Library along with extension of the Darby Creek Trail system and development of the new Brookline Park. Major capital assets acquisitions and project completions during 2024 include completion of the Pennsy Trail, large pieces of heavy equipment, police vehicles, traffic signal upgrades, emergency response vehicles, various park improvements including tennis and basketball court resurfacing, replacement of playground equipment, replacement of chillers and colling towers at the Skatium, air packs for our volunteer firefighters, and various sanitary and storm water improvements throughout the Township.

Long-term Debt

At the end of the current fiscal year, the Township had total bonded debt outstanding of \$56,485,000. Governmental activities report \$56,485,000 and business-type activities report \$0- of general obligation bonds and notes payable. The Township is empowered by state law to issue debt obligations within the limits of authority passed from time to time by the state legislature. Additional information on the Township’s long-term debt can be found in Note G to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

As we enter 2025, a degree of uncertainty accompanies the inauguration of a new President and the introduction of a new economic agenda, while the nation continues to navigate the challenges of elevated inflation and interest rates. Fortunately, the Township does not anticipate any new borrowing in the near term, as our focus remains on the completion of several significant, long-term capital projects for which funding has already been secured.

Preparing for fiscal year 2025 presented ongoing concerns surrounding inflation, which remained around 3.6%, as well as uncertainty regarding the Federal Reserve’s timeline for reducing interest rates — a factor directly impacting the Township’s investment income. In the coming year, the Township is also scheduled to enter negotiations with its civilian bargaining unit, as public sector employers continue to face challenges in remaining competitive with private sector wage growth.

TOWNSHIP OF HAVERFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2024

For 2025, general fund expenditures are budgeted to increase by 3%. While residential trash collection fees will remain unchanged, the Board of Commissioners approved a 3.4% property tax increase to help offset rising operational costs and to maintain the Township's current level of services. Additionally, the sewer usage rate will increase from \$4.55 per 1,000 gallons to \$5.15 per 1,000 gallons of water used, reflecting terms of a renegotiated sewage treatment agreement between the City of Philadelphia and Upper Darby Township, in which Haverford Township participates as a third-party entity.

Haverford Township remains committed to advancing projects that strengthen our community, elevate public services, and promote a more sustainable future — not only for today's residents and visitors, but for the generations that will follow.

In May 2025, years of thoughtful planning and community collaboration will come to life with the highly anticipated completion of the Haverford Township Free Library's renovation and expansion. As a beloved cornerstone of our community, the Library has long served as a vital space for learning, connection, and discovery. This transformative project will introduce modern amenities, cutting-edge technology, enhanced building systems, and flexible spaces designed to host a wide range of programs, gatherings, and events — along with the addition of a new, convenient parking lot across Mill Road. This revitalization reaffirms the Township's enduring commitment to literacy, education, and lifelong learning for all who call Haverford home.

Brookline Park, a promising new addition to the community, will continue to take shape in 2025, with significant progress expected in stormwater management and site grading. Ultimately, the park's thoughtfully designed layout will offer a blend of active and passive recreational amenities for residents of all ages, establishing a vibrant community gathering space and enhancing neighborhood connectivity. Supporting this exciting development, the Township recently secured \$850,000 in Local Share grant funding from the Commonwealth of Pennsylvania.

In the spring of 2025, Haverford Township's beloved indoor ice-skating facility, The Skatium, will embark on a significant renovation project focused on upgrading its locker room facilities. More than just a hometown favorite for residents and visitors, The Skatium proudly serves as a hub for numerous organized user groups and athletes. This renovation will prioritize ADA accessibility while addressing longstanding needs for equity and inclusion, ensuring that the facility meets the expectations and requirements of today's ice hockey and figure skating communities. This project reflects the Township's ongoing commitment to providing welcoming, inclusive, and modern recreational spaces for all.

The extension of the Darby Creek Trail will continue moving forward in 2025, creating a 1.5-mile multi-modal pathway designed for residents and visitors of all ages to enjoy. Stretching from McDonald Field to its current terminus near West Chester Pike, this project represents a major step in expanding recreational and alternative transportation options within the Township. To support its development, Haverford Township successfully secured \$800,000 in funding through the Delaware Valley Regional Planning Commission and the Delaware County Green Ways Municipal Grant Program, along with an additional \$400,000 in Local Share grant funding from the Commonwealth of Pennsylvania.

Looking ahead, the Township plans a short trail spur leading to the intersection of Burmont and Glendale Roads, where the Township is working with PennDOT to enhance pedestrian safety and accessibility. Further demonstrating its commitment to safe, connected, and active public spaces, the Township received a \$1,000,000 multi-modal transportation grant from the Commonwealth of Pennsylvania to support intersection improvements as part of this project phase.

TOWNSHIP OF HAVERFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2024

In 2025 and 2026, Haverford Township will take delivery of several key pieces of emergency apparatus, including an ambulance, a heavy rescue unit, an engine and two aerial units. These critical assets will enable our emergency medical personnel and volunteer fire companies to maintain the high standard of life-saving services that our community has benefited from for many years, ensuring their continued ability to protect both life and property in the future.

As we look to the future, Haverford Township remains dedicated to advancing initiatives that enhance the quality of life for all residents. Despite the broader economic uncertainties, we are confident that our strategic investments in infrastructure, public safety, and community amenities will continue to foster growth, resilience, and sustainability. By focusing on completing key projects and maintaining a steady commitment to fiscal responsibility, the Township is well-positioned to meet the challenges of 2025 and beyond, ensuring a thriving community for generations to come.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Township of Haverford's finances to the citizens of the Township of Haverford and other users of such data. This report can be found on the Township website at www.havtwp.org. Questions concerning any of the information in this report and requests for additional financial information should be addressed to David R. Burman, Township Manager, Township of Haverford, 1014 Darby Road, Havertown, PA 19083.

TOWNSHIP OF HAVERFORD
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government			Component
	Governmental	Business-Type	Totals	Unit
	Activities	Activities		Free Library
ASSETS				
Cash and cash equivalents				
Unrestricted	\$ 62,759,215	\$ 11,631,141	\$ 74,390,356	\$ 2,222,295
Restricted	2,529,132	-	2,529,132	-
Accounts receivable	1,523,304	141,646	1,664,950	11,862
Lease receivable	4,866,630	-	4,866,630	-
Due from other governments	967,282	-	967,282	-
Prepaid expenses	276,536	14,505	291,041	1,358
Internal balances	(32,879)	32,879	-	-
Capital assets				
Land	14,713,479	-	14,713,479	-
Construction in progress	20,159,335	-	20,159,335	-
Other capital assets, net of accumulated depreciation	62,992,834	6,484,005	69,476,839	846,506
TOTAL ASSETS	<u>170,754,868</u>	<u>18,304,176</u>	<u>189,059,044</u>	<u>3,082,021</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources relating to pensions	6,375,429	81,238	6,456,667	-
Deferred outflows of resources relating to OPEB	14,510,145	-	14,510,145	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>20,885,574</u>	<u>81,238</u>	<u>20,966,812</u>	<u>-</u>
LIABILITIES				
Accounts payable	3,988,007	450,065	4,438,072	144,551
Accrued interest	324,871	-	324,871	-
Escrows payable	281,260	-	281,260	-
Unearned revenues	8,698,129	-	8,698,129	-
Long-term liabilities				
Portion due or payable within one year				
Bonds payable	3,120,000	-	3,120,000	-
Bond premiums, net of accumulated amortization	219,249	-	219,249	-
Lease liabilities	-	-	-	719
Total OPEB liability	1,430,211	-	1,430,211	-
Portion due or payable after one year				
Bonds payable	53,365,000	-	53,365,000	-
Bond premiums, net of accumulated amortization	4,417,668	-	4,417,668	-
Net pension liability	32,380,665	578,381	32,959,046	-
Total OPEB liability	51,634,196	-	51,634,196	-
Compensated absences	2,857,190	38,156	2,895,346	-
TOTAL LIABILITIES	<u>162,716,446</u>	<u>1,066,602</u>	<u>163,783,048</u>	<u>145,270</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred charges on refunding, net	34,772	-	34,772	-
Deferred inflows relating to leases	4,576,205	-	4,576,205	-
Deferred inflows relating to pensions	67,841	-	67,841	-
Deferred inflows relating to OPEB	22,816,518	-	22,816,518	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>27,495,336</u>	<u>-</u>	<u>27,495,336</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	45,568,584	6,484,005	52,052,589	845,787
Restricted	18,128,599	-	18,128,599	-
Unrestricted	(62,268,523)	10,834,807	(51,433,716)	2,090,964
TOTAL NET POSITION	<u>\$ 1,428,660</u>	<u>\$ 17,318,812</u>	<u>\$ 18,747,472</u>	<u>\$ 2,936,751</u>

See accompanying notes to the basic financial statements.

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TOWNSHIP OF HAVERFORD
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 4,010,494	\$ 716,727	\$ 7,094,768	\$ -
Public safety	27,493,760	2,072,520	545,620	-
Public works				
Sanitation	5,914,592	4,665,240	66,752	-
Highways and streets	5,835,615	172,411	1,352,390	-
Culture and recreation	9,265,387	2,953,541	-	-
Community development	1,777,928	-	7,119,718	-
Debt service	2,017,188	-	-	-
Loss on sale of capital assets	827,122	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>57,142,086</u>	<u>10,580,439</u>	<u>16,179,248</u>	<u>-</u>
BUSINESS-TYPE ACTIVITIES				
Sewer	<u>4,709,705</u>	<u>4,622,209</u>	<u>-</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 61,851,791</u>	<u>\$ 15,202,648</u>	<u>\$ 16,179,248</u>	<u>\$ -</u>
COMPONENT UNIT				
Free Library	<u>\$ 1,562,279</u>	<u>\$ 17,594</u>	<u>\$ 1,569,741</u>	<u>\$ 202,841</u>
GENERAL REVENUES				
Taxes				
Property Taxes				
Transfer				
Business privilege				
Mercantile				
Local Service Tax				
Franchise fees				
Grants and contributions not restricted to specific programs				
Investment earnings				
Other revenue				
TRANSFERS				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION AT BEGINNING OF YEAR				
NET POSITION AT END OF YEAR				

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Totals	Free Library
\$ 3,801,001	\$ -	\$ 3,801,001	\$ -
(24,875,620)	-	(24,875,620)	-
(1,182,600)	-	(1,182,600)	-
(4,310,814)	-	(4,310,814)	-
(6,311,846)	-	(6,311,846)	-
5,341,790	-	5,341,790	-
(2,017,188)	-	(2,017,188)	-
(827,122)	-	(827,122)	-
<u>(30,382,399)</u>	<u>-</u>	<u>(30,382,399)</u>	<u>-</u>
<u>-</u>	<u>(87,496)</u>	<u>(87,496)</u>	<u>-</u>
<u>(30,382,399)</u>	<u>(87,496)</u>	<u>(30,469,895)</u>	<u>-</u>
			<u>227,897</u>
27,580,689	-	27,580,689	-
1,756,154	-	1,756,154	-
2,147,411	-	2,147,411	-
930,477	-	930,477	-
703,816	-	703,816	-
876,176	-	876,176	-
1,050	-	1,050	-
4,055,505	562,879	4,618,384	18,848
1,330,379	-	1,330,379	-
285,474	(285,474)	-	-
<u>39,667,131</u>	<u>277,405</u>	<u>39,944,536</u>	<u>18,848</u>
9,284,732	189,909	9,474,641	246,745
<u>(7,856,072)</u>	<u>17,128,903</u>	<u>9,272,831</u>	<u>2,690,006</u>
<u>\$ 1,428,660</u>	<u>\$ 17,318,812</u>	<u>\$ 18,747,472</u>	<u>\$ 2,936,751</u>

