

NEW HANOVER TOWNSHIP

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2023

INTRODUCTORY SECTION

NEW HANOVER TOWNSHIP
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023

	Page
Introductory Section	
Table of Contents	1
Financial Section	
Independent Auditors' Report	3
Management's Discussion and Analysis (Unaudited)	6
Basic Financial Statements	
<i>Government-Wide Financial Statements</i>	
Statement of Net Position	7
Statement of Activities	8
<i>Fund Financial Statements</i>	
<i>Governmental Funds</i>	
Balance Sheet	9
Reconciliation of Total Governmental Funds Balances to Net Position of Governmental Activities	10
Statement of Revenues, Expenditures and Changes in Fund Balances	11
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	12
<i>Proprietary Funds</i>	
Statement of Net Position	13
Statement of Revenues, Expenses and Changes in Net Position	14
Statement of Cash Flows	15
<i>Fiduciary Funds</i>	
Statement of Net Position	16
Statement of Changes in Net Position	17
Notes to Financial Statements	18

NEW HANOVER TOWNSHIP
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023

	Page
Required Supplementary Information	
Schedule of Changes in Net Pension Liability and Related Ratios - Police Pension Plan	49
Schedule of Changes in Net Pension Liability and Related Ratios - Non-Uniformed Pension Plan	50
Schedule of Pension Contributions - Police Pension Plan	51
Schedule of Pension Contributions - Non-Uniformed Pension Plan	52
Schedule of Pension Plan Investment Returns - Police Pension Plan	53
Schedule of Pension Plan Investment Returns - Non-Uniformed Pension Plan	54
Budgetary Comparison Schedule - General Fund	55
Note to Budgetary Comparison Schedule	56
Other Supplementary Information	
Combining Balance Sheet - Other Governmental Funds	57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Other Governmental Funds	58
Combining Schedule of Net Position - Fiduciary Funds	59
Combining Schedule of Changes in Net Position - Fiduciary Funds	60

FINANCIAL SECTION

Independent Auditors' Report

To the Board of Supervisors
New Hanover Township
Gilbertsville, Pennsylvania

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New Hanover Township, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Hanover Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management's for the Financial Statements

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

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

To the Board of Supervisors
New Hanover Township
Gilbertsville, Pennsylvania

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of New Hanover Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Hanover Township's ability to continue as a going concern for a reasonable period of time.

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

To the Board of Supervisors
New Hanover Township
Gilbertsville, Pennsylvania

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 6(v) and the required supplementary information on pages 49 to 56 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 New Hanover Township's basic financial statements. The combining balance sheet – other governmental funds, combining statement of revenues, expenditures and changes in fund balances – other governmental funds, combining schedule of net position – fiduciary funds, and the combining schedule of changes in net position – fiduciary funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining balance sheet – other governmental funds, combining statement of revenues, expenditures and changes in fund balances – other governmental funds, combining schedule of net position – fiduciary funds, and the combining schedule of changes in net position – fiduciary funds is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet – other governmental funds, combining statement of revenues, expenditures and changes in fund balances – other governmental funds, combining schedule of net position – fiduciary funds, and the combining schedule of changes in net position – fiduciary funds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Limerick, Pennsylvania
June 20, 2024

NEW HANOVER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2023

The discussion and analysis contained herein of New Hanover Township's financial performance provides an overview of the Township's financial activities for the fiscal year ending December 31, 2023. This information needs to be read in conjunction with the Township's financial statements.

FINANCIAL HIGHLIGHTS

The Township's net position increased by \$308,687 as a result of this year's operations. Net position of our governmental activities increased by \$336,297 and the net position of our business-type activities decreased by \$27,610.

In 2023, Sewer Fund operating revenues increased by 3.6% and expenses were 5.5% higher than the previous year.

The General Fund reported a fund balance of \$2,384,308 this year compared to a fund balance of \$2,333,490 last year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Township's annual financial report consists of several sections. Taken together, they provide a comprehensive financial look at the Township. The components of the report include an independent auditors' report, management's discussion and analysis, government-wide financial statements, fund financial statements and notes to the basic financial statements. This report also contains other required and supplementary information in addition to the basic financial statements.

The independent auditors' report briefly describes the audit engagement and also renders an opinion as to the material components of the Township's financial position. The management's discussion and analysis (MD&A), prepared by the Township's management, provides a narrative introduction and overview that users of the financial statements need in order to interpret the basic financial statements. The MD&A also provides an analysis of key data that is presented in the basic financial statements. It also addresses any other currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

The basic financial statements include the statement of net position, statement of activities, fund financial statements and the notes to the basic financial statements. Statements of net position and activities focus on entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the Township.

- The *statement of net position* focuses on resources available for future operations. This statement presents a view of the assets the Township owns, the liabilities it owes and the net difference.
- The *statement of activities* focuses on gross and net costs of Township programs and the extent to which programs rely on taxes and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by other sources.

NEW HANOVER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2023

- *Fund financial statements* focus separately on major Governmental Funds, Proprietary Funds and Fiduciary Funds. Governmental Funds statements follow the more traditional presentation of financial statements. The Township's major Governmental Funds are represented in their own columns, and the remaining funds are combined into a column titled "Nonmajor Governmental Funds." Statements for the Township's Proprietary and Fiduciary Funds follow the Governmental Funds and include net position, revenues, expenses and changes in net position and cash flows. The Proprietary Fund represents the Sewer Fund and can be found in more detail beginning with the statement of net position, Proprietary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside of the government, i.e., Employee Pension Funds. Fiduciary Funds are not reflected in the government-wide statements because the Township cannot use these assets to finance its operations.
- The *notes to the basic financial statements* provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Township's financial condition.

Other required supplementary information consisting of budgetary comparisons of the General Fund and pension plan funding progress is provided.

Other supplementary information consisting of the balance sheet and statement of revenues, expenditures and changes in fund balances for Nonmajor Governmental Funds and Fiduciary Funds is also provided.

REPORTING THE TOWNSHIP AS A WHOLE

The analysis of the Township as a whole begins with the statement of net position.

Is the Township as a whole better off or worse off as a result of the year's activities? The statement of net position and the statement of activities report information about the Township as a whole and about its activities in a way that helps to answer this question. We divide the Township into two kinds of activities:

- **Governmental Activities**: These are the Township's basic services and are reported in this category. They include general administration, police, public works, code enforcement and parks and recreation. Real estate and EIT taxes, fees and charges and grants finance most of these activities.
- **Proprietary Activities**: This category includes services provided through the Sewer Fund. These activities are funded via user charges. The Sewer Fund is comprised of revenues and expenditures that relate to the sewer operations operated by the Township.

NEW HANOVER TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2023

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

The following tables reflect the condensed statements of net position.

Table 1
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current and other assets	\$ 13,370,844	\$ 13,881,247	\$ 2,584,699	\$ 3,770,342	\$ 15,955,543	\$ 17,651,589
Net pension asset	105,356	73,853	48,899	40,471	154,255	114,324
Capital assets	26,887,102	26,671,801	20,478,384	19,873,949	47,365,486	46,545,750
TOTAL ASSETS	40,363,302	40,626,901	23,111,982	23,684,762	63,475,284	64,311,663
DEFERRED OUTFLOWS OF RESOURCES						
	1,027,528	1,569,170	108,848	242,875	1,136,376	1,812,045
LIABILITIES						
Other liabilities	1,640,123	2,057,259	182,212	454,298	1,822,335	2,511,557
Long-term liabilities	3,450,101	4,159,618	3,228,178	3,634,457	6,678,279	7,794,075
TOTAL LIABILITIES	5,090,224	6,216,877	3,410,390	4,088,755	8,500,614	10,305,632
DEFERRED INFLOWS OF RESOURCES						
	84,320	99,205	-	832	84,320	100,037
NET POSITION						
Net investment in capital assets	24,216,378	23,559,077	17,263,384	16,245,949	41,479,762	39,805,026
Restricted	6,780,385	5,537,098	-	-	6,780,385	5,537,098
Unrestricted	5,219,523	6,783,814	2,547,056	3,592,101	7,766,579	10,375,915
TOTAL NET POSITION	\$ 36,216,286	\$ 35,879,989	\$ 19,810,440	\$ 19,838,050	\$ 56,026,726	\$ 55,718,039

For more detailed information, see the statement of net position on page 7 of the annual financial report.

NEW HANOVER TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2023

Statement of Activities

The following tables reflect the revenues and expenses for the current period.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program revenues						
Charges for services	\$ 44,920	\$ 529,752	\$ 2,240,350	\$ 2,163,299	\$ 2,682,270	\$ 2,693,051
Operating grants and contributions	962,133	744,993	20,722	20,722	982,855	765,715
General revenues						
Taxes						
Real estate	1,239,167	1,235,822	-	-	1,239,167	1,235,822
Real estate transfer	316,058	559,469	-	-	316,058	559,469
Per capita	41,035	38,473	-	-	41,035	38,473
Earned income	4,013,463	3,886,957	-	-	4,013,463	3,886,957
Local services	18,179	16,052	-	-	18,179	16,052
Interest income	628,110	19,984	124,834	50,082	752,944	242,066
Proceeds from sale of assets	11,255	58,900	18,212	-	29,467	58,900
Miscellaneous	9,062	58,267	-	-	9,062	58,267
TOTAL REVENUES	7,680,382	7,320,669	2,404,118	2,234,103	10,084,500	9,554,772
EXPENDITURES						
General government	1,834,562	1,169,644	-	-	1,834,562	1,169,644
Public safety - police	2,230,502	2,143,195	-	-	2,230,502	2,143,195
Public safety - fire	407,209	401,771	-	-	407,209	401,771
Public safety - other	358,566	328,205	-	-	358,566	328,205
Public works - highways and streets	1,247,495	691,569	-	-	1,247,495	691,569
Culture and recreation	152,689	136,311	-	-	152,689	136,311
Community development	71,253	137,595	-	-	71,253	137,595
Debt service	26,572	71,410	-	-	26,572	71,410
Insurance	46,943	32,168	-	-	46,943	32,168
Sewer	-	-	2,431,728	2,314,255	2,431,728	2,314,255
Miscellaneous	1418	47,805	-	-	1,418	47,805
Depreciation	966,876	940,457	-	-	966,876	940,457
TOTAL EXPENDITURES	7,344,085	6,100,130	2,431,728	2,314,255	9,775,813	8,414,385
CHANGE IN NET POSITION	336,297	1,220,539	(27,610)	(80,152)	308,687	1,140,387
NET POSITION AT BEGINNING OF YEAR	35,879,989	34,659,450	19,838,050	19,918,202	55,718,039	54,577,652
NET POSITION AT END OF YEAR	\$ 36,216,286	\$ 35,879,989	\$ 19,810,440	\$ 19,838,050	\$ 56,026,726	\$ 55,718,039

For more detailed information, see the statement of activities on page 8 of the annual financial report.