TOWNSHIP OF HAVERFORD

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2024

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>American Rescue Plan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents					
Unrestricted	\$ 36,801,850	\$ 16,843,663	\$ 9,013,848	\$ 99,854	\$ 62,759,215
Restricted	2,529,132	-	-	-	2,529,132
Taxes receivable	545,091	-	-	-	545,091
Accounts receivable	818,571	783,368	-	159,642	1,761,581
Leases receivable	4,866,630	-	-	-	4,866,630
Due from other governments	183,914	-	-	-	183,914
Prepaid expenses	276,536	-	-	-	276,536
TOTAL ASSETS	<u>\$ 46,021,724</u>	<u>\$ 17,627,031</u>	<u>\$ 9,013,848</u>	<u>\$ 259,496</u>	<u>\$ 72,922,099</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenses	\$ 1,372,050	\$ 2,177,981	\$ 278,334	\$ 159,642	\$ 3,988,007
Due to other funds	32,879	-	-	-	32,879
Escrows payable	281,260	-	-	-	281,260
Unearned revenues	73,334	-	8,684,951	-	8,758,285
TOTAL LIABILITIES	<u>1,759,523</u>	<u>2,177,981</u>	<u>8,963,285</u>	<u>159,642</u>	<u>13,060,431</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues					
Property taxes	455,612	-	-	-	455,612
Leases	4,576,205	-	-	-	4,576,205
Loan proceeds	183,914	-	-	-	183,914
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>5,215,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,215,731</u>
FUND BALANCES					
Nonspendable, prepaid expenses	276,536	-	-	-	276,536
Restricted					
Capital projects	-	15,449,050	-	-	15,449,050
Cable access enhancements	-	-	-	20,574	20,574
Community development	-	-	50,563	3,220	53,783
Culture and recreation	584,362	-	-	-	584,362
Scholarship fund	8,386	-	-	-	8,386
Real estate taxes paid under protest	21,330	-	-	-	21,330
Various escrow	259,801	-	-	-	259,801
Park improvements	-	-	-	76,060	76,060
Public works - highways and streets	1,518,909	-	-	-	1,518,909
Public safety	136,344	-	-	-	136,344
Committed, budgetary reserve	9,199,988	-	-	-	9,199,988
Assigned, parks and recreation	152,064	-	-	-	152,064
Unassigned	26,888,750	-	-	-	26,888,750
TOTAL FUND BALANCES	<u>39,046,470</u>	<u>15,449,050</u>	<u>50,563</u>	<u>99,854</u>	<u>54,645,937</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 46,021,724</u>	<u>\$ 17,627,031</u>	<u>\$ 9,013,848</u>	<u>\$ 259,496</u>	<u>\$ 72,922,099</u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF HAVERFORD

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

TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 54,645,937
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Capital assets net of accumulated depreciation as detailed in the footnotes are included in the statement of net position.	97,865,648
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in the fund financial statements but are reported in the governmental activities on the statement of net position.	
Deferred amounts related to pensions	6,307,588
Deferred amounts related to OPEB	(8,306,373)
Deferred amount on refunding, net of accumulated amortization	(34,772)
Because the focus of Governmental Funds is on short-term financing, some assets will not be available to pay current period expenditures. Those assets are offset by deferred revenues in the Governmental Funds and thus are not included in fund balance.	699,682
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Bonds payable	(56,485,000)
Bond premiums, net of accumulated amortization	(4,636,917)
Interest payable	(324,871)
Net pension liability	(32,380,665)
Total OPEB liability	(53,064,407)
Compensated absences	(2,857,190)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,428,660</u>

See accompanying notes to the basic financial statements.

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

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>American Rescue Plan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes					
Property	\$ 27,580,689	\$ -	\$ -	\$ -	\$ 27,580,689
Transfer	1,756,154	-	-	-	1,756,154
Business privilege	2,147,411	-	-	-	2,147,411
Mercantile	930,477	-	-	-	930,477
Local services	703,816	-	-	-	703,816
Licenses and permits	2,388,542	-	-	-	2,388,542
Fines and forfeits	200,273	-	-	-	200,273
Interest and rent	2,231,479	1,191,774	787,274	4,639	4,215,166
Intergovernmental revenues	3,899,525	5,299,649	6,053,086	860,133	16,112,393
Charges for services	8,721,462	-	-	-	8,721,462
Other	1,688,827	393,813	-	213,153	2,295,793
TOTAL REVENUES	<u>52,248,655</u>	<u>6,885,236</u>	<u>6,840,360</u>	<u>1,077,925</u>	<u>67,052,176</u>
EXPENDITURES					
Current					
General government	4,490,198	176,218	-	-	4,666,416
Public safety	23,841,205	419,867	-	-	24,261,072
Highways and streets	5,764,783	1,780,707	-	-	7,545,490
Culture and recreation	7,106,742	14,173,893	-	-	21,280,635
Public works, sanitation	5,651,292	-	-	-	5,651,292
Community development	-	-	6,053,086	1,066,632	7,119,718
Miscellaneous	-	5,250	-	263	5,513
Debt service					
Principal retirement	2,980,000	-	-	-	2,980,000
Interest	2,247,701	-	-	-	2,247,701
TOTAL EXPENDITURES	<u>52,081,921</u>	<u>16,555,935</u>	<u>6,053,086</u>	<u>1,066,895</u>	<u>75,757,837</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>166,734</u>	<u>(9,670,699)</u>	<u>787,274</u>	<u>11,030</u>	<u>(8,705,661)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of fixed assets	-	47,290	-	-	47,290
Interfund transfers in	2,157,313	749,901	-	-	2,907,214
Interfund transfers out	(749,901)	-	(1,871,839)	-	(2,621,740)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,407,412</u>	<u>797,191</u>	<u>(1,871,839)</u>	<u>-</u>	<u>332,764</u>
NET CHANGE IN FUND BALANCES	1,574,146	(8,873,508)	(1,084,565)	11,030	(8,372,897)
FUND BALANCES AT BEGINNING OF YEAR	<u>37,472,324</u>	<u>24,322,558</u>	<u>1,135,128</u>	<u>88,824</u>	<u>63,018,834</u>
FUND BALANCES AT END OF YEAR	<u>\$ 39,046,470</u>	<u>\$ 15,449,050</u>	<u>\$ 50,563</u>	<u>\$ 99,854</u>	<u>\$ 54,645,937</u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF HAVERFORD

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (8,372,897)

Capital outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$4,270,033) is exceeded by capital outlays (\$23,190,351) in the current period. 18,920,318

The net effect of various miscellaneous transactions involving capital assets. (874,412)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 4,342

The issuance of long-term debt (e.g., notes, leases) provides current financial resources to Governmental Funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on net position. Also, Governmental Funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 3,199,215

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 the Governmental Funds:

Change in accrued interest payable	16,548
Change in compensated absences	(131,444)
Changes in the total OPEB liability and related deferrals	(1,101,667)
Changes in net pension liability and related deferrals	<u>(2,375,271)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 9,284,732

See accompanying notes to the basic financial statements.

TOWNSHIP OF HAVERFORD

STATEMENT OF NET POSITION

PROPRIETARY FUND

DECEMBER 31, 2024

	<u>Sewer Fund</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 11,631,141
Receivables	141,646
Due from other funds	32,879
Prepaid expenses	14,505
TOTAL CURRENT ASSETS	<u>11,820,171</u>
CAPITAL ASSETS	
Building and improvements	811,067
Vehicles	1,314,108
Sewer system	6,995,965
Accumulated depreciation	<u>(2,637,135)</u>
TOTAL CAPITAL ASSETS	<u>6,484,005</u>
TOTAL ASSETS	<u>18,304,176</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount related to pensions	<u>81,238</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued wages	<u>450,065</u>
NONCURRENT LIABILITIES	
Net pension liability	578,381
Compensated absences	38,156
TOTAL NONCURRENT LIABILITIES	<u>616,537</u>
TOTAL LIABILITIES	<u>1,066,602</u>
NET POSITION	
Net investment in capital assets	6,484,005
Unrestricted	<u>10,834,807</u>
TOTAL NET POSITION	<u>\$ 17,318,812</u>

See accompanying notes to the basic financial statements.

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

	<u>Sewer Fund</u>
OPERATING REVENUES	
Charges for sewer services	\$ 4,601,274
Other revenues	20,935
TOTAL OPERATING REVENUES	<u>4,622,209</u>
OPERATING EXPENSES	
Treatment and operational expenses	3,761,672
Salaries and benefits	654,399
General and administrative	105,829
Depreciation	187,805
TOTAL OPERATING EXPENSES	<u>4,709,705</u>
OPERATING LOSS	<u>(87,496)</u>
NONOPERATING REVENUES	
Investment income	<u>562,879</u>
INCOME BEFORE OPERATING TRANSFERS	475,383
OPERATING TRANSFERS	
Operating transfers in	314,526
Operating transfers out	<u>(600,000)</u>
TOTAL OPERATING TRANSFERS	<u>(285,474)</u>
CHANGE IN NET POSITION	189,909
NET POSITION AT BEGINNING OF YEAR	<u>17,128,903</u>
NET POSITION AT END OF YEAR	<u>\$ 17,318,812</u>

See accompanying notes to the basic financial statements.

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

	<u>Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 4,626,266
Cash paid to employees for services	(661,379)
Cash paid to suppliers	<u>(3,876,186)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>88,701</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Interfund revenues	314,526
Interfund expenses	<u>(600,000)</u>
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	<u>(285,474)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	<u>(559,865)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends on investments	<u>562,879</u>
DECREASE IN CASH AND CASH EQUIVALENTS	<u>(193,759)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>11,824,900</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 11,631,141</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (87,496)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	187,805
Pension expense	(8,068)
(Increase) Decrease in	
Receivables	4,057
Due from other funds	(1,121)
Prepaid expense	(2,376)
Increase (Decrease) in	
Accounts payable and accrued wages	(5,188)
Compensated absences	<u>1,088</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 88,701</u>

See accompanying notes to the basic financial statements.

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

	<u>Pension Trust Funds</u>
ASSETS	
Cash	\$ 7,986,633
Investments, at fair value	
Mutual funds	45,975,546
Exchange traded funds	49,832,794
Receivables	
Accrued income	<u>49,621</u>
TOTAL ASSETS	<u>\$ 103,844,594</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 103,844,594</u>

See accompanying notes to the basic financial statements.

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

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
Employer contributions	\$ 5,039,965
Employee contributions	761,697
Commonwealth of Pennsylvania	1,472,224
TOTAL CONTRIBUTIONS	<u>7,273,886</u>
Investment earnings	
Net appreciation in fair market value of investments	6,972,596
Interest and dividends	2,819,664
Investment expenses	(243,984)
INVESTMENT EARNINGS, net	<u>9,548,276</u>
TOTAL ADDITIONS	<u>16,822,162</u>
DEDUCTIONS	
Employee benefit payments	7,062,833
Administrative expenses	24,750
Insurance	17,778
Return of member contributions	23,720
TOTAL DEDUCTIONS	<u>7,129,081</u>
CHANGE IN NET POSITION	9,693,081
NET POSITION AT BEGINNING OF YEAR	<u>94,151,513</u>
NET POSITION AT END OF YEAR	<u>\$ 103,844,594</u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Township of Haverford (the "Township") is a municipal corporation existing and operating under Home Rule Charter following the First Class Township Code of the Commonwealth of Pennsylvania. In evaluating the Township (the primary government) as a reporting entity, all potential component units that may or may not fall within the financial accountability of the Township have been addressed. Financial accountability is present if the Township appoints a voting majority of a component unit's governing body and has the ability to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Township.

Component Units

- The Haverford Township Free Library ("the Library") is a component unit of the Township of Haverford, as four of the seven members of the Library Board of Trustees are appointed by the Board of Commissioners of the Township of Haverford. The Library is reported as a discretely presented component unit in the Township financial statements. The Library's separately audited financial statements can be obtained at the Library during regular business hours.
- The Pension Plans are single employer defined benefit and defined contribution pension plans for all full-time employees and police officers. 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 Township Commissioners and the Township is responsible for funding the plan. The plans are reported as a fiduciary fund and issue separate financial statements.

Government-Wide and Fund Financial Statements

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

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

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

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary Fund and Fiduciary Fund financial statements. 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.

Governmental Funds financial statements are reported 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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Township reports the following major Governmental Funds:

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

The *Capital Projects Fund* accounts for financial resources used to acquire or construct major capital projects. The revenue in this fund comes from the sale of bonds/notes or from capital appropriations from the General Fund. This fund is reported as a major fund.

The *American Rescue Plan Fund* accounts for federal funds received under the American Rescue Plan Act and the related expenditures of those funds.

The Township reports the following major Proprietary Fund:

The *Sewer Fund* accounts for the sewage and wastewater service operations and is intended to be self-supporting through user charges.

Additionally, the Township reports the following Fiduciary Fund Types:

The *Pension Trust Funds* account for the activities of the Police and Non-Uniformed Pension Plans, which accumulate resources for pension benefit payments to qualified employees.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Township's sewer function and various other functions of the Township. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

The Proprietary Fund distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Sewer Fund are charges to customers for sales and services. Operating expenses of the Sewer Fund include the costs of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

Deposits and Investments

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

With the exception of Pension Trust Funds, 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 law also allows for the Township to invest in certificates of deposit of banks, savings and loans and savings banks both within and outside the Commonwealth of Pennsylvania, provided such amounts are insured by the Federal Deposit Insurance Corporation (FDIC) or other like insurance and that deposits in excess of such insurance are collateralized by the depository.

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

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

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments for the Township are reported at fair value. In establishing the fair value of investments, the Township uses the following hierarchy. The lowest level of valuation available is used for all investments.

Level 1 - Valuations based on quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2 - Valuations based on quoted prices of similar products in active markets or identical products in markets that are not active or for which all significant inputs are observable, directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Restricted Cash

Certain cash deposits have been classified as restricted assets because of external grant restrictions or because they are held by the Township in a custodial capacity for developer fees.

Interfund Transactions

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts Receivable and Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been provided since management considers all accounts to be collectible. The Township is permitted to lien the customer's property if the customer does not remit payment for property taxes, sewer user fees, or trash collection fees.

Property Taxes

Property taxes are levied as of January 1 on property values assessed as of the same date. Taxes are billed February 1 and payable under the following terms: a two percent discount February 1 through March 31; face amount April 1 through May 31; and a 10 percent penalty after May 31. Any unpaid bills at December 31 are subject to lien, and penalties and interest are assessed.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets, Township

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the lives of the assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Prior to January 1, 2003, Governmental Funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Property, plant and equipment of the Township are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Roads	20
Storm sewers	75
Recreation equipment	5-40
Traffic signals	5-30
Buildings	40
Vehicles	10
Building improvements	10-40
General improvements and equipment	5-20
Sanitary sewers	75

Capital Assets, Free Library

Capital assets, which include leasehold improvements and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost of more than \$500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Major outlays for capital assets and improvement are capitalized as projects are constructed. Interest incurred during construction is not capitalized. Collection and books that are exhaustible are capitalized; books used in the circulating Library have not been capitalized because their estimated useful lives are less than one year.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Leasehold improvements	20
Furniture and equipment	3-10
Book collection	5

Leases

The Township is the lessor for noncancellable leases of space. The Township recognizes a lease receivable and a deferred inflow of resources in the statement of net position.

At commencement of a lease, the Township initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The Township uses its estimated incremental borrowing rates as the discount rate for leases
- The lease term includes the noncancellable period of the lease plus renewal options that are reasonably certain to be exercised. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Compensated Absences

Sick Pay - Civil employees are paid for up to 50 days of unused sick time, plus a maximum of \$3,000 in excess of the 50 days, upon retirement, disability, or layoff. At the time of retirement, for police employees hired prior to January 1, 2016, up to 90 unused sick days shall be paid at one-half of one hundred percent of the prevailing daily base pay for the retiring officer's rank in effect at retirement. For police employees hired on or after January 1, 2016, at the time of retirement, up to 90 unused sick days shall be paid at 100% of prevailing daily base rate for the retiring officer's rank in effect at retirement. All sick pay is accrued when incurred in the government-wide and Proprietary Fund financial statements. A liability for these amounts is reported in Governmental Funds only if they have matured; for example, as a result of employee resignations and retirements.

Other Leave Time - Certain department directors, in place as of February 28, 2016, can carryover unused leave time for payout at retirement. Police personnel can also carryover leave time known as TOTO for payout at retirement.

The Township implemented GASB Statement No. 101, Compensated Absences, effective January 1, 2024. The objective of GASB 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This 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. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences.

The adoption of GASB 101 did not have a material impact on the financial statements.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund Type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issues is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has two items that qualify for reporting in this category. The first item is the deferred amount related to pensions, reported in the government-wide statement of net position and the proprietary fund statement of net position. The deferred amount related to pensions is the result of changes in plan assumptions, the net difference between actual and expected experience and the net difference between projected and actual earnings on pension plan investments. The second item is the deferred amount related to other postemployment benefits ("OPEB"), reported in the government-wide statement of net position. The deferred amount is the result of changes in plan assumptions and net difference between expected and actual experience.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has five types of items that qualifies for reporting in this category.

Unavailable revenues arise only under a modified accrual basis of accounting and are reported only in the Governmental Funds balance sheet. The Governmental Funds report unavailable revenues from property taxes and loans to other governments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item are unavailable revenues related to leases are presented in both the Governmental Funds Balance Sheet as well as the government-wide statement of net position. The third item is the deferred amount related to pensions, reported in the government-wide statement of net position and the proprietary fund statement of net position. The deferred amount related to pensions is the result of the net difference between actual and expected experience. The fourth item is the deferred amount related to OPEB, reported in the government-wide statement of net position. The deferred amount is the result of changes in plan assumptions and difference between expected and actual experience. The fifth item, the deferred charge on refunding, is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Fund Balance

Fund balances of the governmental funds are classified, if applicable, as follows:

- ***Nonspendable Fund Balance*** - Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- ***Restricted Fund Balance*** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions or by enabling legislation.
- ***Committed Fund Balance*** - Amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority (the Board of Commissioners). To be reported as committed, amounts cannot be used for any other purpose unless the Township takes the same highest level action to remove or change the constraint.
- ***Assigned Fund Balance*** - Amounts the Township intends to use for a specific purpose. Intent can be expressed by the Board of Commissioners or by an official or body to which the Board of Commissioners delegates the authority. As of December 31, 2024, the Board has delegated the authority to assign fund balance to the Township Manager.
- ***Unassigned Fund Balance*** - Amounts available for any purpose. Positive amounts are reported only in the General Fund.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by passage of a motion. Assigned fund balance is intended to be used by the Township for specific purposes but does not meet the criteria to be classified as restricted or committed.

The Township will typically use restricted fund balances first, followed by committed resources and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Net Position

Net position is classified as follows:

- ***Net Investment in Capital Assets*** - The Township's investment in capital assets plus any unspent funding from debt borrowings, reduced by accumulated depreciation and any outstanding debt related to the acquisition, construction, or improvement of those assets.
- ***Restricted*** - amounts limited by external parties or legislation.
- ***Unrestricted*** - amounts available for consumption or not restricted in any manner.

Sometimes the Township will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Use of Estimates

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

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Capital Projects Fund, American Rescue Plan Fund, and Sewer Fund. All annual appropriations lapse at fiscal year-end. The General Fund and American Rescue Plan Fund budgets are presented in the required supplementary information.

The Township Manager must submit a preliminary budget to the Board of Commissioners on or before 60 days of year-end. On or before 30 days of year-end, the Board of Commissioners must adopt a preliminary budget. No later than 10 days following the adoption of the preliminary budget by the Board, the Manager shall cause to be published in one or more newspapers of general circulation in the Township a summary of the budget and notice of the date, time and place at which the Board shall hold a public meeting on the proposed budget, which shall take place at a regular or special meeting of the Board at least seven days after advertisement. Following advertising and public hearing at which interested citizens shall have the right to express their views on the budget, the Board, by a majority vote of its total membership, shall adopt a final budget with such amendments as the Board considers advisable.

The Township Board of Commissioners approves, by ordinance, total budget appropriations only. The Township Manager is authorized to transfer budget amounts between departments within the General Fund; however, any appropriations that exceed the total budget appropriations for the year of any fund are approved by the Board of Commissioners by resolution at the conclusion of the year. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.

Encumbrance accounting is employed in Governmental Funds. Encumbrances (e.g., purchase orders) outstanding at year-end lapse.

Excess of Expenditures Over Appropriations

For the year ended December 31, 2024, the General Fund incurred the following expenditures in excess of appropriations:

General Government	\$13,504
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NOTE C - DEPOSITS AND INVESTMENTS

Custodial Credit Risk

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

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE C - DEPOSITS AND INVESTMENTS

As of year-end, the carrying amount of deposits was \$76,919,488 and the bank balance was \$77,747,536. Of the bank balance, \$764,921 was covered by federal depository insurance; \$26,474,942 exceeded depository insurance and was exposed to custodial credit risk because the deposits were uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the Township's name; and the remaining balances of \$38,507,104 and \$12,000,569 were held in the Pennsylvania Local Government Investment Trust (PLGIT) and Pennsylvania School District Liquid Asset Fund (PSDLAF). Although not registered with the Securities and Exchange Commission and not subject to regulator oversight, PLGIT and PSDLAF act like money market mutual funds in that their objective is to maintain a stable net asset value of \$1 per share. Both are rated by a nationally recognized organization (Standard & Poor's rating of AAAM as of December 31, 2024), and are subject to an independent annual audit.

Investments

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

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair market value of an investment. The Township does not have a formal investment policy that limits investment maturities.

At year-end, investment balances were as follows:

Investment Type	Fair Value	Investment Maturities		
		Less Than 1 Year	1 to 5 Years	6 to 10 Years
PENSION ACTIVITIES				
Mutual funds	\$ 45,975,546	\$ 27,583,118	\$ 790,614	\$ 17,601,814
Exchange traded funds	<u>49,832,794</u>	<u>30,568,265</u>	<u>959,923</u>	<u>18,304,606</u>
TOTAL	\$ <u>95,808,340</u>	\$ <u>58,151,383</u>	\$ <u>1,750,537</u>	\$ <u>35,906,420</u>

Fair Value Measurement - The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments in mutual funds of \$45,975,546 and exchange traded funds of \$49,832,794 are valued using quoted market prices (Level 1 inputs).

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE C - DEPOSITS AND INVESTMENTS

Credit Risk - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the investment of Governmental Funds as described in Note A. Resolution No. 2143-2019 is the Township's formal investment policy for credit risk which was adopted on July 8, 2019 by the Board of Commissioners. The Governmental Funds pooled investments are rated AAAM by Standard & Poor's. The Fiduciary Funds bond mutual funds range from a rating of A to AAA by Moody's. The Fiduciary Funds pooled investments are assets held at contract value by Metropolitan Life Insurance Company, and there is no method available to disclose the interest rate risk of applicable underlying debt securities.

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

Free Library - Deposits and Investments

Deposits - As of December 31, 2024, the total carrying amount of the Library's deposits was \$2,222,295 and the corresponding bank balance was \$2,221,816.

Custodial Credit Risk -

Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library does not have a policy for custodial credit risk. The bank balances are covered by federal depository insurance.

Investments - For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Library has no investment subject to custodial credit risk.

Interest Rate Risk - The Library has no formal policy that limits investment choices to certain credit ratings.

Credit Risk - The Library has no investment policy that would limit its investment choices to certain credit ratings.

Concentration of Credit Risk - The Library has no investment policy that would limit the amount the Library may invest in one issuer.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE D - RECEIVABLES

Receivables as of year-end for the Township's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Capital Projects Fund	Other Governmental Funds	Sewer Fund	Fiduciary Funds
Taxes	\$ 545,091	\$ -	\$ -	\$ -	\$ -
Accounts receivable	818,571	783,368	159,642	141,646	-
Leases	4,866,630	-	-	-	-
Due from other governments	183,914	-	-	-	-
Accrued income	-	-	-	-	49,621
	<u>\$ 6,414,206</u>	<u>\$ 783,368</u>	<u>\$ 159,642</u>	<u>\$ 141,646</u>	<u>\$ 49,621</u>

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE E - CAPITAL ASSETS

Governmental activities capital asset activity for the year ended December 31, 2024, was as follows:

	Balance January 1, 2024	Increases	Decreases	Balance December 31, 2024
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 14,713,479	\$ -	\$ -	\$ 14,713,479
Construction in progress	7,969,713	19,134,168	(6,944,546)	20,159,335
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	22,683,192	19,134,168	(6,944,546)	34,872,814
Capital assets being depreciated				
Roads	27,410,184	2,118,522	-	29,528,706
Storm sewers	12,574,700	353,233	-	12,927,933
Recreation equipment	10,591,344	4,204,419	(33,117)	14,762,646
Traffic signals	1,885,053	80,902	-	1,965,955
Buildings	31,438,000	40,734	(752,083)	30,726,651
Vehicles	18,994,102	1,710,804	(281,145)	20,423,761
Building improvements	3,762,238	1,456,402	(490,973)	4,727,667
General improvements	4,638,223	1,035,713	(1,182,488)	4,491,448
TOTAL CAPITAL ASSETS BEING DEPRECIATED	111,293,844	11,000,729	(2,739,806)	119,554,767
Accumulated depreciation				
Roads	(18,090,733)	(1,051,289)	-	(19,142,022)
Storm sewers	(2,730,883)	(170,018)	-	(2,900,901)
Recreation equipment	(5,321,531)	(643,031)	9,935	(5,954,627)
Traffic signals	(669,981)	(88,231)	-	(758,212)
Buildings	(8,036,819)	(729,904)	94,010	(8,672,713)
Vehicles	(13,584,679)	(1,131,256)	279,395	(14,436,540)
Building improvements	(2,228,503)	(213,335)	394,582	(2,047,256)
General improvements	(3,494,165)	(242,969)	1,087,472	(2,649,662)
TOTAL ACCUMULATED DEPRECIATION	(54,157,294)	(4,270,033)	1,865,394	(56,561,933)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	57,136,550	6,730,696	(874,412)	62,992,834
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	\$ 79,819,742	\$ 25,864,864	\$ (7,818,958)	\$ 97,865,648