NEW HANOVER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgetary adjustments and supplemental appropriations in 2023 were not material. Transfers and/or adjustments to the budget are made as a result of unanticipated expenditures and/or revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

New Hanover Township's investment in capital assets for its governmental and proprietary activities as of December 31, 2023, totaled \$26,887,102 and \$20,478,384, respectively. The Township's investment in capital assets includes the municipal building, township infrastructure, the sewer system and treatment plant, vehicles and equipment.

Figure A-1

Capital Assets (Net of Depreciation, in Thousands of Dollars)

	<u>Governmental Activities</u>	<u>Business-Type</u>
Land	\$ 10,382	\$ 2,743
Sanitary sewer system	-	12,766
Wastewater treatment plant	-	4,425
Vehicles	421	171
Infrastructure	9,979	-
Building	5,264	-
Land Improvements	253	-
Machinery and equipment	588	373
TOTAL	<u>\$ 26,887</u>	<u>\$ 20,478</u>

Property, plant, system infrastructure and equipment of the Township are depreciated using the straight-line method.

Additional information on the Township's capital assets can be found in Notes B and E to the financial statements.

Debt

At year-end 2023, the Township had \$5,944,611 (see Figure A-2) in outstanding debt. The debt service due within one year is \$873,000 which is a combination from Note H, Total Governmental Activities \$298,000 and Total Business Activities \$575,000.

NEW HANOVER TOWNSHIP

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2023

Figure A-2
Outstanding Long-Term Debt

Notes payable	\$ <u>5,885,724</u>
Compensated absences	\$ <u>58,887</u>
Net pension liability	\$ <u>733,668</u>

ECONOMIC FACTORS IMPACTING FUTURE BUDGETS

The Township’s finances are extremely stable. This is the sixteenth year in a row that taxes have not been raised (while reducing them five percent in 2019), which puts us in a unique-and welcomed-position for a municipality in Montgomery County. Further, the Government Finance Officers Association (GFOA) recommends a municipality to have between 8% and 12% in minimum mdfund balance reserves. At the end of 2023, the General Fund will have approximately 50% in fund balance reserves.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Township’s finances and to show the Township’s accountability for the funds it receives and disburses. Questions about this report or requests for additional financial information can be directed to the Finance Department of New Hanover Township, 2943 North Charlotte Street, Gilbertsville, PA 19525-9718.

NEW HANOVER TOWNSHIP
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash	\$ 11,610,002	\$ 2,306,826	\$ 13,916,828
Investments	100,000	-	100,000
Due from fiduciary funds	3,887	-	3,887
Accounts receivable	71,763	245,024	316,787
Lease receivable	88,159	-	88,159
Taxes receivable	1,241,357	-	1,241,357
Intergovernmental receivable	19,351	-	19,351
Due from developers	93,770	-	93,770
Prepays	142,555	32,849	175,404
Net pension asset	105,356	48,899	154,255
Capital assets			
Land	10,382,313	2,743,421	13,125,734
Land improvements	2,618,595	-	2,618,595
Infrastructure	20,780,321	-	20,780,321
Buildings	8,233,056	-	8,233,056
Sanitary sewer system	-	25,355,921	25,355,921
Wastewater treatment plant	-	9,596,976	9,596,976
Vehicles	4,953,612	842,417	5,796,029
Equipment	1,164,246	799,272	1,963,518
Accumulated depreciation	(21,245,041)	(18,859,623)	(40,104,664)
TOTAL ASSETS	<u>40,363,302</u>	<u>23,111,982</u>	<u>63,475,284</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	<u>1,027,528</u>	<u>108,848</u>	<u>1,136,376</u>
LIABILITIES			
Accounts payable	382,708	161,570	544,278
Accrued salaries	48,667	7,782	56,449
Accrued interest payable	4,461	12,860	17,321
Unearned revenues	1,204,287	-	1,204,287
Long-term liabilities			
Notes payable, current portion	298,000	575,000	873,000
Notes payable, long-term portion	2,372,724	2,640,000	5,012,724
Compensated absences payable	45,709	13,178	58,887
Net pension liability	733,668	-	733,668
TOTAL LIABILITIES	<u>5,090,224</u>	<u>3,410,390</u>	<u>8,500,614</u>
DEFERRED INFLOWS OF RESOURCES			
Leases	<u>84,320</u>	<u>-</u>	<u>84,320</u>
NET POSITION			
Net investment in capital assets	24,216,378	17,263,384	41,479,762
Restricted	6,780,385	-	6,780,385
Unrestricted	5,219,523	2,547,056	7,766,579
TOTAL NET POSITION	<u>\$ 36,216,286</u>	<u>\$ 19,810,440</u>	<u>\$ 56,026,726</u>

See accompanying notes to the basic financial statements.

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NEW HANOVER TOWNSHIP
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 1,834,562	\$ 230,445	\$ 183,743	\$ -
Public safety - police	2,230,502	20,291	1,400	-
Public safety - fire	407,209	-	94,863	-
Public safety - code enforcement, planning, zoning	358,566	127,379	-	-
Public works - highways and streets	1,247,495	-	504,404	-
Culture and recreation	152,689	63,805	-	-
Community development	71,253	-	-	-
Debt service	26,572	-	-	-
Employer benefits - pensions	-	-	177,723	-
Insurance	46,943	-	-	-
Miscellaneous	1,418	-	-	-
Depreciation	966,876	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	7,344,085	441,920	962,133	-
BUSINESS-TYPE ACTIVITIES				
Sewer	2,431,728	2,240,350	20,722	-
	<u>\$ 9,775,813</u>	<u>\$ 2,682,270</u>	<u>\$ 982,855</u>	<u>\$ -</u>

GENERAL REVENUES

Taxes
Real estate taxes
Real estate transfer
Per capita
Earned income
Local services
Interest income
Gain on sale of capital assets
Miscellaneous

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION AT BEGINNING OF YEAR

NET POSITION AT END OF YEAR

See accompanying notes to the basic financial statements.

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental</u>	<u>Business-Type</u>	
<u>Activities</u>	<u>Activities</u>	<u>Totals</u>
\$ (1,420,374)	\$ -	\$ (1,420,374)
(2,208,811)	-	(2,208,811)
(312,346)	-	(312,346)
(231,187)	-	(231,187)
(743,091)	-	(743,091)
(88,884)	-	(88,884)
(71,253)	-	(71,253)
(26,572)	-	(26,572)
177,723	-	177,723
(46,943)	-	(46,943)
(1,418)	-	(1,418)
<u>(966,876)</u>	<u>-</u>	<u>(966,876)</u>
(5,940,032)	-	(5,940,032)
<u>-</u>	<u>(170,656)</u>	<u>(170,656)</u>
<u>(5,940,032)</u>	<u>(170,656)</u>	<u>(6,110,688)</u>
1,239,167	-	1,239,167
316,058	-	316,058
41,035	-	41,035
4,013,463	-	4,013,463
18,179	-	18,179
628,110	124,834	752,944
11,255	18,212	29,467
9,062	-	9,062
<u>6,276,329</u>	<u>143,046</u>	<u>6,419,375</u>
336,297	(27,610)	308,687
<u>35,879,989</u>	<u>19,838,050</u>	<u>55,718,039</u>
<u>\$ 36,216,286</u>	<u>\$ 19,810,440</u>	<u>\$ 56,026,726</u>

NEW HANOVER TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	<u>General Fund</u>	<u>Transportation Impact</u>	<u>Open Space</u>
ASSETS			
Cash	\$ 1,742,716	\$ 1,788,111	\$ 3,332,642
Investments	100,000	-	-
Due from fiduciary funds	3,887	-	-
Accounts receivable	71,750	-	-
Taxes receivable	954,343	-	272,861
Leases receivable	88,159	-	-
Intergovernmental receivable	19,351	-	-
Due from developers	93,770	-	-
Prepays	142,555	-	-
	<u>3,216,531</u>	<u>1,788,111</u>	<u>3,605,503</u>
TOTAL ASSETS			
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 228,327	\$ 12,741	\$ 51,417
Accrued salaries	48,667	-	-
Unearned revenue	-	-	-
	<u>276,994</u>	<u>12,741</u>	<u>51,417</u>
TOTAL LIABILITIES			
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, leases	84,320	-	-
Unavailable revenue, property taxes	12,644	-	-
Unavailable revenue, other taxes	458,265	-	136,466
	<u>555,229</u>	<u>-</u>	<u>136,466</u>
TOTAL DEFERRED INFLOWS OF RESOURCES			
FUND BALANCES			
Nonspendable	142,555	-	-
Restricted			
Fire Protection	-	-	-
Recreation	-	-	-
Traffic impact	-	1,775,370	-
Open Space	-	-	3,417,620
Capital projects	-	-	-
Assigned			
Capital projects	-	-	-
Unassigned	2,241,753	-	-
	<u>2,384,308</u>	<u>1,775,370</u>	<u>3,417,620</u>
TOTAL FUND BALANCES			
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
	<u>\$ 3,216,531</u>	<u>\$ 1,788,111</u>	<u>\$ 3,605,503</u>

See accompanying notes to the basic financial statements.

<u>Capital Reserve</u>	<u>American Rescue Plan</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,864,146	\$ 86	\$ 1,882,301	\$ 11,610,002
-	-	-	100,000
-	-	-	3,887
-	-	13	71,763
-	-	14,153	1,241,357
-	-	-	88,159
-	-	-	19,351
-	-	-	93,770
-	-	-	142,555
<u>\$ 2,864,146</u>	<u>\$ 86</u>	<u>\$ 1,896,467</u>	<u>\$ 13,370,844</u>

\$ 85,591	\$ -	\$ 4,632	\$ 382,708
-	-	-	48,667
<u>1,204,287</u>	<u>-</u>	<u>-</u>	<u>1,204,287</u>
<u>1,289,878</u>	<u>-</u>	<u>4,632</u>	<u>1,635,662</u>

-	-	-	84,320
-	-	8,324	20,968
-	-	-	594,731
<u>-</u>	<u>-</u>	<u>8,324</u>	<u>700,019</u>

-	-	-	142,555
-	-	21,301	21,301
-	-	360,551	360,551
-	-	410,657	2,186,027
-	-	-	3,417,620
-	-	794,886	794,886
1,574,268	86	296,116	1,870,470
-	-	-	2,241,753
<u>1,574,268</u>	<u>86</u>	<u>1,883,511</u>	<u>11,035,163</u>

<u>\$ 2,864,146</u>	<u>\$ 86</u>	<u>\$ 1,896,467</u>	<u>\$ 13,370,844</u>
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NEW HANOVER TOWNSHIP
RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

TOTAL GOVERNMENTAL FUNDS BALANCES \$ 11,035,163

Amounts reported for governmental activities in the statement of net position are difference because:

Capital assets of \$48,132,143, net of accumulated depreciation of \$21,245,041, used in governmental activities are not financial resources and, therefore, are not reported in the funds. 26,887,102

Taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred inflows of resources in the funds. 615,699

The net pension asset is not an available resource and, therefore, is not reported in the funds. 105,356

Deferred outflows and inflows of resources related to the pension plans will not be paid or received in the current period and, therefore, are not reported in the funds. 1,027,528

Long-term liabilities are not due and payable in the current period and therefore are not reported in as liabilities in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances at December 31, 2023 are as follows:

Notes payable	(2,670,724)
Accrued interest payable	(4,461)
Net pension liability	(733,668)
Compensated absences payable	<u>(45,709)</u>

TOTAL NET POSITION, GOVERNMENTAL ACTIVITIES \$ 36,216,286

See accompanying notes to the basic financial statements.

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

	<u>General Fund</u>	<u>Transportation Impact</u>	<u>Open Space</u>
REVENUES			
Taxes			
Real estate	\$ 745,702	\$ -	\$ -
Real estate transfer	316,058	-	-
Per capita	41,035	-	-
Earned income	3,014,333	-	884,039
Local services	17,956	-	-
Licenses and permits	224,001	-	-
Fines and forfeits	20,291	-	-
Interest and rents	151,210	87,812	136,951
Intergovernmental revenues	181,774	-	-
Charges for services	133,823	-	-
Miscellaneous	9,062	-	-
TOTAL REVENUES	<u>4,855,245</u>	<u>87,812</u>	<u>1,020,990</u>
EXPENDITURES			
General government	1,024,624	-	36,403
Public safety			
Police	2,136,055	-	-
Fire	64,004	-	-
Code enforcement, planning, zoning	325,533	-	-
Public works - highway and streets	726,782	136,563	-
Culture and recreation	10,250	-	-
Community development	-	-	71,253
Debt service	468,818	-	-
Insurance	46,943	-	-
Miscellaneous	1,418	-	-
TOTAL EXPENDITURES	<u>4,804,427</u>	<u>136,563</u>	<u>107,656</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>50,818</u>	<u>(48,751)</u>	<u>913,334</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from disposal of assets	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	50,818	(48,751)	913,334
FUND BALANCES AT BEGINNING OF YEAR	<u>2,333,490</u>	<u>1,824,121</u>	<u>2,504,286</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,384,308</u>	<u>\$ 1,775,370</u>	<u>\$ 3,417,620</u>

See accompanying notes to the basic financial statements.

Capital Reserve	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 490,469	\$ 1,236,171
-	-	-	316,058
-	-	-	41,035
-	-	-	3,898,372
-	-	-	17,956
-	-	-	224,001
-	-	-	20,291
137,877	17,134	97,126	628,110
181,092	-	599,267	962,133
-	-	63,805	197,628
-	-	-	9,062
<u>318,969</u>	<u>17,134</u>	<u>1,250,667</u>	<u>7,550,817</u>
1,828,956	-	3,562	2,893,545
79,196	-	-	2,215,251
-	-	343,205	407,209
-	-	-	325,533
-	-	314,524	1,177,869
-	-	142,439	152,689
-	-	-	71,253
-	-	-	468,818
-	-	-	46,943
-	-	-	1,418
<u>1,908,152</u>	<u>-</u>	<u>803,730</u>	<u>7,760,528</u>
<u>(1,589,183)</u>	<u>17,134</u>	<u>446,937</u>	<u>(209,711)</u>
31,547	-	60,000	91,547
-	(31,547)	(60,000)	(91,547)
<u>10,125</u>	<u>-</u>	<u>1,130</u>	<u>11,255</u>
<u>41,672</u>	<u>(31,547)</u>	<u>1,130</u>	<u>11,255</u>
(1,547,511)	(14,413)	448,067	(198,456)
<u>3,121,779</u>	<u>14,499</u>	<u>1,435,444</u>	<u>11,233,619</u>
<u>\$ 1,574,268</u>	<u>\$ 86</u>	<u>\$ 1,883,511</u>	<u>\$ 11,035,163</u>

NEW HANOVER TOWNSHIP
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (198,456)

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 215,301

Some taxes will not be collected for several months after year-end. These taxes are not considered as "available" revenues in the governmental funds. Deferred inflows of resources decreased (increased) by this amount during the year.

Real estate	\$ 2,996	
Other taxes	<u>115,314</u>	
		118,310

Governmental funds report interest paid on bonds payable as expenditures. However, in the statement of activities, interest is matched to the period in which it was incurred. This amount is the net effect of matching interest expense to the proper period. 246

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt uses current financial resources. Neither transaction 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. The net effects of these differences in the current period are:

Principal repayments	<u>442,000</u>	
		442,000

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

Net pension expense	(231,153)	
Compensated absences payable	<u>(9,951)</u>	
		<u>(241,104)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 336,297

See accompanying notes to the basic financial statements.

NEW HANOVER TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	<u>Sewer</u>
ASSETS	
CURRENT ASSETS	
Cash, unrestricted	\$ 2,306,826
Accounts receivable	118,367
Receivable - connection fees	103,459
Receivable - front footage assessments	23,198
Prepays	<u>32,849</u>
TOTAL CURRENT ASSETS	<u>2,584,699</u>
NONCURRENT ASSETS	
Capital assets	
Land	2,743,421
Sanitary sewer system	25,355,921
Wastewater treatment plant	9,596,976
Vehicles	842,417
Equipment	799,272
Less accumulated depreciation	<u>(18,859,623)</u>
TOTAL CAPITAL ASSETS	20,478,384
Net pension asset	<u>48,899</u>
TOTAL NONCURRENT ASSETS	<u>20,527,283</u>
TOTAL ASSETS	<u>23,111,982</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	<u>108,848</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	161,570
Accrued salaries	7,782
Accrued interest payable	12,860
Notes payable, current portion	<u>575,000</u>
TOTAL CURRENT LIABILITIES	<u>757,212</u>
NONCURRENT LIABILITIES	
Notes payable, long-term portion	2,640,000
Compensated absences payable	<u>13,178</u>
TOTAL NONCURRENT LIABILITIES	<u>2,653,178</u>
TOTAL LIABILITIES	<u>3,410,390</u>
NET POSITION	
Net investment in capital assets	17,263,384
Unrestricted	<u>2,547,056</u>
TOTAL NET POSITION	<u>\$ 19,810,440</u>

See accompanying notes to the basic financial statements.

NEW HANOVER TOWNSHIP
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	<u>Sewer</u>
OPERATING REVENUES	
Sewer charges	\$ 2,237,670
Miscellaneous	2,680
TOTAL OPERATING REVENUES	<u>2,240,350</u>
OPERATING EXPENSES	
Administrative	285,797
Legal	136,805
Engineering	24,820
Professional fees	60,775
Buildings and plant	374,078
Sewage disposal operations	666,968
Insurance	43,598
Depreciation	806,324
TOTAL OPERATING EXPENSES	<u>2,399,165</u>
OPERATING INCOME (LOSS)	<u>(158,815)</u>
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental	20,722
Interest income	124,834
Gain on disposal of property	18,212
Debt service	
Interest	<u>(32,563)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>131,205</u>
CHANGE IN NET POSITION	<u>(27,610)</u>
NET POSITION AT BEGINNING OF YEAR	<u>19,838,050</u>
NET POSITION AT END OF YEAR	<u>\$ 19,810,440</u>

See accompanying notes to the basic financial statements.

NEW HANOVER TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	<u>Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 2,206,069
Payments to suppliers	(1,566,040)
Payments to employees	(193,941)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>446,088</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition, construction and improvements of capital assets	(1,410,759)
Intergovernmental revenues	20,722
Proceeds from sales of assets	18,212
Interest paid	(34,215)
Principal paid on bonds	(413,000)
NET CASH USED BY IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,819,040)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on investments	<u>124,834</u>
NET DECREASE IN CASH	(1,248,118)
CASH AT BEGINNING OF YEAR	<u>3,554,944</u>
CASH AT END OF YEAR	<u>\$ 2,306,826</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ (158,815)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	806,324
Pension expense	124,767
Decrease in assets	
Accounts receivable	(34,281)
Prepays	(28,194)
Increase (decrease) in liabilities	
Accounts payable	(271,130)
Accrued salaries	696
Compensated absences payable	6,721
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 446,088</u>

See accompanying notes to the basic financial statements.

NEW HANOVER TOWNSHIP
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	Pension Trust Funds	Custodial Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 196,544	\$ 590,235
Investments		
Mutual funds	4,543,325	-
Exchange Traded Funds	4,316,847	-
Receivables	2,508	69,987
TOTAL ASSETS	<u>9,059,224</u>	<u>660,222</u>
 LIABILITIES AND NET POSITION		
LIABILITIES		
Due to Township	-	3,887
Accounts payable	-	49,380
TOTAL LIABILITIES	<u>-</u>	<u>53,267</u>
 NET POSITION		
Net position restricted for pensions	9,059,224	-
Net position restricted for custodial purposes	-	606,955
TOTAL NET POSITION	<u>\$ 9,059,224</u>	<u>\$ 606,955</u>

See accompanying notes to the basic financial statements.

NEW HANOVER TOWNSHIP
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Pension Trust Funds	Custodial Fund
ADDITIONS		
Contributions		
Member contributions	\$ 70,176	\$ -
Employer contributions	172,828	-
Developer contributions	-	521,473
TOTAL CONTRIBUTIONS	243,004	521,473
Investment earnings		
Dividends	221,245	-
Net increase in the fair value of investments	1,048,823	-
TOTAL INVESTMENT EARNINGS	1,270,068	-
Investment expense	(28,937)	-
INVESTMENT EARNINGS, net	1,241,131	-
TOTAL ADDITIONS	1,484,135	521,473
DEDUCTIONS		
Benefits	634,245	-
Administrative expenses	12,000	-
Payments for developers	-	473,984
TOTAL DEDUCTIONS	646,245	473,984
CHANGE IN NET POSITION	837,890	47,489
NET POSITION - BEGINNING OF YEAR	8,221,334	559,466
NET POSITION - END OF YEAR	\$ 9,059,224	\$ 606,955

See accompanying notes to the basic financial statements.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE A - NATURE OF ACTIVITY

New Hanover Township, Montgomery County, Pennsylvania, is a Second-Class Township, created in 1741. The Township is governed by five elected Supervisors who serve a six-year term. The Supervisors have the power to establish policies to be carried out by the Township. The Board of Supervisors manages the Township with the assistance of a Township Manager who is appointed. The Township's major sources of revenue include real estate and local enabling taxes.

Reporting Entity

In evaluating the Township as a reporting entity, management has addressed all potential component units for which the Township may or may not be financially accountable, and as such, be includable within the Township's financial statements. The Township is financially accountable if it appoints a voting majority of the organization governing board and (1) is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burden on the Township. These financial statements include the departments and other organizational units over which the Board of Supervisors exercise oversight responsibility, including general government, police protection, recreation, public works and the Sewer Authority.