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE E - CAPITAL ASSETS

Business-type activities capital asset activity for the year ended December 31, 2024, was as follows:

	Balance January 1, 2024	Increases	Decreases	Balance December 31, 2024
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
BUSINESS-TYPE ACTIVITIES				
Capital assets being depreciated				
Sanitary sewers	\$ 6,703,129	\$ 292,836	\$ -	\$ 6,995,965
Buildings	811,067	-	-	811,067
Vehicles	<u>1,131,894</u>	<u>267,029</u>	<u>(84,815)</u>	<u>1,314,108</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>8,646,090</u>	<u>559,865</u>	<u>(84,815)</u>	<u>9,121,140</u>
Accumulated depreciation				
Sanitary sewers	(1,298,332)	(91,327)	-	(1,389,659)
Buildings	(521,180)	(15,258)	-	(536,438)
Vehicles	<u>(714,633)</u>	<u>(81,220)</u>	<u>84,815</u>	<u>(711,038)</u>
TOTAL ACCUMULATED DEPRECIATION	<u>(2,534,145)</u>	<u>(187,805)</u>	<u>84,815</u>	<u>(2,637,135)</u>
 BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net	 <u>\$ 6,111,945</u>	 <u>\$ 372,060</u>	 <u>\$ -</u>	 <u>\$ 6,484,005</u>

Depreciation expense was charged to functions/programs of the Township as follows:

GOVERNMENTAL ACTIVITIES	
General government	\$ 276,380
Public safety	929,050
Public works	
Sanitation	228,224
Highways and streets	1,712,475
Culture and recreation	1,112,018
Community development	<u>11,886</u>
	<u>\$ 4,270,033</u>
 BUSINESS-TYPE ACTIVITIES	
Sewer	<u>\$ 187,805</u>

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE E - CAPITAL ASSETS

Component Unit capital asset activity for the year ended December 31, 2024, was as follows:

	Balance January 1, 2024	Increases	Decreases	Balance December 31, 2024
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
COMPONENT UNIT, FREE LIBRARY				
Capital assets				
Leasehold improvements	\$ 257,016	\$ -	\$ -	\$ 257,016
Furniture and equipment	166,937	2,960	-	169,897
Right to Use Assets	3,375	-	-	3,375
Construction in progress	45,006	-	-	45,006
TOTAL CAPITAL ASSETS	<u>472,334</u>	<u>2,960</u>	<u>-</u>	<u>475,294</u>
Accumulated depreciation	<u>(348,840)</u>	<u>(22,028)</u>	<u>-</u>	<u>(370,868)</u>
CAPITAL ASSETS, net	<u>\$ 123,494</u>	<u>\$ (19,068)</u>	<u>\$ -</u>	<u>\$ 104,426</u>
BOOK COLLECTION				
Exhaustible Book Collection	\$ 2,648,125	\$ 179,698	\$ -	\$ 2,827,823
TOTAL ACCUMULATED DEPRECIATION	<u>(1,947,366)</u>	<u>(138,377)</u>	<u>-</u>	<u>(2,085,743)</u>
BOOK COLLECTION, net	<u>\$ 700,759</u>	<u>\$ 41,321</u>	<u>\$ -</u>	<u>\$ 742,080</u>

NOTE F - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Due to/from Other Funds

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ -	\$ 32,879
Sewer Fund	<u>32,879</u>	<u>-</u>
	<u>\$ 32,879</u>	<u>\$ 32,879</u>

Interfund balances are primarily a result of:

1. Payment of various program expenses.
2. Payment of sewer rents received in the General Fund attributable to the Sewer Fund.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE F - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Transfers

	<u>Transfer Out</u>	<u>Transfer In</u>
General Fund	\$ 749,901	\$ 2,157,313
Capital Projects Fund	-	749,901
American Rescue Plan Fund	1,871,839	-
Sewer Fund	<u>600,000</u>	<u>314,526</u>
	<u>\$ 3,221,740</u>	<u>\$ 3,221,740</u>

Interfund transfers are primarily a result of:

1. Payment of various program expenses accounted for in other funds in accordance with budgetary authorizations.
2. Various funds financing capital projects.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE G - LONG-TERM DEBT

General Obligation Bonds

General obligation bonds currently outstanding are as follows:

General Obligation Bonds, Series of 2018, issued in October 2018 in the amount of \$32,700,000 for the purpose of funding certain capital projects and to currently refund the balance of the General Obligation Bonds Series of 2010 and 2013. The bonds bear interest at 2.0% - 5.0%, payable semi-annually on June 1 and December 1, and mature on December 1, 2048.	\$ 23,365,000
General Obligation Bonds, Series of 2020, issued in May 2020 in the amount of \$8,740,000 for the purpose of funding certain capital projects and to currently refund the balance of the General Obligation Bonds Series of 2014. The bonds bear interest at 2.0% - 5.0%, payable semi-annually on June 1 and December 1, and mature on June 1, 2044.	7,645,000
General Obligation Bonds, Series of 2021, issued in September 2021 in the amount of \$8,995,000 for the purpose of currently refunding the balance of the General Obligation Bonds Series of 2016. The bonds bear interest at 1.5% - 4.0%, payable semi-annually on June 1 and December 1, and mature on June 1, 2046.	7,920,000
General Obligation Bonds, Series of 2023A, issued in May 2023 in the amount of \$15,275,000 for the purpose of funding certain capital projects. The bonds bear interest at 2.5% - 3.5%, payable semi-annually on April 1 and October 1, and mature on April 1, 2044.	14,800,000
General Obligation Bonds, Series of 2023B, issued in May 2023 in the amount of \$3,150,000 for the purpose of funding certain capital projects. The bonds bear interest at 4.4% - 4.7%, payable semi-annually on April 1 and October 1, and mature on April 1, 2033.	<u>2,755,000</u>
	<u>\$ 56,485,000</u>

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE G - LONG-TERM DEBT

The total principal and interest maturities are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 3,120,000	\$ 2,099,799
2026	3,280,000	1,949,206
2027	3,430,000	1,796,730
2028	3,575,000	1,643,188
2029	3,730,000	1,494,498
2030 to 2034	12,090,000	5,974,667
2035 to 2039	11,790,000	4,043,541
2040 to 2044	13,520,000	1,720,775
2045 to 2048	1,950,000	108,614
	<u>\$ 56,485,000</u>	<u>\$ 20,831,018</u>

Long-term liability activity was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
Bonds payable	\$ 59,465,000	\$ -	\$ (2,980,000)	\$ 56,485,000	\$ 3,120,000
Bond premium	4,856,166	-	(219,249)	4,636,917	219,249
TOTAL BONDS PAYABLE	64,321,166	-	(3,199,249)	61,121,917	3,339,249
Total OPEB liability	54,550,747	-	(1,486,340)	53,064,407	-
Net pension liability	36,199,317	-	(3,818,652)	32,380,665	-
Compensated absences	2,725,746	131,444	-	2,857,190	-
TOTAL GOVERNMENTAL ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 157,796,976</u>	<u>\$ 131,444</u>	<u>\$ (8,504,241)</u>	<u>\$ 149,424,179</u>	<u>\$ 3,339,249</u>
BUSINESS-TYPE ACTIVITIES					
Compensated absences	\$ 37,068	\$ 1,088	\$ -	\$ 38,156	\$ -
Net pension liability	709,633	-	(131,252)	578,381	-
TOTAL BUSINESS-TYPE ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 746,701</u>	<u>\$ 1,088</u>	<u>\$ (131,252)</u>	<u>\$ 616,537</u>	<u>\$ -</u>

For the governmental activities, all of the long-term liabilities are generally liquidated by the General Fund. For the business-type activities, all of the long-term liabilities are liquidated by the Sewer Fund.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE H - RISK MANAGEMENT

The Township self-insures an unemployment compensation program. Amounts are paid to the state as claims are filed. The Township paid \$11,761 on claims for the year ended December 31, 2024.

NOTE I - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

Police Pension Plan

Summary of Significant Accounting Policies - Police Pension Plan investments are carried at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value. Financial information of the Township's Police Pension Plan is presented on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due as required by the Act. For the purpose of measuring the net pension liability, in deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Plan Description and Administration

Plan Administration - The Haverford Township Police Pension Plan is a single-employer defined benefit pension plan covering the full-time police officers. The Plan was established effective January 1, 1958 and was restated by Ordinance No. 1960 Chapter 30 Article IV, as amended. The Plan is governed by the Board of Township Commissioners. The Board of Township Commissioners has delegated the authority to manage Plan assets to CBIZ/INR Advisory Services, LLC and PFM Asset Management, LLC.

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

Inactive plan members or beneficiaries currently receiving benefits	105
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>58</u>
	<u><u>164</u></u>

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE I - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

Benefits Provided

The following is a summary of the Plan benefit provisions:

Eligibility Requirements:

- Normal Retirement: Age 50 and 25 years of service. If hired after August 1, 2014, age 53 and 25 years of service
- Early Retirement: Age 50 & 15 years of service (hired before January 1, 2000, 20 years of service (Act 24)
- Vesting: 100 percent vested after 12 years of service

Retirement Benefit: 50 percent of final average 36 months' pay plus a service increment equal to \$20 per month for each year of service over 25 up to a maximum of \$100/month

Survivor Benefit: Killed-in-Service (Act 51) - In the event of the death of a retired officer, the survivor would receive 50 percent of the pension the member was receiving. Vested- refund of contribution with interest or 50 percent of vested benefit payable beginning at officer's superannuation retirement date. Members who retire on or after January 1, 2013 but before January 1, 2024, if death occurs within the first 8 years, spouse receives 100 percent of benefit for remainder of 8 years, then benefit is reduced to 50 percent. Members who retire on or after January 1, 2024, spouse receives 100% of benefit for the remainder of the year of death and then for 8 additional calendar years, then benefit is reduced to 50%.

Disability Benefit Service Related: 70 percent of base salary offset by social security disability benefits

Post Retirement Adjustments: Eligibility: Retirement after January 1, 2000 Adjustment; Annual increase equal to increase in CPI until original pension has increased 15 percent or if earlier, until adjusted pension equals 75percent of the salary upon which the original pension was based.

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 upon attainment of age 52 and 25 years of service if hired prior to August 1, 2014 or if hired after August 1, 2014 upon attainment of age 53 and 25 years of service.

Contributions and Funding Policy - Act 205 of 1984, the Municipal Pension Plan Funding Standard and recovery Act, initiated actuarial funding requirements for Pennsylvania 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.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE I - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

As a condition of participation, participants are required to make contributions to the Plan. Covered employees are required by statute to contribute 5% of their compensation to the Plan. The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the plan.

In 2024, the MMO obligation for the Police Pension Plan was \$3,332,432. Actual contributions made by the Township were \$3,932,432. Administrative costs, which may include, but are not limited to, investment management fees and actuarial services, are charged to the appropriate plan and funded through the MMO and/or plan earnings.

Investments

Investment Policy - The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Commissioners and Pension Board. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The Plan's formal Investment Policy Statement which is revised periodically provides more comprehensive details on investment strategy and authorized investments.

The Plan's investment policy for CBIZ/INR Advisory Services, LLC establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Domestic equities	42%	5.60%
International equities	18%	5.60%
Fixed income	37%	2.60%
Cash	3%	0.60%
Total Net Blended Return		4.26%*

* - Excludes 2.40% inflation assumption

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE I - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

The Plan's investment policy for PFM Asset Management, LLC establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
US Large Cap Equity	37.05%	4.70%
US Small Cap Equity	1.95%	5.40%
Developed International Equity	15.00%	4.40%
Emerging Equity	6.00%	4.90%
Core Fixed Income	40.00%	2.50%
Cash	<u>0.00%</u>	<u>0.40%</u>
Total Net Blended Return		3.80%*

* - Excludes 2.50% inflation assumption

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included the Plan's target asset allocation as of December 31, 2024 are presented in the previous tables.

Concentrations - As of December 31, 2024, no investment in any one organization represented five percent or more of the Plan's fiduciary net position.