In reviewing the criteria for inclusion in the financial statements, the Township considered the following:

- The Tax Collector is an elected officer who collects taxes on behalf of the Township, the Montgomery County and the Boyertown Area School District. The Township regards the Tax Collector's office as a separate entity and, therefore, does not account for its activity in the financial statements.
- New Hanover Volunteer Fire & Rescue Services and Gilbertsville Area Community Ambulance Services receive contributions from the Township. However, the majority of revenues generated are through private fundraisers under the direction of a separate independent board not appointed by the Supervisors. The Fire Department and Ambulance are organized under separate charters and, therefore, are not included in the financial statements.
- The New Hanover Township Authority is a separate legal entity. The Township Supervisors appoint the members of the Authority's Board and the Township has the ability to impose its will on the Authority. The activity of the Authority is included in these financial statements under the Sewer Fund.
- The Police Pension Plan is a single employer defined benefit pension plan that provides pensions for all regular, full-time sworn police officers. Although the plan is a separate legal entity it is reported as if it is part of the government as it is governed by the Board of Supervisors and the Township is responsible for funding the plan. The plan is reported as a fiduciary fund and issues separate financial statements.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE A - NATURE OF ACTIVITY (Continued)

- The Non-Uniformed Employees' Pension Plan is a single employer defined benefit pension plan that provides pensions for all non-uniformed employees hired before June 1, 2016. Although the plan is a separate legal entity it is reported as if it is part of the government as it is governed the Board of Supervisors and the Township is responsible for funding the plan. The plan is reported as a fiduciary fund and does issues separate financial statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the reporting government as a whole. The statements include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole, or in part, by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

Total assets, liabilities, revenues, or expenditures of that individual governmental or proprietary fund are at least 10% of the corresponding total for all funds of that category or type, and total assets, liabilities, revenues, or expenditures of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The Township may also report as a major fund any fund it believes to be of particular importance to the financial statement users.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The funds of the financial reporting entity are described below:

Governmental Funds

Governmental funds are those through which most governmental functions of the Township are financed. The acquisition, use, and balance of the Township's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination.

The following are the Township's governmental funds:

General Fund - This fund is established to account for resources devoted to financing the general services that the Township performs for its citizens. General tax receipts and other source of receipts used to finance the fundamental operations of the Township are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Funds - are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted, committed, or assigned revenues should be the foundation for a special revenue fund. The reporting entity includes the following special revenue funds:

State Highway Aid Fund - This fund is used to account for the proceeds from the State Motor License Fund. Expenditures are legally restricted to expenditures for highway purposes in accordance with Department of Transportation regulations. This fund must be kept separate from all other funds and no other funds shall be comingled with this fund.

Fire Protection Tax Fund - This fund is used to account for the financial resources (real estate taxes 0.31 mills) to be used for fire protection.

Transportation Impact Fund - This fund is used to account for traffic impact fee studies related to new developments and implementation.

Recreation Fund - This fund accounts for the financial resources (real estate tax 0.18 mills) and charges for services to be used for the parks, pool and recreation activities and special events for the community of the Township.

American Rescue Plan Fund - This fund accounts for receipt of American Rescue Plan funds received from the Federal government and transfer to other funds for spending.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Project Funds - are used to account for and report financial resources that are restricted, committed, or assigned expenditures for capital outlays, including the acquisition or construction of major capital improvements. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The reporting entity includes the following capital project funds:

Open Space Fund - This fund accounts for the financial resources (local earned income tax 0.15%) to be used for the acquisition of land to be preserved and maintained by the Township.

Road Equipment Fund - This fund accounts for the financial resources (real estate tax 0.14 mills) to be used for the acquisition or construction of capital outlays.

Capital Reserve Fund - is used to account for the financial resources to be used for various capital projects.

Recreation Reserve Fund - is used to account for the financial resources to be used to acquire and make improvements to municipal parks, pool and recreation assets.

Proprietary Fund

Enterprise Funds - are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private-sector. The reporting entity includes the following enterprise funds which are reported as major funds:

Sewer Fund - This fund accounts for the sanitary sewer revenues, operations of the sanitary sewer system, including personnel to operate the sanitary sewer system and sending sewer bills for the sanitary sewer system.

Fiduciary Fund Type

Fiduciary fund types are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

The following are the Township's fiduciary fund types:

Pension Trust Funds - These funds are used to account for assets held for the Township's pension plans which are funded by employer contributions. These Funds account for fiduciary resources legally held in trust for the receipt and distribution of retirement benefits. The Township sponsors two pension plans: the Police Pension Plan and the Non-Uniformed Pension Plan.

Custodial Fund - These funds are used to account for assets held by the Township that are not available to support the Township's own programs.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

The basic financial statements of the Township are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

Government-Wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities. 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.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and the agency fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (a) fees, fines, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (b) 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 in program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements are presented on a current financial resources and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental activities of the government-wide financial statements.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, and pension expenditures which are recorded as a fund liability when expected to be paid with expendable available financial resources.

In applying the susceptible-to-accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one type, funds must be expended for a specific purpose or project before any amounts will be paid to the Township, therefore, revenues are recognized based upon the expenditures incurred. In the other type, funds are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reported as revenues at the time of receipt, or earlier, if the susceptible-to-accrual criteria are met.

Investment income is recognized as earned.

The Township's fiduciary funds are presented in the fund financial statements by type (pension). Since, by definition, these assets are being held for the benefit of a third party (other local governments, litigants, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Operating revenues in the proprietary funds, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Assets, Liabilities, and Deferred Outflows and Inflows of Resources

Cash

The Township considers all cash accounts that are not subject to withdrawal restrictions or penalties to be cash.

For the purpose of the statement of cash flows, cash includes all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Statutes authorize the Township to invest in: 1) obligations, participations and other instruments of any Federal agency, 2) repurchase agreements with respect to U.S. Treasury bills or obligations, 3) negotiable certificates of deposit, 4) bankers' acceptances, 5) commercial paper, 6) shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933, and 7) savings or demand deposits. The specific conditions under which the District may invest in these categories are detailed in Pennsylvania Act No. 53 of 1973, as amended by Pennsylvania Act No. 10 of 2016. Investments are stated at fair value except for certificates of deposit which are stated at amortized cost.

Investments of pension trust funds are pursuant to the guidelines established by the Pension Boards.

Accounts Receivable

Accounts receivable are shown net of allowances for uncollectible amounts.

Due to and From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Township defines a capital asset as an asset with a useful life in excess of one year and an initial cost of \$5,000 or more and are recorded at historical cost. Depreciation of capital assets is computed on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building	20-40
Infrastructure	50
Land Improvements	15-20
Sanitary Sewer System	50
Wastewater Treatment Plant	7-10
Vehicles	5-15
Equipment	50-110

Maintenance and repairs of capital assets are charged to operation and major improvements are capitalized. Township organization expenses (feasibility studies, planning studies, valuation of systems to be acquired, etc.) are considered to be a component of property and equipment. Upon retirement, sale or disposition of capital assets, the cost and accumulated depreciation are eliminated from the accounts and gain or loss is included in operations.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-lived assets, other than those held for sale, are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value of the impaired asset. Management has concluded that no impairment reserves are required as of December 31, 2023.

Leases

The Township is the lessor for a noncancellable lease for a billboard and cell tower 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.

Deferred Outflows and 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 will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has one item that qualifies for reporting in this category. The deferred outflow of resources related to pensions is reported in the government-wide statement of net position and is the result of changes in assumptions, the net difference between projected and actual earnings on pension plan investments and the difference between expected and actual experience.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial 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 one item which qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the Governmental Funds balance sheet. The Governmental Funds report unavailable revenues from property taxes, earned income taxes and leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Debt

In the government-wide financial statements and the 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.

Compensated Absences

The Township accrues accumulated compensation and sick pay benefits when earned, or estimated to be earned, by the employee.

For police officers only sick time may carry over from year to year. Any accumulated hours in excess of 1,320 hours can be paid out, and the payout is one hour for every two hours accrued, and the rate will reflect the hourly rate at which the time was earned.

As of 2022 nonuniformed employees accumulate only paid time off (PTO) with a maximum of 90 hours carrying over from year to year. Sick time hours from 2021 and prior do continue to carry over from year to year but can only be used in the case of illness.

Equity

Government-Wide Statements

The Township classifies net position into the following components:

Net Investment in Capital Assets - This component of net position consists of the cost of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of these assets.

Restricted - This component of net position consists of constraints placed on net position use either by (a) external groups, such as creditors, grantors, contributors or laws and regulations of other governments or (b) law through constitutional provisions or enabling legislation.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

The Township's policy is to first use restricted net position prior to the use of unrestricted net position when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available.

Governmental Fund Financial Statements

Fund balance is classified into specifically designed classifications as follows:

Nonspendable - This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally required to be maintained intact.

Restricted - This classification consists of amounts that are restricted to specific purposes either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments or (b) law through constitutional provisions or enabling legislation. The restriction is binding unless removed with the consent of the resource provider.

Committed - This classification consists of amounts used for specific purposes imposed by formal action of the Township's highest level of decision-making authority. The commitment is binding unless removed in the same manner imposed. Formal action must occur prior to fiscal year-end, however, the amount may be determined subsequent to year-end.

Assigned - This classification consists of amounts constrained by the Township's intent to be used for specific purposes that are neither restricted, nor committed. The Township has not formally adopted a policy regarding the body or official authorized to assign amounts to a specific purpose.

Unassigned - This classification consists of amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance.

Revenues and Expenditures

Program Revenues

All revenues are recognized when earned.

In the statement of activities, revenues that are derived directly from each activity or from parties outside the Township's taxpayers are program revenues. Amounts reported as program revenues include (a) charges to customers or applicants for goods and services or privileges provided, (b) operating grants and contributions, and (c) capital grants and contributions, including special assessments.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish operating revenues and expenditures from nonoperating items. Operating revenues and expenditures 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 sewer usage charges. The Township also recognizes as operating revenues, the portion of tapping fees intended to recover the cost of connecting new customers to the sewer system. Operating expenditures of the Sewer Fund includes the cost of the services. All revenues and expenditures not meeting this definition are reported as nonoperating revenues and expenditures. The principal nonoperating revenues and expenses of the Township's proprietary funds are interest income and interest expense.

Property Taxes

The Township is permitted by state law to levy taxes up to 14 mills of assessed valuation for general purposes. State law also permits additional millage to be levied for specific purposes as defined in the law. The millage rate levied by the Township for 2023 was 1.587 mills, consisting of 0.957 mills for general purposes, .310 mills for fire protection purposes, .180 mills for recreation purposes and .140 mills for road equipment capital purposes, as established by the Board of Supervisors.

The Township's real estate taxes are based on assessed values established by the County's Board of Assessments. The taxes are collected by elected local tax collectors. Real estate taxes attach an enforceable lien on property when levied on March 1. A discount of 2% is applied to payments made prior to April 30. A penalty of 10% is added to the face amount of taxes paid after June 30. The Montgomery County Tax Claim Bureau collects delinquent real estate taxes on behalf of itself and other taxing authorities. Return of unpaid real estate taxes to the Montgomery County Tax Claim Bureau is made by January 15 of the subsequent year.