Rate of Return - For the year ended December 31, 2024, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 10.32%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate - The discount rate is based on the long-term expected rate of return on plan investments that expected to be used to finance the payments of benefits. The plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the plan assets are expected to be invested using a strategy to achieve that return. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability to ultimately achieve a 100 percent funded status.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE I - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

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

Total pension liability	\$ 83,192,244
Plan fiduciary net position	<u>(60,415,954)</u>
NET PENSION LIABILITY	<u>\$ 22,776,290</u>

Plan fiduciary net position as a percentage of the total pension liability	72.6%
--	-------

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of January 1, 2023. Update procedures were used to roll forward to the Plan's fiscal year ended December 31, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	5.25% annual increase
Investment rate of return	7.50%

Mortality rates were based on the PUBS-2010 Mortality projected 5 years past the valuation date using scale MP-2020.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE I - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at December 31, 2023	\$ 78,966,285	\$ 54,550,871	\$ 24,415,414
Changes for the year:			
Service cost	1,280,728	-	1,280,728
Interest cost	5,776,500	-	5,776,500
Changes of benefit terms	1,061,314	-	1,061,314
Contributions			
Employer	-	3,932,432	(3,932,432)
Member	-	397,827	(397,827)
Net investment income	-	5,446,646	(5,446,646)
Benefit payments	(3,892,583)	(3,892,583)	-
Administrative expenses	-	(19,239)	19,239
Net changes	<u>4,225,959</u>	<u>5,865,083</u>	<u>(1,639,124)</u>
Balances at December 31, 2024	<u>\$ 83,192,244</u>	<u>\$ 60,415,954</u>	<u>\$ 22,776,290</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Township, calculated using the discount rate of 7.50%, as well as what the Township's net pension would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
	<u>(6.50%)</u>	<u>Rate (7.50%)</u>	<u>(8.50%)</u>
Net pension liability	\$ <u>31,773,673</u>	\$ <u>22,776,290</u>	\$ <u>15,254,838</u>

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE I - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2024, the Township recognized pension expense of \$6,441,683. At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,269,147	\$ 67,841
Changes in assumptions	929,829	-
Net difference between projected and actual earnings on pension plan investments	<u>1,827,438</u>	<u>-</u>
Total	<u>\$ 5,026,414</u>	<u>\$ 67,841</u>

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

<u>Year Ended December 31,</u>	
2025	\$ 3,198,566
2026	2,727,537
2027	(685,098)
2028	(282,432)
2029	-
Thereafter	-

Deferred Retirement Option Plan - 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 upon attainment of age 52 and 25 years of service if hired prior to 8/1/14 or if hired after 8/1/14 upon attainment of age 53 and 25 years of service. 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 13 members participating in the DROP with a total DROP account balance of \$3,931,649.

TOWNSHIP OF HAVERFORD
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024

NOTE J - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN)

Summary of Significant Accounting Policies - Non-Uniformed Pension Plan investments are carried at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value. Financial information of the Township's Non-Uniformed Pension Plan is presented on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due as required by the Act. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Plan Description and Administration - The Haverford Township Non-Uniformed Pension Plan ("the Plan") is a single-employer defined benefit pension plan covering the full-time non-uniformed employees who were hired prior to January 1, 2011. The Plan was established effective January 1, 1958 and was restated by Ordinance No. 1960 Chapter 30 Article IV, as amended. The Plan is governed by the Board of Township Commissioners. The Board of Township Commissioners has delegated the authority to manage Plan assets to CBIZ/INR Advisory Services, LLC and PFM Asset Management, LLC.

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

Inactive plan members or beneficiaries currently receiving benefits	110
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	<u>48</u>
	<u><u>167</u></u>

Benefits Provided

The following is a summary of the Plan benefit provisions:

Eligibility Requirements:

- Normal Retirement: Age 62 and 5 years of service or 60 and 25 years
- Early Retirement: Age 55 with 30 years of service with actuarial reduction
- Vesting: 100 percent vested after 5 years of service

Retirement Benefit: 2 percent of highest average 36 months' pay times credited service.

Survivor Benefit: Upon death of vested active member or terminated vested member whose benefits had not commenced, the surviving spouse will receive an immediate monthly pension equal to 50 percent of the member's accrued benefit. Upon death of retired member, 50 percent of member's benefit is continued to spouse.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE J - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN)

Disability Benefit Service Related: 50 percent of annual regular wages at the date of the disability offset by Worker's Compensation. The combination of monies received from the service connected disability benefits and Worker's Compensation cannot exceed 70 percent of total compensation paid over a 12 month period preceding the disability. The benefit is payable until the normal retirement date at which time the employee will receive the normal accrued benefit calculated at the time of the disability or 50 percent service disability benefit, whichever is higher.

Disability Benefit Non-Service Related: 70 percent of regular wages at date of disability of which 30% will be paid through the pension and 40 percent will be paid through the Township's long-term disability policy. The maximum duration of the 70 percent benefit is until age 65. If the non-probationary employee has reached 65, the 40 percent benefit paid from the long-term disability policy will only be paid for the maximum months of disability as follows: If disability determined is 1) between age 65 but before attaining 66: 21 monthly benefit payments, or 2) between age 66 but before attaining 67: 18 monthly benefit payments, or 3) between age 67 but before attaining 68: 15 monthly benefit payments, or 4) between age 68 but before attaining 69: 12 monthly benefit payments. At the point in which the long-term disability policy expires, the subsequent benefit will be the greater of the employee's accrued pension benefit calculated at the time of the disability or 30 percent of the employee's salary as the time of disability, whichever is greater.

Post Retirement Adjustments: None

Contributions - Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the minimum municipal obligation ("MMO"), which is based on the plan's actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10 percent of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The Commonwealth provides an allocation of funds, which must be used for pension funding. A financial requirement established by the MMO, which exceeds state and member contributions, must be funded by the employer.

As a condition of participation, participants are required to make contributions to the plan. Covered employees are required by statute to contribute 4.50% of their compensation to the plan. The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the plan.

In 2024, the MMO obligation for the Non-Uniformed Pension Plan was \$1,803,719. Actual contributions made by the Township were \$2,403,719.

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

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE J - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN)

Investments

Investment Policy - The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Commissioners and Pension Board. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The Plan's formal Investment Policy Statement which is revised periodically provides more comprehensive details on investment strategy and authorized investments.

The Plan's investment policy for CBIZ/INR Advisory Services, LLC establishes the following target allocation across asset classes:

Asset Class	Allocation	Rate of Return
Domestic equities	42%	5.60%
International equities	18%	5.60%
Fixed income	37%	2.60%
Cash	3%	0.60%
Total Net Blended Return		4.26%*

* - Excludes 2.40% inflation assumption

Long-term

The Plan's investment policy for PFM Asset Management, LLC establishes the following target allocation across asset classes:

Asset Class	Target Allocation	Long-term Expected Rate of Return
US Large Cap Equity	37.05%	4.70%
US Small Cap Equity	1.95%	5.40%
Developed International Equity	15.00%	4.40%
Emerging Equity	6.00%	4.90%
Core Fixed Income	40.00%	2.50%
Cash	0.00%	0.40%
Total Net Blended Return		3.80%*

* - Excludes 2.50% inflation assumption

TOWNSHIP OF HAVERFORD
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024

NOTE J - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN)

Concentrations - At December 31, 2024, no investment in any one organization represented five percent or more of the Plan's fiduciary net position.

Rate of Return - For the year ended December 31, 2024, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 10.35%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate - The discount rate is based on the long-term expected rate of return on plan investments that expected to be used to finance the payments of benefits. The plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the plan assets are expected to be invested using a strategy to achieve that return. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability to ultimately achieve a 100 percent funded status.

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

Total pension liability	\$ 51,690,189
Plan fiduciary net position	<u>(41,507,433)</u>
NET PENSION LIABILITY	<u>\$ 10,182,756</u>
total pension liability	80.3%

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation at January 1, 2023. Update procedures were used to roll forward to the Plan's fiscal year ended December 31, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	5.0% annual increase
Investment rate of return	7.50%

Mortality rates were based on the PUBS-2010 Mortality Table projected five years past the valuation date using scaled MP-2020.

Due to the size of the plan, there have been no experience studies used to determine plan assumptions.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE J - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at December 31, 2023	\$ 50,582,330	\$ 38,088,794	\$ 12,493,536
Changes for the year:			
Service cost	550,014	-	550,014
Interest cost	3,676,717	-	3,676,717
Contributions			
Employer	-	2,403,719	(2,403,719)
Member	-	210,223	(210,223)
Net investment income	-	3,941,458	(3,941,458)
Benefit payments	(3,118,872)	(3,118,872)	-
Administrative expenses	-	(17,889)	17,889
Net Changes	<u>1,107,859</u>	<u>3,418,639</u>	<u>(2,310,780)</u>
Balances at December 31, 2024	<u>\$ 51,690,189</u>	<u>\$ 41,507,433</u>	<u>\$ 10,182,756</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Township, calculated using the discount rate of 7.50%, as well as what the Township's net pension would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
	<u>(6.50%)</u>	<u>Rate (7.50%)</u>	<u>(8.50%)</u>
Net pension liability	<u>\$ 15,493,104</u>	<u>\$ 10,182,756</u>	<u>\$ 5,611,308</u>

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE J - DEFINED BENEFIT PENSION PLAN (NON-UNIFORMED PENSION PLAN)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2024, the Township recognized pension expense of \$2,261,671. At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 156,197	\$ -
Net difference between projected and actual earnings on pension plan investments	<u>1,274,056</u>	<u>-</u>
Total	<u>\$ 1,430,253</u>	<u>\$ -</u>

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

<u>Year Ended December 31,</u>	
2025	\$ 1,107,803
2026	1,261,169
2027	(708,972)
2028	(229,747)
2029	-
Thereafter	-

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE K - NON-UNIFORMED DEFINED CONTRIBUTION PENSION PLAN

The Township has established a defined contribution pension plan to provide pension benefits for its regular, full-time, non-police employees who were hired on or after January 1, 2011. Under the plan, an individual receives his own account to which all contributions are made. The Township determines how this account is invested. The accounts are administered by CBIZ/InR Advisory Services, LLC.

Under the plan, the employer contributions are negotiated through labor contracts. For 2024, the employer contribution was 4.5% of the employee's total compensation. Covered employees are fully vested in employer contributions after five years of service.

This plan was established effective January 1, 2011. Any person who became an eligible employee after January 1, 2011, would become a member on the last day of the Plan year coincident with or next following completion of one-half year of service. For the year ended December 31, 2024, Township contributions of \$176,038 and employee contributions of \$153,647 were made to this plan.

Disability Benefit Non-Service Related: 60 percent of regular wages paid from the long-term disability policy will be paid to age 65 with a sliding scale of benefits should the injury happen to an active employee over the age of 65. The member's respective share of defined contribution plan assets will be calculated as of the date of disability.

NOTE L - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The Township sponsors a single employer defined postemployment benefit ("OPEB") plan that provides fully insured medical and self-insured prescription drug, dental and vision benefits to two groups of participants: Police and Civilian. The Civilian Plan provides these benefits at either full or partial funding through age 65. The Police Plan provides these benefits at either full or partial funding through the end of life. The self-insured programs are administrated by third-party administrators. The requirements for eligibility mirror the requirements for retirement.

Contributions

Retirement eligible civilians (and spouses) receive 100 percent paid benefits for medical, prescription drug, dental, and vision from ages 60 to 62. At age 63, the retired Civilian continues to receive 100 percent paid insurance, while spouses of retirees receive 50 percent paid insurance. In January 2015, Civilian retiree's coverage was removed from post 65 coverage. Once a civilian retiree reaches age 65 and is eligible for Medicare, their spouse is also removed from any Township-paid benefits (other than COBRA). Police receive 100 percent paid medical, prescription drug, dental, and vision benefits through age 65. At age 65, retired police receive 100 percent of Medicare supplement premiums and 50 percent for spouses up to five years.

Except in cases of retired civilians participating in COBRA or spouses of eligible retired employees, retirees are not required to make contributions to either plan. The contribution requirements of plan members have been established and may be amended through Civilian and Police Labor Contracts.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE L - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Funding Policy

The Township has no assets accumulated in a trust or equivalent arrangement for the purpose of administering the OPEB plan. The required contribution is based on projected pay-as-you-go financing requirements, with any additional amount to prefund as determined annually by the Board of Supervisors. For fiscal year 2024, the Township paid \$1,300,192 to plan members eligible for receiving benefits.

Participants

As of December 31, 2024, the Plan had 248 participants, consisting of 193 active participants, 0 vested former participants, and 55 retired participants.

Valuation Date

The total OPEB liability was determined as part of the bi-annual actuarial valuation as of December 31, 2024.

Discount Rate

The discount rate was 4.08% based on the Bond Buyer 20-year General Obligation Index at December 31, 2024, an increase from the prior measurement date (0.82%).

Salary Increase Rate

The salary increase rate is 3.0% per annum.

Medical Consumer Price Index Trend

The medical consumer price index trend is 3% per annum.

Inflation Rate

The inflation rate is 2.5% per annum.

Marriage Rate

The assumed number of eligible dependents is based on the current proportions of single and family contracts in the census provided.

Spouse Age

Spouse date of births were provided by the Township. Where this information is missing, male spouses are assumed to be three years older than female spouses.

Medicare Eligibility

All current and future retirees are assumed to be eligible for Medicare at age 65.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE L - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Actuarial Cost Method

The actuarial cost method is entry age normal based on level percentage of projected salary.