In the government-wide financial statements, taxes receivable and related revenue include all amounts due to the Township regardless of when the cash is received. Over time, substantially all property taxes are collected.

In the fund financial statements, delinquent property taxes not paid within 60 days of December 31 are recorded as deferred inflows of resources.

Intergovernmental Revenues

Intergovernmental revenues represent revenues received from the Commonwealth of Pennsylvania, federal agencies, and local governmental units, generally to fund specific programs, and are recognized when received.

Internal and Interfund Balances and Activities

Fund Financial Statements

Interfund activity, if any, within and among the governmental and proprietary fund categories, is reported as follows in the fund financial statements:

Interfund Services - Sales or purchases of goods and services between funds are reported as revenues and expenditures.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Reimbursements - Repayments from funds responsible for certain expenditures to the funds that initially paid for them are not reported as reimbursements, but as adjustments to expenditures in the respective funds.

Interfund Transfers - Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Use of Estimates

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

NOTE C - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Finance-Related Legal and Contractual Provisions

The Township had no material violations of finance-related legal and contractual provisions.

NOTE D - DEPOSITS AND INVESTMENTS

The Township's available cash is invested in demand deposit accounts. Pension fund assets are invested in mutual funds. The carrying amount of cash and investments at December 31, 2023 consists of the following:

CASH	
Township deposits with Victory Bank	\$ 13,916,528
Custodial fund deposits with Victory Bank	590,235
Pension cash	196,544
Petty cash	300
TOTAL CASH	<u>14,703,607</u>
 INVESTMENTS	
Township certificates of deposit	100,000
Pension mutual funds	4,543,325
Pension exchange traded funds	4,316,847
TOTAL INVESTMENTS	<u>8,960,172</u>
TOTAL CASH AND INVESTMENTS	<u>\$ 23,663,779</u>

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE D - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation to Statement of Net Position/Balance Sheet

CASH		
Governmental activities	\$	11,610,002
Business-type activities		2,306,826
Fiduciary funds		786,779
		<u>14,703,607</u>
INVESTMENTS		
Governmental activities		100,000
Fiduciary funds		8,860,172
		<u>8,960,172</u>
	\$	<u><u>23,663,779</u></u>

Custodial Credit Risk, Deposits

Custodial credit risk is the risk that, in the event of a financial institution failure, the Township's deposits may not be returned to the Township. At December 31, 2023, the carrying amounts of the Township's bank deposits were \$14,703,307, and the corresponding bank balances were \$14,702,213, of which \$250,000 was covered by Federal Depository Insurance. Pension fund deposits of \$196,544 were uninsured and uncollateralized. The remaining \$14,255,669 of deposits was exposed to custodial risk because it was uninsured, although these funds are collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

Investments

As of December 31, 2023, the Township had the following investments:

Investment Type	Amortized Cost	Fair Value Level 1	Investment Maturities Less Than One Year
GOVERNMENTAL ACTIVITIES			
Certificates of deposit	\$ <u>100,000</u>	\$ <u>-</u>	\$ <u>100,000</u>
PENSION ACTIVITIES			
Mutual funds	\$ -	\$ 4,543,325	\$ 4,543,325
Exchange traded funds	<u>-</u>	<u>4,316,847</u>	<u>4,316,847</u>
TOTAL PENSION ACTIVITIES	\$ <u><u>-</u></u>	\$ <u><u>8,860,172</u></u>	\$ <u><u>8,860,172</u></u>

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE D - DEPOSITS AND INVESTMENTS (Continued)

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. The Township has the following recurring fair value measurements as of December 31, 2023:

Investments in mutual funds and exchange traded funds are valued using quoted market prices (Level 1 inputs).

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 as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the investment of government funds as described in Note B. The Township limits the type of investments permitted as defined in the Township Code. When making investments, the Township can combine monies from more than one fund under the Township's control for the purchase of a single investment and join with other political subdivisions in the purchase of a single investment.

Concentration of Credit Risk - This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. In the proprietary funds, certificates of deposit are 100% of total investments. There were no other investments that exceeded 5% of the total investments reported in the Governmental, Proprietary, or Fiduciary Funds that would be considered a concentration of credit risk.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE E - CAPITAL ASSETS

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

GOVERNMENTAL ACTIVITIES

Capital assets, not being depreciated				
Land	\$ 10,382,313	\$ -	\$ -	\$ 10,382,313
Construction in progress	3,965,001	-	(3,965,001)	-
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>14,347,314</u>	<u>-</u>	<u>(3,965,001)</u>	<u>10,382,313</u>
Capital assets being depreciated				
Infrastructure	20,590,533	189,788	-	20,780,321
Building	3,323,132	4,909,924	-	8,233,056
Land improvements	2,618,595	-	-	2,618,595
Vehicles	4,984,946	47,466	(78,800)	4,953,612
Equipment	1,164,246	-	-	1,164,246
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>32,681,452</u>	<u>5,147,178</u>	<u>(78,800)</u>	<u>37,749,830</u>
Accumulated depreciation				
Infrastructure	(10,375,502)	(426,230)	-	(10,801,732)
Building	(2,852,648)	(116,373)	-	(2,969,021)
Land improvements	(2,328,124)	(37,527)	-	(2,365,651)
Vehicles	(4,303,923)	(307,669)	78,800	(4,532,792)
Equipment	(496,768)	(79,077)	-	(575,845)
TOTAL ACCUMULATED DEPRECIATION	<u>(20,356,965)</u>	<u>(966,876)</u>	<u>78,800</u>	<u>(21,245,041)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	<u>12,324,487</u>	<u>4,180,302</u>	<u>-</u>	<u>16,504,789</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	<u>\$ 26,671,801</u>	<u>\$ 4,180,302</u>	<u>\$ (3,965,001)</u>	<u>\$ 26,887,102</u>

BUSINESS- TYPE ACTIVITIES

Capital assets, not being depreciated				
Land	\$ 2,743,421	\$ -	\$ -	\$ 2,743,421
Capital assets being depreciated				
Sanitary sewer system	24,101,745	1,254,176	-	25,355,921
Wastewater treatment plant	9,596,976	-	-	9,596,976
Vehicles	840,417	92,000	(90,000)	842,417
Equipment	734,689	64,583	-	799,272
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>35,273,827</u>	<u>1,410,759</u>	<u>(90,000)</u>	<u>36,594,586</u>
Accumulated depreciation				
Sanitary sewer system	(12,082,520)	(507,118)	-	(12,589,638)
Wastewater treatment plant	(4,928,394)	(243,769)	-	(5,172,163)
Vehicles	(740,339)	(21,526)	90,000	(671,865)
Equipment	(392,046)	(33,911)	-	(425,957)
TOTAL ACCUMULATED DEPRECIATION	<u>(18,143,299)</u>	<u>(806,324)</u>	<u>90,000</u>	<u>(18,859,623)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	<u>17,130,528</u>	<u>604,435</u>	<u>-</u>	<u>17,734,963</u>
BUSINESS- TYPE ACTIVITIES CAPITAL ASSETS, net	<u>\$ 19,873,949</u>	<u>\$ 604,435</u>	<u>\$ -</u>	<u>\$ 20,478,384</u>

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE F - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

There were no interfund receivables and payables at December 31, 2023.

Transfers between funds for the year ended December 31, 2023, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
GOVERNMENTAL ACTIVITIES		
Capital Reserve Fund	\$ 31,547	\$ -
American Rescue Plan	-	31,547
Nonmajor governmental funds	<u>60,000</u>	<u>60,000</u>
TOTAL GOVERNMENTAL FUNDS	<u>\$ 91,547</u>	<u>\$ 91,547</u>

During the year, \$31,547 was transferred by the American Rescue Plan Fund to the Capital Reserve Fund for future capital projects, and \$60,000 was transferred from the Recreation Fund to the Recreation Reserve Fund for future recreation-related projects.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE G - LONG-TERM DEBT

At December 31, 2023, long-term debt consists of the following:

	Balance Outstanding December 31, <u>2022</u>	<u>Additions</u>	<u>Payments</u>	Balance Outstanding December 31, <u>2023</u>	<u>Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
General Obligation Note, Series of 2021, initial issue \$3,563,000, interest at 0.95% through May 2027 then 3% through May 2033. Matures May 2033.	\$ 3,112,724	\$ -	\$ (442,000)	\$ 2,670,724	\$ 298,000
BUSINESS-TYPE ACTIVITIES					
Guaranteed Sewer Revenue Note, Series of 2020, for repayment of Guaranteed Revenue Note, Series of 1998 and Series 2017, initial issue \$4,448,000, interest at 1.0%, maturing in various amounts through 2029.	<u>3,628,000</u>	<u>-</u>	<u>(413,000)</u>	<u>3,215,000</u>	<u>575,000</u>
TOTAL DEBT	<u>\$ 6,740,724</u>	<u>\$ -</u>	<u>\$ (855,000)</u>	<u>\$ 5,885,724</u>	<u>\$ 873,000</u>

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE G - LONG-TERM DEBT (Continued)

Aggregate maturities required on long-term debt at December 31, 2023 are as follows:

GOVERNMENTAL ACTIVITIES

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2024	\$ 298,000	\$ 24,655	\$ 322,655
2025	301,000	21,809	322,809
2026	303,000	18,940	321,940
2027	288,000	31,311	319,311
2028	275,000	42,502	317,502
2029 to 2033	<u>1,205,724</u>	<u>83,874</u>	<u>1,289,598</u>
	<u>\$ 2,670,724</u>	<u>\$ 223,091</u>	<u>\$ 2,893,815</u>

BUSINESS-TYPE ACTIVITIES

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2024	\$ 575,000	\$ 29,275	\$ 604,275
2025	581,000	23,495	604,495
2026	587,000	17,655	604,655
2027	593,000	11,755	604,755
2028	599,000	5,795	604,795
2029	<u>280,000</u>	<u>1,400</u>	<u>281,400</u>
	<u>\$ 3,215,000</u>	<u>\$ 89,375</u>	<u>\$ 3,304,375</u>

Substantially all of the Township's assets are pledged as collateral on the long-term debt.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE H - CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended December 31, 2023 are as follows:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023	Current Portion
GOVERNMENTAL ACTIVITIES					
General obligation debt					
Notes payable	\$ 3,112,724	\$ -	\$ (442,000)	\$ 2,670,724	\$ 298,000
Compensated absences	35,758	9,951	-	45,709	-
Net pension liability	<u>1,011,136</u>	<u>-</u>	<u>(277,468)</u>	<u>733,668</u>	<u>-</u>
TOTAL GOVERNMENTAL ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 4,159,618</u>	<u>\$ 9,951</u>	<u>\$ (719,468)</u>	<u>\$ 3,450,101</u>	<u>\$ 298,000</u>
BUSINESS-TYPE ACTIVITIES					
General obligation debt					
Notes payable	\$ 3,628,000	\$ -	\$ (413,000)	\$ 3,215,000	\$ 575,000
Compensated absences	<u>6,457</u>	<u>6,721</u>	<u>-</u>	<u>13,178</u>	<u>-</u>
TOTAL BUSINESS-TYPE ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 3,634,457</u>	<u>\$ 6,721</u>	<u>\$ (413,000)</u>	<u>\$ 3,228,178</u>	<u>\$ 575,000</u>

NOTE I - NEW HANOVER TOWNSHIP POLICE PENSION PLAN

Plan Description

The New Hanover Township Police Pension Plan is a single-employer defined benefit pension plans that provide retirement, disability and death benefits to plan members and their beneficiaries. Plan provisions are established by Township ordinance with the authority for contributions required by Act 205 of the Commonwealth of Pennsylvania. The plan is governed by the Board of Supervisors, who are responsible for the management of the plan assets. The Board of Supervisors has delegated the management of certain plan assets to an investment advisor. The assets of the Plan is invested separately, and each Plan's assets may be used only for the payment of benefits to the members of the Plan, in accordance with the terms of the Plan.