Amortization Method

Experience/assumptions gains and losses are amortized over a closed period of 10.3 years starting the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service).

Plan Participation Percentage

The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 85% of all pre- Medicare Police and Civilian employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan. This assumes that a one-time irrevocable election to participate is made at retirement.

Mortality Rates

PUB-2010 headcount weighted base mortality table for employee, annuitant, or disabled, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis.

Disabled Mortality Rates

Disabled mortality rates use the RP-2014 generational table scaled using MP-17 and set forward seven years.

Healthcare Cost Trend Rate

The healthcare cost trend assumptions are used to project the cost of healthcare in future years. The following annual trends are based on the current HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced 0.25 percent each year until reaching the ultimate trend rate.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE L - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

<u>Expense Type</u>	<u>Select</u>	<u>Ultimate</u>
Pre-Medicare Medicare and RX Benefits	7.75%	4.0%
Medicare Benefits	6.75%	4.0%
Stop Loss Fees	7.75%	4.0%
Administrative Fees	4.0%	4.0%
Dental Benefits	4.0%	4.0%
Vision Benefits	4.0%	4.0%

Per Capital Health Claim Cost

Expected retiree claim costs were developed using 24 months of historical claim experience through June 2024. The age 60 and 70 per capita health claim costs are presented in the table below.

<u>Per Capita Cost</u>	<u>Age 60</u>	<u>Age 70</u>
Medical	\$ 13,764	\$ n/a
Prescription Drug	4,143	3,176

Non-claim Expenses

Non-claim expenses are based on the current amounts charged per retired employee.

Age-based Morbidity

The assumed per capita health claim costs are adjusted to reflect expected increases related to age and gender. These increases are based on a 2013 Society of Actuaries study.

Termination

The rate of withdrawal is based on the withdrawal assumption used in the Haverford Police/Civil Employees Pension Valuation as of January 1, 2023. The rate of withdrawal for reasons other than death and retirement is dependent on an employee's age and years of service.

Retirement

Retirement ages and associated probabilities are based on the Haverford Police/Civil Employees Pension Valuation as of January 1, 2023.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE L - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Assumption Changes

The discount rate was updated from 3.26% to 4.08%. The discount rate basis is the Bond Buyer 20-Bond General Obligation Index as of the measurement date.

Sensitivity Analysis

The following presents the total OPEB liability, calculated using the valuation discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower and one percentage point higher than the current rate.

	<u>1% Decrease</u> 3.08%	<u>Current</u> <u>Discount Rate</u> 4.08%	<u>1% Increase</u> 5.08%
Total OPEB liability	\$ <u>62,761,000</u>	\$ <u>53,064,407</u>	\$ <u>45,422,000</u>

The following presents the total OPEB liability, calculated using the valuation healthcare cost trend rate, as well as what the total OPEB liability would be if it were calculated using a trend rate that is one percentage point lower each year or one percentage point higher each year than the current rate.

	<u>1% Decrease</u>	<u>Current</u> <u>Healthcare Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ <u>44,359,000</u>	\$ <u>53,064,407</u>	\$ <u>64,364,000</u>

Changes in Total OPEB Liability

	<u>Total</u> <u>OPEB Liability</u>
Total OPEB Liability as of January 1, 2024	\$ 54,550,747
Service cost	1,722,798
Interest cost	1,813,324
Differences between projected and actual experience	(1,008,553)
Changes in assumptions or other inputs	(2,713,717)
Benefit payments	<u>(1,300,192)</u>
Total OPEB Liability as of December 31, 2024	\$ <u>53,064,407</u>

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE L - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The amount of OPEB expense recognized by the Township was \$2,401,859 for the year ended December 31, 2024. At December 31, 2024, the Township reported the following deferred inflows and outflows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 5,017,430	\$ (6,400,489)
Changes of assumptions/inputs	<u>9,492,715</u>	<u>(16,416,029)</u>
	<u>\$ 14,510,145</u>	<u>\$ (22,816,518)</u>

Deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

2025	\$ (1,134,264)
2026	(1,134,264)
2027	(1,134,264)
2028	(1,134,264)
2029	(602,835)
Thereafter	<u>(3,166,482)</u>
	<u>\$ (8,306,373)</u>

NOTE M - LEASES

Lease Receivable

During the year, the Township of Haverford leases a portion of their land. The leases are for the following:

<u>Description</u>	<u>Term</u>	<u>Payment</u>
Land	Annually through 2063	\$80,000
Land	Monthly through November 2047	\$1,924 to \$10,334
Land	Monthly through April 2057	\$4,521 to \$5,560
Land	Monthly through August 2050	\$1,989 to \$3,463

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE M - LEASES

As of December 31, 2024, the Township of Haverford's receivable for lease payments was \$4,866,630. Also, the Township of Haverford has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of December 31, 2024, the balance of the deferred inflow of resources was \$4,576,205. Lease related revenues recognized as of December 31, 2024 were as follows:

<u>Lease-related Revenue</u>	<u>Year Ending December 31, 2024</u>
Lease Revenue	
Land	\$ 58,777
Interest Revenue	<u>209,883</u>
TOTAL	<u><u>\$ 268,660</u></u>

Current year interest revenues were \$209,883. This is included on interest and rent financial statement line.

The future maturity of lease receivables is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Receipts</u>
2025	\$ 61,786	\$ 207,374	\$ 269,160
2026	64,933	204,737	269,670
2027	70,005	202,112	272,117
2028	83,439	198,770	282,209
2029	88,610	195,213	283,823
2030-2034	538,311	914,737	1,453,048
2035-2039	744,920	783,250	1,528,170
2040-2044	999,952	604,950	1,604,902
2045-2049	976,383	380,885	1,357,268
2050-2054	521,270	232,488	753,758
2055-2059	433,345	122,330	555,675
2060-2063	<u>283,676</u>	<u>36,324</u>	<u>320,000</u>
TOTAL FUTURE RECEIPTS	<u><u>\$ 4,866,630</u></u>	<u><u>\$ 4,083,170</u></u>	<u><u>\$ 8,949,800</u></u>

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE M - LEASES

Free Library - Right of Use Leases

The Library routinely leases various equipment instead of purchasing the assets. These payments are recognized as expenses in the period that they occur. There were no termination penalties or residual guarantee payments expensed for the fiscal year ended December 31, 2024. Interest expense on these leases for the fiscal year ended December 31, 2024, totaled \$93.

The following schedule provided future minimum principal and interest payments to maturity for right of use leases.

<u>Year Ending</u> <u>December 31,</u>	<u>Right to Use Leases</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2025	\$ <u>719</u>	\$ <u>17</u>	\$ <u>736</u>

The following summary provided aggregated information reported for December 31, 2023 on right of use lease liabilities including additions, reductions and reported liabilities for the years then ended.

Lease Liability, Third Parties	\$ <u>1,362</u>	\$ <u>-</u>	\$ <u>(643)</u>	\$ <u>719</u>
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NOTE N - HAVERFORD TOWNSHIP FREE LIBRARY REVENUES

Haverford Township Free Library is considered a component unit of the Township of Haverford, Delaware County, Pennsylvania. The majority of the Library Board is officially appointed by the Township Board of Commissioners. The Library receives a substantial amount of its support from the Township. During 2024, the contributions from the Township totaled \$1,367,958, including a minimum municipal obligation appropriation of \$82,708. A significant reduction in the level of this support, if this were to occur, may have an effect on the Library's programs and activities.

TOWNSHIP OF HAVERFORD
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE O - COMMITMENTS

The Township is actively engaged in a number of projects which are under formal agreements. A summary of the projects under commitment are as follows:

	<u>Total Amount of Contracts</u>	<u>Paid/Accrued (Completed) as of 12/31/24</u>	<u>Commitment</u>
Totals	\$ <u>34,371,275</u>	\$ <u>17,021,003</u>	\$ <u>17,350,272</u>

NOTE P - SUBSEQUENT EVENTS

In January 2025, the Board of Commissioners Approved the following change orders to the existing contracts pertaining to the Haverford Township Free Library renovation project: \$198,575 to the general contractor, Rycon Construction; and, \$65,370 to the electrical contractor, AJM Electric.

In February 2025, the Board of Commissioners awarded the following contracts: \$216,000 for (4) police vehicles to Whitmoyer Auto Group; \$192,786 for (3) public works vehicle/plow packages to Hondru Ford; and, \$67,662 for network equipment at the Haverford Township Free Library to Applied Video Technologies, Inc.

In March 2025, the Board of Commissioners awarded the following contracts: \$947,900 for the emergency sanitary and storm sewer repair contract to N Abbonizio Contractors, Inc; \$144,640 for the Oakford Road Culvert project to G & B Construction Group; \$115,050 for The Grange Necessary Roof replacement project to Detweiler Roofing; and, \$248,850 for parking lot sitework at the Haverford Township Free Library to Premier Concrete, Inc.

In March 2025, the Board of Commissioners approved the following change orders to the existing contracts pertaining to the Haverford Township Free Library renovation project: \$176,000 CREDIT to the general contractor, Rycon Construction; and, \$165,915 to the electrical contractor, AJM Electric.

In March 2025, the Board of Commissioners approved an extension of its cable franchise agreement with Comcast of Pennsylvania. The franchise fee will remain at 5%.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$ 27,590,064	\$ 27,590,064	\$ 27,580,689	\$ (9,375)
Transfer	1,475,000	1,475,000	1,756,154	281,154
Business privilege	1,650,000	1,694,000	2,147,411	453,411
Mercantile	950,000	950,000	930,477	(19,523)
Local services	635,000	635,000	703,816	68,816
Licenses and permits	2,359,600	2,368,600	2,388,542	19,942
Fines and forfeits	180,000	180,000	200,273	20,273
Interest and rent	1,431,000	1,431,000	2,231,479	800,479
Intergovernmental revenues	3,678,020	3,703,020	3,899,525	196,505
Charges for services	8,403,391	8,473,391	8,721,462	248,071
Other	1,204,591	1,204,591	1,688,827	484,236
TOTAL REVENUES	<u>49,556,666</u>	<u>49,704,666</u>	<u>52,248,655</u>	<u>2,543,989</u>
EXPENDITURES				
Current				
General government	4,432,694	4,476,694	4,490,198	(13,504)
Public safety	23,691,315	23,855,315	23,841,205	14,110
Highways and streets	5,975,491	5,845,491	5,764,783	80,708
Parks and recreation	7,155,816	7,225,816	7,106,742	119,074
Public works, sanitation	6,395,470	6,395,470	5,651,292	744,178
Debt service				
Principal retirement	2,980,000	2,980,000	2,980,000	-
Interest	2,247,701	2,247,701	2,247,701	-
TOTAL EXPENDITURES	<u>52,878,487</u>	<u>53,026,487</u>	<u>52,081,921</u>	<u>944,566</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,321,821)</u>	<u>(3,321,821)</u>	<u>166,734</u>	<u>3,488,555</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	2,115,311	2,115,311	2,157,313	42,002
Interfund transfers out	(1,000,000)	(1,000,000)	(749,901)	250,099
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,115,311</u>	<u>1,115,311</u>	<u>1,407,412</u>	<u>292,101</u>
NET CHANGE IN FUND BALANCE	(2,206,510)	(2,206,510)	1,574,146	3,780,656
FUND BALANCE AT BEGINNING OF YEAR	<u>37,472,324</u>	<u>37,472,324</u>	<u>37,472,324</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 35,265,814</u>	<u>\$ 35,265,814</u>	<u>\$ 39,046,470</u>	<u>\$ 3,780,656</u>

TOWNSHIP OF HAVERFORD
BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN FUND
YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest and rent	\$ 697,442	\$ 697,442	\$ 787,274	\$ 89,832
Intergovernmental revenues	-	-	6,053,086	6,053,086
TOTAL REVENUES	<u>697,442</u>	<u>697,442</u>	<u>6,840,360</u>	<u>6,142,918</u>
EXPENDITURES				
Current				
General government	<u>9,950,702</u>	<u>9,950,702</u>	<u>6,053,086</u>	<u>3,897,616</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(9,253,260)</u>	<u>(9,253,260)</u>	<u>787,274</u>	<u>10,040,534</u>
OTHER FINANCING USES				
Interfund transfers out	<u>(1,537,000)</u>	<u>(1,537,000)</u>	<u>(1,871,839)</u>	<u>(334,839)</u>
NET CHANGE IN FUND BALANCE	(10,790,260)	(10,790,260)	(1,084,565)	9,705,695
FUND BALANCE AT BEGINNING OF YEAR	<u>1,135,128</u>	<u>1,135,128</u>	<u>1,135,128</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ (9,655,132)</u>	<u>\$ (9,655,132)</u>	<u>\$ 50,563</u>	<u>\$ 9,705,695</u>

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
TOTAL PENSION LIABILITY			
Service cost	\$ 1,280,728	\$ 1,216,844	\$ 1,356,133
Interest	5,776,500	5,358,933	5,047,132
Changes of benefit terms	1,061,314	-	-
Differences between expected and actual experience	-	4,313,427	(221,590)
Changes of assumptions	-	-	-
Benefit payments	<u>(3,892,583)</u>	<u>(3,661,785)</u>	<u>(3,475,816)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	4,225,959	7,227,419	2,705,859
TOTAL PENSION LIABILITY, BEGINNING	<u>78,966,285</u>	<u>71,738,866</u>	<u>69,033,007</u>
TOTAL PENSION LIABILITY, ENDING (a)	<u>\$ 83,192,244</u>	<u>\$ 78,966,285</u>	<u>\$ 71,738,866</u>
PLAN FIDUCIARY NET POSITION			
Contributions			
Employer	\$ 3,932,432	\$ 3,240,796	\$ 3,206,075
Member	397,827	379,213	431,022
Net investment income (loss)	5,446,646	6,663,512	(8,878,727)
Benefit payments, including refunds of member contributions	<u>(3,892,583)</u>	<u>(3,661,785)</u>	<u>(3,475,816)</u>
Administrative expense	<u>(19,239)</u>	<u>(26,407)</u>	<u>(14,136)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	5,865,083	6,595,329	(8,731,582)
Plan fiduciary net position, beginning	<u>54,550,871</u>	<u>47,955,542</u>	<u>56,687,124</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 60,415,954</u>	<u>\$ 54,550,871</u>	<u>\$ 47,955,542</u>
NET PENSION LIABILITY, ENDING (a)-(b)	<u>\$ 22,776,290</u>	<u>\$ 24,415,414</u>	<u>\$ 23,783,324</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>72.62%</u>	<u>69.08%</u>	<u>66.85%</u>
COVERED PAYROLL	<u>\$ 7,500,000</u>	<u>\$ 7,731,402</u>	<u>\$ 7,392,328</u>
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>303.68%</u>	<u>315.80%</u>	<u>321.73%</u>

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	1,198,593	\$ 1,164,250	\$ 1,106,176	\$ 1,025,340	\$ 974,195	\$ 996,981	\$ 947,250
	4,946,540	4,671,578	4,483,236	4,200,223	4,011,524	3,729,984	3,551,888
	-	-	-	-	-	-	(24,282)
	(145,123)	-	296,584	-	1,011,784	-	(515,826)
	5,305,493	-	2,752,212	-	129,008	-	1,836,891
	<u>(3,734,795)</u>	<u>(3,207,999)</u>	<u>(3,378,437)</u>	<u>(3,074,633)</u>	<u>(2,424,566)</u>	<u>(2,440,176)</u>	<u>(2,340,070)</u>
	7,570,708	2,627,829	5,259,771	2,150,930	3,701,945	2,286,789	3,455,851
	<u>61,462,299</u>	<u>58,834,470</u>	<u>53,574,699</u>	<u>51,423,769</u>	<u>47,721,824</u>	<u>45,435,035</u>	<u>41,979,184</u>
\$	<u>69,033,007</u>	<u>61,462,299</u>	<u>58,834,470</u>	<u>53,574,699</u>	<u>51,423,769</u>	<u>47,721,824</u>	<u>45,435,035</u>
\$	3,784,770	\$ 3,775,794	\$ 3,465,636	\$ 3,472,178	\$ 3,121,717	\$ 3,113,035	\$ 2,859,475
	413,565	395,575	388,396	378,102	360,674	357,193	363,562
	5,691,963	6,439,000	6,791,947	(1,961,844)	4,500,380	1,883,126	(143,613)
	(3,734,795)	(3,207,999)	(3,378,437)	(3,074,633)	(2,424,566)	(2,440,176)	(2,340,070)
	<u>(23,150)</u>	<u>(15,403)</u>	<u>(23,590)</u>	<u>(12,199)</u>	<u>(24,202)</u>	<u>(7,835)</u>	<u>(28,635)</u>
	6,132,353	7,386,967	7,243,952	(1,198,396)	5,534,003	2,905,343	710,719
	<u>50,554,771</u>	<u>43,167,804</u>	<u>35,923,852</u>	<u>37,122,248</u>	<u>31,588,245</u>	<u>28,682,902</u>	<u>27,972,183</u>
\$	<u>56,687,124</u>	<u>50,554,771</u>	<u>43,167,804</u>	<u>35,923,852</u>	<u>37,122,248</u>	<u>31,588,245</u>	<u>28,682,902</u>
\$	<u>12,345,883</u>	<u>10,907,528</u>	<u>15,666,666</u>	<u>17,650,847</u>	<u>14,301,521</u>	<u>16,133,579</u>	<u>16,752,133</u>
	<u>82.12%</u>	<u>82.25%</u>	<u>73.37%</u>	<u>67.05%</u>	<u>72.19%</u>	<u>66.19%</u>	<u>63.13%</u>
\$	<u>7,746,858</u>	<u>7,656,098</u>	<u>7,165,068</u>	<u>7,238,232</u>	<u>6,915,142</u>	<u>6,819,296</u>	<u>6,888,822</u>
	<u>159.37%</u>	<u>142.47%</u>	<u>218.65%</u>	<u>243.86%</u>	<u>206.81%</u>	<u>236.59%</u>	<u>243.18%</u>

TOWNSHIP OF HAVERFORD
SCHEDULE OF POLICE PENSION PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 3,332,432	\$ 3,240,796	\$ 3,206,075
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>3,932,432</u>	<u>3,240,796</u>	<u>3,206,075</u>
CONTRIBUTION (EXCESS) DEFICIENCY	<u>\$ (600,000)</u>	<u>\$ -</u>	<u>\$ -</u>
COVERED PAYROLL	<u>\$ 7,500,000</u>	<u>\$ 7,731,402</u>	<u>\$ 7,392,328</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	<u>52.43%</u>	<u>41.92%</u>	<u>43.37%</u>

Assumption Changes - In 2015, the mortality assumption was changed from the Blue Collar RP-2000 Table to the Blue Collar RP-2000 Table projected to 2015 using Scale AA. The interest rate assumption was lowered from 8.50% to 8.25% per annum, and the salary assumption was lowered from 5.50% to 5.25%. 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 2019, the interest rate assumption was lowered from 8.25% to 8.00% per annum. Retirement: Age 53 and 28 years to Age 53 and 25 years. In 2021, the interest rate assumption was lowered from 8.0% to 7.5% per annum, and the mortality assumption was changed from the BC RP-2000 projected to 2017 using Scaled AA to PubS-2010 projected 5 years past the valuation date with Scale MP-2020.

Benefit Changes - In 2015, the 75% of salary COLA cap was eliminated for actives and inactive and the Killed in Service Benefit was removed

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	3,784,770	\$ 3,775,794	\$ 3,465,636	\$ 3,472,178	\$ 3,121,717	\$ 3,113,035	\$ 2,859,475
	<u>3,784,770</u>	<u>3,775,794</u>	<u>3,465,636</u>	<u>3,472,178</u>	<u>3,121,717</u>	<u>3,113,035</u>	<u>2,859,475</u>
\$	<u>-</u>	\$ <u>-</u>					
\$	<u>7,746,858</u>	\$ <u>7,656,098</u>	\$ <u>7,165,068</u>	\$ <u>7,238,232</u>	\$ <u>6,915,142</u>	\$ <u>6,819,296</u>	\$ <u>6,888,822</u>
	<u>48.86%</u>	<u>49.32%</u>	<u>48.37%</u>	<u>47.97%</u>	<u>45.14%</u>	<u>45.65%</u>	<u>41.51%</u>

TOWNSHIP OF HAVERFORD
SCHEDULE OF POLICE PENSION PLAN
INVESTMENT RETURNS
LAST TEN FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	<u>10.32%</u>	<u>14.21%</u>	<u>-15.66%</u>

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>11.32%</u>	<u>14.96%</u>	<u>19.14%</u>	<u>-5.28%</u>	<u>14.25%</u>	<u>6.57%</u>	<u>-0.62%</u>

TOWNSHIP OF HAVERFORD

SCHEDULE OF CHANGES IN THE NET NON-UNIFORMED PENSION PLAN LIABILITY AND RELATED RATIOS LAST TEN FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>
TOTAL PENSION LIABILITY			
Service cost	\$ 550,014	\$ 523,823	\$ 656,254
Interest	3,676,717	3,597,792	3,470,337
Differences between expected and actual experience	-	541,873	-
Changes of assumptions	-	-	-
Benefit payments	<u>(3,118,872)</u>	<u>(3,019,688)</u>	<u>(2,918,432)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	1,107,859	1,643,800	1,208,159
TOTAL PENSION LIABILITY, BEGINNING	<u>50,582,330</u>	<u>48,938,530</u>	<u>47,730,371</u>
TOTAL PENSION LIABILITY, ENDING (a)	<u>\$ 51,690,189</u>	<u>\$ 50,582,330</u>	<u>\$ 48,938,530</u>
PLAN FIDUCIARY NET POSITION			
Contributions			
Employer	\$ 2,403,719	\$ 1,637,145	\$ 1,638,542
Member	210,223	225,040	229,451
Net investment income (loss)	3,941,458	4,895,594	(6,755,803)
Benefit payments, including refunds of member contributions	<u>(3,118,872)</u>	<u>(3,019,688)</u>	<u>(2,918,432)</u>
Administrative expense	<u>(17,889)</u>	<u>(28,107)</u>	<u>(15,036)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	3,418,639	3,709,984	(7,821,278)
Plan fiduciary net position, beginning	<u>38,088,794</u>	<u>34,378,810</u>	<u>42,200,088</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 41,507,433</u>	<u>\$ 38,088,794</u>	<u>\$ 34,378,810</u>
NET PENSION LIABILITY, ENDING (a)-(b)	<u>\$ 10,182,756</u>	<u>\$ 12,493,536</u>	<u>\$ 14,559,720</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>80.30%</u>	<u>75.30%</u>	<u>70.25%</u>
COVERED PAYROLL	<u>\$ 5,200,000</u>	<u>\$ 5,227,916</u>	<u>\$ 5,248,708</u>
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>195.82%</u>	<u>238.98%</u>	<u>277.40%</u>

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	581,399	\$ 593,671	\$ 565,401	\$ 594,716	\$ 565,051	\$ 618,957	\$ 588,083
	3,425,696	3,177,980	3,077,205	3,111,288	2,974,719	2,883,564	2,750,337
	1,174,161	-	(1,562,039)	-	(618,019)	-	(354,668)
	3,680,735	-	757,853	-	118,492	-	1,492,372
	<u>(2,742,531)</u>	<u>(2,583,634)</u>	<u>(2,238,747)</u>	<u>(2,001,287)</u>	<u>(1,826,831)</u>	<u>(1,861,536)</u>	<u>(1,647,297)</u>
	6,119,460	1,188,017	599,673	1,704,717	1,213,412	1,640,985	2,828,827
	<u>41,610,911</u>	<u>40,422,894</u>	<u>39,823,221</u>	<u>38,118,504</u>	<u>36,905,092</u>	<u>35,264,107</u>	<u>32,435,280</u>
\$	<u>47,730,371</u>	<u>41,610,911</u>	<u>40,422,894</u>	<u>39,823,221</u>	<u>38,118,504</u>	<u>36,905,092</u>	<u>35,264,107</u>
\$	1,970,764	\$ 1,990,647	\$ 1,997,083	\$ 1,995,152	\$ 1,606,054	\$ 1,617,081	\$ 1,508,073
	244,705	243,731	267,502	267,859	265,277	280,513	282,347
	4,368,921	4,996,443	5,424,087	(1,603,755)	3,750,278	1,607,488	(132,267)
	(2,742,531)	(2,583,634)	(2,238,747)	(2,001,287)	(1,826,831)	(1,861,536)	(1,647,297)
	<u>(25,050)</u>	<u>(14,203)</u>	<u>(25,490)</u>	<u>(13,099)</u>	<u>(26,902)</u>	<u>(7,835)</u>	<u>(31,435)</u>
	3,816,809	4,632,984	5,424,435	(1,355,130)	3,767,876	1,635,711	(20,579)
	<u>38,383,279</u>	<u>33,750,295</u>	<u>28,325,860</u>	<u>29,680,990</u>	<u>25,913,114</u>	<u>24,277,403</u>	<u>24,297,982</u>
\$	<u>42,200,088</u>	<u>38,383,279</u>	<u>33,750,295</u>	<u>28,325,860</u>	<u>29,680,990</u>	<u>25,913,114</u>	<u>24,277,403</u>
\$	<u>5,530,283</u>	<u>3,227,632</u>	<u>6,672,599</u>	<u>11,497,361</u>	<u>8,437,514</u>	<u>10,991,978</u>	<u>10,986,704</u>
	<u>88.41%</u>	<u>92.24%</u>	<u>83.49%</u>	<u>71.13%</u>	<u>77.87%</u>	<u>70.22%</u>	<u>68.84%</u>
\$	<u>5,205,680</u>	<u>5,959,544</u>	<u>6,116,834</u>	<u>6,077,096</u>	<u>6,529,110</u>	<u>6,764,196</u>	<u>7,400,260</u>
	<u>106.24%</u>	<u>54.16%</u>	<u>109.09%</u>	<u>189.19%</u>	<u>129.23%</u>	<u>162.50%</u>	<u>148.46%</u>