Benefits Provided

The Township contributes to the New Hanover Township Police Pension Plan, which is a single-employer Public Employee Retirement System (PERS). All full-time members of the police force join the Plan upon completion of the first of the month coincident with or next following date of hire.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE I - NEW HANOVER TOWNSHIP POLICE PENSION PLAN (Continued)

Eligibility Requirements:

Normal Retirement - Age 55 and 25 years of service.
 Early Retirement - 20 years of service.

Vesting - None for the first 12 years of service; thereafter, 100%. If a member dies before the pension becomes vested, the surviving spouse or minor children shall receive repayment of the member's contributions, if any, plus interest.

Retirement Benefit: The monthly pension shall be 50% of the average compensation over the participant's last 36 months of employment plus an incremental pension of \$25 per month for each completed year of service in excess of 25 years up to a maximum of \$100 per month. The early retirement pension shall be the actuarial equivalent of a partial superannuation retirement benefit.

Survivor Benefit: A pension benefit shall be automatically provided to a retired officer's spouse or to the spouse of an officer eligible to retire, equal to 50% of the eligible pension. If no spouse, or if spouse subsequently dies, the benefit shall apply to children under age 18, or if attending college, under or attaining age 23.

Pre-retirement Survivor Benefit: If the death is not service related, the benefit shall be 50% of the accrued benefit that would have been paid had the participant retired on the date of death.

Disability Benefit: Service-Related - The monthly disability pension benefit shall be calculated at 50% of average monthly compensation up to the date of disability.

Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the Police Pension Plan:

Inactive members or beneficiaries currently receiving benefits	6
Inactive members entitled to but not yet receiving benefits	1
Active members	10
	<hr/>
	17
	<hr/> <hr/>

Contributions

Pennsylvania Act 205 requires that annual contributions to the Police Pension Plan be based upon the Police Pension Plan's Minimum Municipal Obligation (MMO) which is based on the Police Pension Plan's biennial actuarial valuation. Investment expenses, including investment manager and custodial services, are funded through investment earnings. Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions. Participants are required to contribute 5.0% of annual compensation. The Township is required to contribute amounts necessary to fund the Police Pension Plan using the actuarial basis specified by statute.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE I - NEW HANOVER TOWNSHIP POLICE PENSION PLAN (Continued)

Net Pension Liability (Asset)

The Township's net pension liability (asset) was measured as of December 31, 2023 and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023. No significant events or changes in assumptions occurred between the valuation date and the fiscal year-end.

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

Total pension liability	\$ 5,315,722
Plan fiduciary net position	<u>(4,582,054)</u>
NET PENSION LIABILITY	<u>\$ 733,668</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>86.20%</u>

Actuarial Assumptions

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

Salary increases	4.00%, average, including inflation
Investment rate of return	7.00%, including inflation
Postretirement cost of living increase	None

Mortality rates were based on the PubS Table projected 5 years past the valuation date using Scale MP-2021.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE I - NEW HANOVER TOWNSHIP POLICE PENSION PLAN (Continued)

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

ASSET CLASS	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	45%	8.3 - 12.2%
International equity	12%	8.80%
Fixed income	37%	5.50%
Real estate	3%	7.50%
Cash	3%	0.76%
	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The Police Pension Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on the Police Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania Act 205 of 1984. Pennsylvania Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

Rate of Return - For the year ended December 31, 2023, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 15.39%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE I - NEW HANOVER TOWNSHIP POLICE PENSION PLAN (Continued)

Changes in Net Pension Liability

The following table shows the changes in net pension liability for the year ended December 31, 2023.

	Increase/(Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability (Asset)
	(a)	(b)	(a)-(b)
BALANCE AT DECEMBER 31, 2022	\$ 5,038,947	\$ 4,027,811	\$ 1,011,136
Changes for the year			
Service cost	151,311	-	151,311
Interest cost	357,503	-	357,503
Changes for experience	65,897	-	65,897
Contributions - employer	-	172,828	(172,828)
Contributions - member	-	70,176	(70,176)
Net investment income	-	615,175	(615,175)
Benefit payments, including refunds of member contributions	(297,936)	(297,936)	-
Administrative expense	-	(6,000)	6,000
BALANCE AT DECEMBER 31, 2023	<u>\$ 5,315,722</u>	<u>\$ 4,582,054</u>	<u>\$ 733,668</u>

Net Pension Liability Sensitivity

The following presents the net pension liability of the Police Pension Plan, calculated using the discount rate of 7.00%, as well as what the Police Pension Plan's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
NET PENSION LIABILITY	<u>\$ 1,464,552</u>	<u>\$ 733,668</u>	<u>\$ 130,735</u>

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE I - NEW HANOVER TOWNSHIP POLICE PENSION PLAN (Continued)

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

For the year ended December 31, 2023, the Township recognized pension expense of \$228,312. The Township has deferred outflows and inflows of resources related to the Police Pension Plan from the following source at December 31, 2023:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 434,769	\$ -
Changes of assumptions	52,668	-
Net difference between projected and actual earnings on pension plan investments	<u>305,569</u>	<u>-</u>
Total	<u>\$ 793,006</u>	<u>\$ -</u>

Actuarially determined deferred outflows and inflows of resources related to the Police Pension Plan are as follows for the year ended December 31, 2023:

2024	\$ 138,806
2025	186,089
2026	235,827
2027	(5,185)
2028	62,492
Thereafter	174,977

NOTE J - NEW HANOVER TOWNSHIP NON-UNIFORMED PENSION PLAN

Plan Description

The New Hanover Township Non-Uniformed (hired before June 1, 2016) Pension Plan is a single-employer defined benefit pension plans that provide retirement, disability and death benefits to plan members and their beneficiaries. Plan provisions are established by Township ordinance with the authority for contributions required by Act 205 of the Commonwealth of Pennsylvania. The plan is governed by the Board of Supervisors, who are responsible for the management of the plan assets. The Board of Supervisors has delegated the management of certain plan assets to an investment advisor. The assets of the Plan is invested separately, and each Plan's assets may be used only for the payment of benefits to the members of the Plan, in accordance with the terms of the Plan.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE J - NEW HANOVER TOWNSHIP NON-UNIFORMED PENSION PLAN (Continued)

Benefits Provided

For employees hired before June 1, 2016, the Township contributes to the New Hanover Township Non-Uniformed Pension Plan, which is a single employer Public Employee Retirement System (PERS). All employees become members of the Plan the first of the month coincident with or next following date of hire.

Eligibility Requirements:

Normal Retirement - Age 60.

Early Retirement - 20 years of service, actuarially reduced.

Vesting - 0% until 5 years of service are completed, 100% thereafter.

Retirement Benefit: The monthly pension shall be 2% of the average monthly compensation over the participant's last 36 months of service times years of service. The early retirement pension shall be the actuarial equivalent of a partial superannuation retirement benefit.

Survivor Benefit: Post-Retirement - The normal form for a married participant is an unreduced 50% benefit however, actuarially reduced optional benefits are available.

Pre-Retirement - If vested, the survivor benefit shall be calculated at 50% of the accrued benefit at time of death. Benefit is payable when the member would have been eligible to receive his benefit.

Disability Benefit:

Service-Related - The monthly disability pension benefit shall be calculated at 50% of the accrued benefit if eligible for Social Security disability benefits.

Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the Non-Uniformed Pension Plan:

Inactive members or beneficiaries currently receiving benefits	17
Inactive members entitled to but not yet receiving benefits	9
Active members	2
	<hr/>
	28
	<hr/> <hr/>

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE J - NEW HANOVER TOWNSHIP NON-UNIFORMED PENSION PLAN (Continued)

Contributions

Pennsylvania Act 205 requires that annual contributions to the Non-Uniformed Pension Plan be based upon the Non-Uniformed Pension Plan's MMO which is based on the Non-Uniformed Pension Plan's biennial actuarial valuation. Investment expenses, including investment manager and custodial services, are funded through investment earnings. Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions. Participant contributions are currently suspended. The Township is required to contribute amounts necessary to fund the Non-Uniformed Pension Plan using the actuarial basis specified by statute.

Net Pension Liability (Asset)

The net pension liability (asset) was measured as of December 31, 2023, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023. No significant events or changes in assumptions occurred between the valuation date and the fiscal year-end.

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

Total pension liability	\$ 4,322,915
Plan fiduciary net position	<u>(4,477,170)</u>
NET PENSION LIABILITY (ASSET)	<u>\$ (154,255)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>103.57%</u>

Actuarial Assumptions

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

Salary increases	4.00%, average, including inflation
Investment rate of return	7.0%, including inflation

Mortality rates were based on the PubG Table 5 years past the valuation date using Scale MP-2021.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE J - NEW HANOVER TOWNSHIP NON-UNIFORMED PENSION PLAN (Continued)

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

ASSET CLASS	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	45%	8.30 - 12.20%
International equity	12%	8.80%
Fixed income	37%	5.50%
Real estate	3%	7.50%
Cash	3%	0.76%
	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The Non-Uniformed Pension Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on the Non-Uniformed Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania Act 205 of 1984. Pennsylvania Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

Rate of Return - For the year ended December 31, 2023, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 15.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE J - NEW HANOVER TOWNSHIP NON-UNIFORMED PENSION PLAN (Continued)

Changes in Net Pension Liability (Asset)

The following table shows the changes in net pension liability (asset) for the year ended December 31, 2023.

	Increase/(Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability (Asset)
	(a)	(b)	(a)-(b)
BALANCE AT DECEMBER 31, 2022	\$ 4,079,199	\$ 4,193,523	\$ (114,324)
Changes for the year			
Service cost	8,155	-	8,155
Interest cost	293,808	-	293,808
Changes for experience	278,062	-	278,062
Net investment income	-	625,956	(625,956)
Benefit payments, including refunds of member contributions	(336,309)	(336,309)	-
Administrative expense	-	(6,000)	6,000
BALANCE AT DECEMBER 31, 2023	<u>\$ 4,322,915</u>	<u>\$ 4,477,170</u>	<u>\$ (154,255)</u>

Net Pension Liability (Asset) Sensitivity

The following presents the net pension liability of the Non-Uniformed Pension Plan, calculated using the discount rate of 7.0% as well as what the Non-Uniformed Pension Plan's net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	1% Decrease <u>(6.0%)</u>	Discount Rate <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
PLAN'S NET PENSION LIABILITY (ASSET)	<u>\$ 241,160</u>	<u>\$ (154,255)</u>	<u>\$ (492,531)</u>

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE J - NEW HANOVER TOWNSHIP NON-UNIFORMED PENSION PLAN (Continued)

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

For the year ended December 31, 2023, the Township recognized pension expense of \$300,436. The Township has deferred outflows and inflows of resources related to the Non-Uniformed Pension Plan from the following sources at December 31, 2023:

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ <u>234,522</u>	\$ <u>-</u>
	<u>Business-Type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ <u>108,848</u>	\$ <u>-</u>

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE J - NEW HANOVER TOWNSHIP NON-UNIFORMED PENSION PLAN (Continued)

Actuarially determined deferred outflows and inflows of resources related to the Non-Uniformed Pension Plan are as follows for the year ended December 31, 2023:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2024	\$ 57,603	\$ 26,735
2025	92,986	43,157
2026	130,977	60,790
2027	(47,044)	(21,834)
2028	-	-
Thereafter	-	-

NOTE K - LEASES

Lease Receivable

During the year, New Hanover Township leases a billboard and cell tower space. The leases are for the following:

<u>Description</u>	<u>Term</u>	<u>Payment</u>
Cell Tower Space	Monthly through 2031	\$1,093 to \$1,149
Billboard	Annually through 2024	\$2,390 to \$3,515

As of December 31, 2023, New Hanover Township's receivable for lease payments was \$88,159. Also, New Hanover Township has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of December 31, 2023, the balance of the deferred inflow of resources was \$84,320. Lease related revenues recognized as of December 31, 2023 were as follows:

<u>Lease-related Revenue</u>	<u>Year Ending December 31, 2023</u>
Lease Revenue	
Cell Towers	\$ 8,785
Billboard	2,291
Interest Revenue	<u>3,817</u>
 TOTAL	 <u>\$ 14,893</u>

NEW HANOVER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE K - LEASES (Continued)

Current year interest revenues were \$3,817. This is included on interest and rents 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>
2024	\$ 9,142	\$ 3,360	\$ 12,502
2025	9,515	2,987	12,502
2026	10,990	2,606	13,596
2027	10,987	2,140	13,127
2028	11,435	1,692	13,127
2029-2031	<u>36,090</u>	<u>2,198</u>	<u>38,288</u>
TOTAL FUTURE RECEIPTS	<u>\$ 88,159</u>	<u>\$ 14,983</u>	<u>\$ 103,142</u>

NOTE L - RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. Significant losses are covered by commercial insurance for all areas for which the Township retains risk of loss.

REQUIRED SUPPLEMENTARY INFORMATION

NEW HANOVER TOWNSHIP
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - POLICE PENSION PLAN
LAST TEN FISCAL YEARS*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
TOTAL PENSION LIABILITY			
Service cost	\$ 151,311	\$ 150,697	\$ 144,901
Interest	357,503	337,075	320,865
Changes for experience	65,897	-	285,293
Changes in assumptions	-	-	72,720
Benefit payments, including refunds of member contributions	<u>(297,936)</u>	<u>(226,971)</u>	<u>(253,000)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	276,775	260,801	570,779
Total pension liability, beginning	<u>5,038,947</u>	<u>4,778,146</u>	<u>4,207,367</u>
TOTAL PENSION LIABILITY, ENDING	<u>\$ 5,315,722</u>	<u>\$ 5,038,947</u>	<u>\$ 4,778,146</u>
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 172,828	\$ 163,695	\$ 144,051
Contributions - member	70,176	63,530	55,447
Net investment income (loss)	615,175	(865,216)	552,500
Benefit payments, including refunds of member contributions	(297,936)	(226,971)	(253,000)
Other	-	-	-
Administrative expense	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	554,243	(870,962)	492,998
Plan net position, beginning	<u>4,027,811</u>	<u>4,898,773</u>	<u>4,405,775</u>
PLAN NET POSITION, ENDING	<u>\$ 4,582,054</u>	<u>\$ 4,027,811</u>	<u>\$ 4,898,773</u>
TOWNSHIP'S NET PENSION LIABILITY	<u>\$ 733,668</u>	<u>\$ 1,011,136</u>	<u>\$ (120,627)</u>
PLAN NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>86.20%</u>	<u>79.93%</u>	<u>102.52%</u>
COVERED PAYROLL	<u>\$ 1,309,116</u>	<u>\$ 1,203,652</u>	<u>\$ 1,199,985</u>
TOWNSHIP'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>56.04%</u>	<u>84.01%</u>	<u>-10.05%</u>

NOTES TO SCHEDULE

Changes in assumptions - In 2021 the mortality assumption was changed to the PUBS-2010 Table projected to 2026 using Scale MP-2020 to reflect an update in expectations for retired life mortality. In 2017 the mortality assumption was changed to the RP2000 Mortality Table projected to 2017 using Scale AA to reflect an update in expectation for retired life mortality.

* This Schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those year, for which information is available, is shown.

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$	123,734	\$ 118,975	\$ 109,533	\$ 105,320	\$ 96,194
	280,388	263,347	226,809	210,117	217,389
	-	286,211	-	(360,156)	-
	-	-	-	8,181	-
	<u>(157,120)</u>	<u>(130,157)</u>	<u>(89,893)</u>	<u>(72,495)</u>	<u>(76,732)</u>
	247,002	538,376	246,449	(109,033)	236,851
	<u>3,960,365</u>	<u>3,421,989</u>	<u>3,175,540</u>	<u>3,284,573</u>	<u>3,047,722</u>
\$	<u><u>4,207,367</u></u>	<u><u>3,960,365</u></u>	<u><u>3,421,989</u></u>	<u><u>3,175,540</u></u>	<u><u>3,284,573</u></u>
\$	107,587	\$ 122,892	\$ 142,965	\$ 136,774	\$ 164,884
	57,580	55,617	59,353	52,501	46,468
	507,346	617,596	(206,212)	411,372	198,718
	(157,120)	(130,157)	(89,893)	(72,495)	(76,732)
	-	-	-	-	720
	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,050)</u>	<u>-</u>
	509,393	659,948	(99,787)	522,102	334,058
	<u>3,896,382</u>	<u>3,236,434</u>	<u>3,336,221</u>	<u>2,814,119</u>	<u>2,480,061</u>
\$	<u><u>4,405,775</u></u>	<u><u>3,896,382</u></u>	<u><u>3,236,434</u></u>	<u><u>3,336,221</u></u>	<u><u>2,814,119</u></u>
\$	<u><u>(198,408)</u></u>	<u><u>63,983</u></u>	<u><u>185,555</u></u>	<u><u>(160,681)</u></u>	<u><u>470,454</u></u>
	<u>104.72%</u>	<u>98.38%</u>	<u>94.58%</u>	<u>105.06%</u>	<u>85.68%</u>
\$	<u><u>1,027,985</u></u>	<u><u>1,174,692</u></u>	<u><u>1,047,245</u></u>	<u><u>915,810</u></u>	<u><u>788,104</u></u>
	<u><u>-19.30%</u></u>	<u><u>5.45%</u></u>	<u><u>17.72%</u></u>	<u><u>-17.55%</u></u>	<u><u>59.69%</u></u>

NEW HANOVER TOWNSHIP
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - NON-UNIFORMED PENSION PLAN
LAST TEN FISCAL YEARS*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
TOTAL PENSION LIABILITY			
Service cost	\$ 8,155	\$ 39,651	\$ 38,126
Interest	293,808	273,382	265,723
Changes for experience	278,062	-	(69,512)
Changes in assumptions	-	-	156,202
Benefit payments, including refunds of member contributions	<u>(336,309)</u>	<u>(199,291)</u>	<u>(192,629)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	243,716	113,742	197,910
Total pension liability, beginning	<u>4,079,199</u>	<u>3,965,457</u>	<u>3,767,547</u>
TOTAL PENSION LIABILITY, ENDING	<u>\$ 4,322,915</u>	<u>\$ 4,079,199</u>	<u>\$ 3,965,457</u>
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ -	\$ -	\$ 34,233
Net investment income (loss)	625,956	(936,902)	613,799
Benefit payments, including refunds of member contributions	(336,309)	(199,291)	(192,629)
Other	-	-	-
Administrative expense	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	283,647	(1,142,193)	449,403
Plan net position, beginning	<u>4,193,523</u>	<u>5,335,716</u>	<u>4,886,313</u>
PLAN NET POSITION, ENDING	<u>\$ 4,477,170</u>	<u>\$ 4,193,523</u>	<u>\$ 5,335,716</u>
TOWNSHIP'S NET PENSION LIABILITY	<u>\$ (154,255)</u>	<u>\$ (114,324)</u>	<u>\$ (1,370,259)</u>
PLAN NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>103.57%</u>	<u>102.80%</u>	<u>134.55%</u>
COVERED PAYROLL	<u>\$ 300,439</u>	<u>\$ 446,982</u>	<u>\$ 450,695</u>
TOWNSHIP'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>-51.34%</u>	<u>-25.58%</u>	<u>-304.03%</u>

NOTES TO SCHEDULE

Changes in assumptions - In 2021 the mortality assumption was changed to the PUBG-2010 Table projected to 2026 using Scale MP-2020 to reflect an update in expectations for retired life mortality. In 2017 the mortality assumption was changed to the RP2000 Mortality Table projected to 2017 using Scale AA to reflect an update in expectation for retired life mortality.

* This Schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those year, for which information is available, is shown.