TOWNSHIP OF HAVERFORD
SCHEDULE OF NON-UNIFORMED PENSION PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 1,803,719	\$ 1,637,145	\$ 1,638,542
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>2,403,719</u>	<u>1,637,145</u>	<u>1,638,542</u>
CONTRIBUTION (EXCESS) DEFICIENCY	<u>\$ (600,000)</u>	<u>\$ -</u>	<u>\$ -</u>
COVERED PAYROLL	<u>\$ 5,200,000</u>	<u>\$ 5,227,916</u>	<u>\$ 5,248,708</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	<u>46.23%</u>	<u>31.32%</u>	<u>31.22%</u>

Notes to the Schedule:

Actuarial Methods and Significant Assumptions

Valuation date	January 1, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	7 years
Asset valuation method	5-year smoothing

Actuarial Assumptions:

Investment rate of return	7.50%
Discount rate	7.50%
Projected salary increases	5.00%
Inflation	2.25%
Mortality	PUBS-2010 Mortality Table projected to 2026 using Scale MP-2020

Assumption Changes - In 2015, the mortality assumption was changed from the Blue Collar RP-2000 Table to the Blue Collar RP-2000 Table projected to 2015 using Scale AA. The interest rate assumption was lowered from 8.50% to 8.25% per annum, and the salary assumption was lowered from 5.50% to 5.25%. 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 2019, the interest rate assumption was lowered from 8.25% to 8.00% per annum. Retirement: Age 53 and 28 years to Age 53 and 25 years. In 2021, the interest rate assumption was lowered from 8.0% to 7.5% per annum, and the mortality assumption was changed from the BC RP-2000 projected to 2017 using Scaled AA to PubS-2010 projected 5 years past the valuation date with Scale MP-2020.

Benefit Changes - In 2019, an actuarially reduced early retirement benefit at age 55 and 30 years was added to the plan.

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	1,970,764	\$ 1,990,647	\$ 1,997,083	\$ 1,995,152	\$ 1,606,054	\$ 1,617,081	\$ 1,508,073
	<u>1,970,764</u>	<u>1,990,647</u>	<u>1,997,083</u>	<u>1,995,152</u>	<u>1,606,054</u>	<u>1,617,081</u>	<u>2,859,475</u>
\$	<u>-</u>	\$ <u>-</u>					
\$	<u>5,205,680</u>	\$ <u>5,595,544</u>	\$ <u>6,116,834</u>	\$ <u>6,077,096</u>	\$ <u>6,529,110</u>	\$ <u>6,764,196</u>	\$ <u>7,400,260</u>
	<u>37.86%</u>	<u>35.58%</u>	<u>32.65%</u>	<u>32.83%</u>	<u>24.60%</u>	<u>23.91%</u>	<u>20.38%</u>

TOWNSHIP OF HAVERFORD
SCHEDULE OF NON-UNIFORMED PENSION PLAN
INVESTMENT RETURNS
LAST TEN FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	<u>10.35%</u>	<u>14.24%</u>	<u>-16.01%</u>

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>11.37%</u>	<u>14.80%</u>	<u>19.15%</u>	<u>-5.40%</u>	<u>14.47%</u>	<u>6.62%</u>	<u>-0.56%</u>

TOWNSHIP OF HAVERFORD
SCHEDULE OF CHANGES IN THE TOTAL OPEB
LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018
TOTAL OPEB LIABILITY							
Service cost	\$ 1,722,798	\$ 1,512,321	\$ 1,955,163	\$ 1,916,825	\$ 1,690,166	\$ 1,337,078	\$ 1,284,417
Interest on total OPEB liability	1,813,324	1,843,547	1,192,613	1,178,539	1,734,900	1,970,224	1,782,705
Differences between expected and actual experience	(1,008,553)	3,959,733	7,046,548	-	(10,165,877)	-	-
Changes of assumptions	(2,713,717)	-	(16,614,580)	599,336	187,302	12,783,896	(5,869,422)
Benefit payments	(1,300,192)	(1,620,484)	(1,325,582)	(1,535,704)	(1,262,748)	(1,100,228)	(936,352)
NET CHANGE IN TOTAL OPEB LIABILITY	(1,486,340)	5,695,117	(7,745,838)	2,158,996	(7,816,257)	14,990,970	(3,738,652)
TOTAL OPEB LIABILITY, BEGINNING	54,550,747	48,855,630	56,601,468	54,442,472	62,258,729	47,267,759	51,006,411
TOTAL PENSION LIABILITY, ENDING (a)	\$ 53,064,407	\$ 54,550,747	\$ 48,855,630	\$ 56,601,468	\$ 54,442,472	\$ 62,258,729	\$ 47,267,759
PLAN FIDUCIARY NET POSITION							
Plan fiduciary net position, beginning	-	-	-	-	-	-	-
PLAN FIDUCIARY NET POSITION, ENDING (b)	\$ -						
NET OPEB LIABILITY, ENDING (a)-(b)	\$ 53,064,407	\$ 54,550,747	\$ 48,855,630	\$ 56,601,468	\$ 54,442,472	\$ 62,258,729	\$ 47,267,759
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	0.00%						
COVERED PAYROLL	\$ 12,700,000	\$ 12,959,318	\$ 12,641,036	\$ 12,952,538	\$ 13,615,642	\$ 13,281,902	\$ 13,315,328
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	417.83%	420.94%	386.48%	436.99%	399.85%	468.75%	354.99%

Notes to Schedule:

Valuation Date	December 31, 2023
Actuarial cost method	Entry Age
Asset valuation method	Market Value
Discount rate	4.08%
Projected salary increases	3.00%
Inflation	2.50%
Mortality	Pub-2010 mortality table with generational scale MP-2021

Note on Cumulative Information:

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

Assumption Changes

Assumption changes include:

- The discount rate was updated from 3.26% to 4.08%.
- The trend rates were updated to an initial rate of 7.75% (6.75% for post-65), grading down to an ultimate rate of 4.00%. Initial rate and the grade down period is extended to account for recent inflationary pressures and price increases over the next couple of years.

SUPPLEMENTARY INFORMATION

TOWNSHIP OF HAVERFORD
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Special Revenue Funds			Total Other Governmental Funds
	Community Development Fund	Merry Place Fund	Access Equipment Fund	
ASSETS				
Cash and cash equivalents	\$ 3,220	\$ 76,060	\$ 20,574	\$ 99,854
Receivables	<u>159,642</u>	<u>-</u>	<u>-</u>	<u>159,642</u>
TOTAL ASSETS	<u>\$ 162,862</u>	<u>\$ 76,060</u>	<u>\$ 20,574</u>	<u>\$ 259,496</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	<u>\$ 159,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,642</u>
FUND BALANCES				
Restricted, park improvements	-	76,060	-	76,060
Restricted, cable access enhancements	-	-	20,574	20,574
Restricted, community development	<u>3,220</u>	<u>-</u>	<u>-</u>	<u>3,220</u>
TOTAL FUND BALANCES	<u>3,220</u>	<u>76,060</u>	<u>20,574</u>	<u>99,854</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 162,862</u>	<u>\$ 76,060</u>	<u>\$ 20,574</u>	<u>\$ 259,496</u>

TOWNSHIP OF HAVERFORD

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OTHER GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2024

	Special Revenue Funds			Total Other Governmental Funds
	Community Development Fund	Merry Place Fund	Access Equipment Fund	
REVENUES				
Interest and rent	\$ -	\$ 3,677	\$ 962	\$ 4,639
Intergovernmental revenues	860,133	-	-	860,133
Other	206,499	2,625	4,029	213,153
TOTAL REVENUES	<u>1,066,632</u>	<u>6,302</u>	<u>4,991</u>	<u>1,077,925</u>
EXPENDITURES				
Community development	1,066,632	-	-	1,066,632
Miscellaneous	-	-	263	263
TOTAL EXPENDITURES	<u>1,066,632</u>	<u>-</u>	<u>263</u>	<u>1,066,895</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>6,302</u>	<u>4,728</u>	<u>11,030</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>3,220</u>	<u>69,758</u>	<u>15,846</u>	<u>88,824</u>
FUND BALANCES AT END OF YEAR	<u>\$ 3,220</u>	<u>\$ 76,060</u>	<u>\$ 20,574</u>	<u>\$ 99,854</u>

TOWNSHIP OF HAVERFORD

COMBINING SCHEDULE OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

DECEMBER 31, 2024

	Pension Trust Funds			
	<u>Non-Uniformed Pension Fund</u>	<u>Police Pension Fund</u>	<u>Non-Uniformed Defined Contribution Pension Fund</u>	<u>Total Pension Trust Funds</u>
ASSETS				
Cash	\$ 1,606,674	\$ 6,318,062	\$ 61,897	\$ 7,986,633
Investments, at fair value				
Mutual funds	18,870,356	27,105,190	-	45,975,546
Exchange traded funds	21,027,598	26,988,205	1,816,991	49,832,794
Receivables				
Accrued income	<u>2,805</u>	<u>4,497</u>	<u>42,319</u>	<u>49,621</u>
TOTAL ASSETS	<u>41,507,433</u>	<u>60,415,954</u>	<u>1,921,207</u>	<u>103,844,594</u>
NET POSITION				
Restricted for pension benefits	<u>\$ 41,507,433</u>	<u>\$ 60,415,954</u>	<u>\$ 1,921,207</u>	<u>\$ 103,844,594</u>

TOWNSHIP OF HAVERFORD
COMBINING SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Pension Trust Funds			Total Fiduciary Funds
	Non-Uniformed Pension Fund	Police Pension Fund	Non-Uniformed Defined Contribution Pension Fund	
ADDITIONS				
Contributions				
Employer contributions	\$ 1,886,702	\$ 2,977,225	\$ 176,038	\$ 5,039,965
Employee contributions	210,223	397,827	153,647	761,697
Commonwealth of Pennsylvania	517,017	955,207	-	1,472,224
TOTAL CONTRIBUTIONS	<u>2,613,942</u>	<u>4,330,259</u>	<u>329,685</u>	<u>7,273,886</u>
Investment earnings				
Net appreciation in fair market value of investments	2,902,260	3,951,545	118,791	6,972,596
Interest and dividends	1,139,848	1,634,631	45,185	2,819,664
Investment expenses	(100,650)	(139,530)	(3,804)	(243,984)
INVESTMENT EARNINGS, net	<u>3,941,458</u>	<u>5,446,646</u>	<u>160,172</u>	<u>9,548,276</u>
TOTAL ADDITIONS	<u>6,555,400</u>	<u>9,776,905</u>	<u>489,857</u>	<u>16,822,162</u>
DEDUCTIONS				
Employee benefit payments	3,118,872	3,892,583	51,378	7,062,833
Administrative expenses	9,000	10,350	5,400	24,750
Insurance	8,889	8,889	-	17,778
Return of member contributions	-	-	23,720	23,720
TOTAL DEDUCTIONS	<u>3,136,761</u>	<u>3,911,822</u>	<u>80,498</u>	<u>7,129,081</u>
CHANGE IN NET POSITION	3,418,639	5,865,083	409,359	9,693,081
NET POSITION AT BEGINNING OF YEAR	<u>38,088,794</u>	<u>54,550,871</u>	<u>1,511,848</u>	<u>94,151,513</u>
NET POSITION AT END OF YEAR	<u>\$ 41,507,433</u>	<u>\$ 60,415,954</u>	<u>\$ 1,921,207</u>	<u>\$ 103,844,594</u>

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

To the Board of Commissioners
Township of Haverford
Havertown, Pennsylvania

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Township of Haverford as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township of Haverford's basic financial statements and have issued our report thereon dated May 5, 2025. Our report includes a reference to other auditors who audited the financial statements of the Haverford Township Free Library, as described in our report on the Township of Haverford's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance or other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Haverford's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Haverford's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Haverford's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Commissioners
Township of Haverford
Havertown, Pennsylvania

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Haverford's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Limerick, Pennsylvania
May 5, 2025