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$	77,954	\$ 74,956	\$ 119,075	\$ 114,495	\$ 101,884
	252,490	242,069	241,124	227,175	225,536
	-	(146,496)	-	(198,853)	-
	-	-	-	9,984	-
	<u>(183,873)</u>	<u>(158,448)</u>	<u>(153,721)</u>	<u>(140,219)</u>	<u>(115,294)</u>
	146,571	12,081	206,478	12,582	212,126
	<u>3,620,976</u>	<u>3,608,895</u>	<u>3,402,417</u>	<u>3,389,835</u>	<u>3,177,709</u>
\$	<u><u>3,767,547</u></u>	<u><u>3,620,976</u></u>	<u><u>3,608,895</u></u>	<u><u>3,402,417</u></u>	<u><u>3,389,835</u></u>
\$	73,820	\$ 112,651	\$ 76,117	\$ 97,681	\$ 168,203
	564,326	716,807	(234,430)	526,442	269,002
	(183,873)	(158,448)	(153,721)	(140,219)	(115,294)
	-	-	-	-	88
	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,050)</u>	<u>-</u>
	448,273	665,010	(318,034)	477,854	321,999
	<u>4,438,040</u>	<u>3,773,030</u>	<u>4,091,064</u>	<u>3,613,210</u>	<u>3,291,211</u>
\$	<u><u>4,886,313</u></u>	<u><u>4,438,040</u></u>	<u><u>3,773,030</u></u>	<u><u>4,091,064</u></u>	<u><u>3,613,210</u></u>
\$	<u><u>(1,118,766)</u></u>	<u><u>(817,064)</u></u>	<u><u>(164,135)</u></u>	<u><u>(688,647)</u></u>	<u><u>(223,375)</u></u>
	<u>129.69%</u>	<u>122.56%</u>	<u>104.55%</u>	<u>120.24%</u>	<u>106.59%</u>
\$	<u><u>676,748</u></u>	<u><u>625,594</u></u>	<u><u>619,839</u></u>	<u><u>779,589</u></u>	<u><u>868,276</u></u>
	<u><u>-165.32%</u></u>	<u><u>-130.61%</u></u>	<u><u>-26.48%</u></u>	<u><u>-88.33%</u></u>	<u><u>-25.73%</u></u>

NEW HANOVER TOWNSHIP
SCHEDULE OF PENSION CONTRIBUTIONS -
POLICE PENSION PLAN
LAST TEN FISCAL YEARS*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 172,828	\$ 163,695	\$ 144,051
Contribution in relation to the actuarially determined contribution	<u>172,828</u>	<u>163,695</u>	<u>144,051</u>
CONTRIBUTION (EXCESS) DEFICIENCY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 1,309,116</u>	<u>\$ 1,203,652</u>	<u>\$ 1,199,958</u>
Contribution as a percentage of covered payroll	<u>13.20%</u>	<u>13.60%</u>	<u>12.00%</u>

NOTES TO SCHEDULE

Actuarially determined contribution rates are calculated based on the plan's most recent available Act 205 actuarial valuation report. The January 1, 2021 actuarial valuation report was utilized for the 2022 Minimum Municipal Obligation calculation. The January 1, 2019 actuarial valuation report was utilized for the 2021 Minimum Municipal Obligation calculation. The January 1, 2017 actuarial valuation report was utilized for the 2020 and 2019 Minimum Municipal Obligation calculation. The January 1, 2015 actuarial valuation report was utilized for the 2018 and 2017 Minimum Municipal Obligation calculation. The January 1, 2013 actuarial valuation report was utilized for the 2016 Minimum Municipal Obligation calculation. The following actuarial methods and assumptions were used to determine contribution.

Methods and assumptions used to determine contribution rates are as follows:

Actuarial valuation date	1/1/2021	1/1/2019
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar	Level dollar
Remaining amortization period	4 years	9 years
Asset valuation method	Market	Market
Salary increases	4.00%	4.00%
Investment rate of return	7.00%	7.00%
Retirement age	55	55
Mortality	PUBS-2010	RP2000

* This Schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those year, for which information is available, is shown.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 99,676	\$ 108,728	\$ 142,965	\$ 136,774	\$ 164,864
<u>107,587</u>	<u>122,892</u>	<u>142,965</u>	<u>136,774</u>	<u>164,864</u>
\$ <u>(7,911)</u>	\$ <u>(14,164)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ <u>1,027,985</u>	\$ <u>1,174,692</u>	\$ <u>1,047,245</u>	\$ <u>915,810</u>	\$ <u>788,104</u>
<u>10.47%</u>	<u>10.46%</u>	<u>13.65%</u>	<u>14.93%</u>	<u>20.92%</u>

1/1/2017	1/1/2015	1/1/2013
Entry age normal	Entry age normal	Entry age normal
Level dollar	Level dollar	Level dollar
4 years	11 years	11 years
Market	Market	Market
4.00%	4.00%	4.00%
7.00%	7.00%	7.00%
55	55	55
RP2000	RP2000	RP2000

NEW HANOVER TOWNSHIP
SCHEDULE OF PENSION CONTRIBUTIONS -
NON-UNIFORMED PENSION PLAN
LAST TEN FISCAL YEARS*


	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ -	\$ -	\$ 27,970
Contribution in relation to the actuarially determined contribution	<u>-</u>	<u>-</u>	<u>34,233</u>
CONTRIBUTION (EXCESS) DEFICIENCY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,263)</u>
Covered payroll	<u>\$ 300,439</u>	<u>\$ 446,982</u>	<u>\$ 450,695</u>
Contribution as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>7.60%</u>

NOTES TO SCHEDULE

Actuarially determined contribution rates are calculated based on the plan's most recent available Act 205 actuarial valuation report. The January 1, 2021 actuarial valuation report was utilized for the 2022 Minimum Municipal Obligation calculation. The January 1, 2019 actuarial valuation report was utilized for the 2021 Minimum Municipal Obligation calculation. The January 1, 2017 actuarial valuation report was utilized for the 2020 and 2019 Minimum Municipal Obligation calculation. The January 1, 2015 actuarial valuation report was utilized for the 2018 and 2017 Minimum Municipal Obligation calculation. The January 1, 2013 actuarial valuation report was utilized for the 2016 Minimum Municipal Obligation calculation. The following actuarial methods and assumptions were used to determine contribution.

Methods and assumptions used to determine contribution rates are as follows:

Actuarial valuation date	1/1/2021	1/1/2019
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar	Level dollar
Remaining amortization period	None	None
Asset valuation method	Market	Market
Salary increases	4.00%	4.00%
Investment rate of return	7.00%	7.00%
Retirement age	60	60
Mortality	PUBG-2010	RP2000

* This Schedule is to present the information for ten years. However, until a full ten-year trend is compiled, in year, for which information is available, is shown. 

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 65,909	\$ 58,037	\$ 76,117	\$ 97,681	\$ 168,203
<u>73,820</u>	<u>112,651</u>	<u>76,117</u>	<u>97,681</u>	<u>168,203</u>
\$ <u>(7,911)</u>	\$ <u>(54,614)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ <u>676,748</u>	\$ <u>625,594</u>	\$ <u>619,839</u>	\$ <u>779,589</u>	\$ <u>868,276</u>
<u>10.91%</u>	<u>18.01%</u>	<u>12.28%</u>	<u>12.53%</u>	<u>19.37%</u>

1/1/2017	1/1/2015	1/1/2013
Entry age normal	Entry age normal	Entry age normal
Level dollar	Level dollar	Level dollar
None	None	12 years
Market	Market	Market
4.00%	4.00%	4.00%
7.00%	7.00%	7.00%
60	60	60
RP2000	RP2000	RP2000

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NEW HANOVER TOWNSHIP

SCHEDULE OF PENSION PLAN INVESTMENT RETURNS - POLICE PENSION PLAN LAST TEN FISCAL YEARS*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	<u>15.39%</u>	<u>-17.87%</u>	<u>12.76%</u>

* This Schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those year, for which information is available, is shown.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>13.17%</u>	<u>19.19%</u>	<u>-6.17%</u>	<u>14.63%</u>

NEW HANOVER TOWNSHIP
SCHEDULE OF PENSION PLAN INVESTMENT RETURNS -
NON-UNIFORMED PENSION PLAN
LAST TEN FISCAL YEARS*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	<u>15.56%</u>	<u>-17.89%</u>	<u>12.79%</u>

* This Schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those year, for which information is available, is shown.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>12.95%</u>	<u>19.35%</u>	<u>-5.84%</u>	<u>14.84%</u>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Real estate	\$ 757,500	\$ 757,500	\$ 745,702	\$ (11,798)
Real estate transfer	420,000	420,000	316,058	(103,942)
Per capita	39,000	39,000	41,035	2,035
Earned income	2,849,500	2,849,500	3,014,333	164,833
Local services	14,000	14,000	17,956	3,956
Licenses and permits	242,000	242,000	224,001	(17,999)
Fines and forfeits	24,000	24,000	20,291	(3,709)
Interest and rents	36,500	36,500	151,210	114,710
Intergovernmental revenues	182,000	182,000	181,774	(226)
Charges for services	80,000	80,000	133,823	53,823
Miscellaneous	5,000	5,000	9,062	4,062
TOTAL REVENUES	<u>4,649,500</u>	<u>4,649,500</u>	<u>4,855,245</u>	<u>205,745</u>
EXPENDITURES				
General government	943,750	943,750	1,024,624	(80,874)
Public Safety				
Police	2,123,000	2,123,000	2,136,055	(13,055)
Fire	59,500	59,500	64,004	(4,504)
Code enforcement, planning, zoning	287,000	287,000	325,533	(38,533)
Public works - highway and streets	919,000	919,000	726,782	192,218
Culture and recreation	10,250	10,250	10,250	-
Debt service	466,000	466,000	468,818	(2,818)
Insurance	48,500	48,500	46,943	1,557
Miscellaneous	-	-	1,418	(1,418)
TOTAL EXPENDITURES	<u>4,857,000</u>	<u>4,857,000</u>	<u>4,804,427</u>	<u>52,573</u>
NET CHANGE IN FUND BALANCE	<u>\$ (207,500)</u>	<u>\$ (207,500)</u>	50,818	<u>\$ 258,318</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>2,333,490</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 2,384,308</u>	

NEW HANOVER TOWNSHIP
NOTE TO BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2023

NOTE A - BUDGET MATTERS

The Board of Supervisors annually adopts the budget for the General and Other Funds of the Township. Budgetary control is legally maintained at the fund level. The Township's budget policy provides transfer authority to the Supervisors within and between categories as long as the total budget of the Township (net of interfund transfers) is not increased. All budget amounts presented in the accompanying financial statements and additional information have been adjusted for legally authorized revisions to the annual budgets during the year.

The Second Class Township Code provides for the modification of the budget and supplemental appropriations and transfers.

Appropriations, except open project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year.

SUPPLEMENTARY INFORMATION SECTION

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NEW HANOVER TOWNSHIP
COMBINING BALANCE SHEET -
OTHER GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Special Revenue Funds		
	Fire Protection Tax	State Highway Aid	Recreation
ASSETS			
Cash	\$ 18,703	\$ 410,657	\$ 361,109
Accounts receivable	-	-	13
Taxes receivable	<u>6,964</u>	<u>-</u>	<u>4,044</u>
TOTAL ASSETS	<u>\$ 25,667</u>	<u>\$ 410,657</u>	<u>\$ 365,166</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ <u>270</u>	\$ <u>-</u>	\$ <u>2,237</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, property taxes	<u>4,096</u>	<u>-</u>	<u>2,378</u>
FUND BALANCES			
Restricted			
Fire Protection	21,301	-	-
Recreation	-	-	360,551
Traffic impact	-	410,657	-
Capital projects	-	-	-
Assigned			
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>21,301</u>	<u>410,657</u>	<u>360,551</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 25,667</u>	<u>\$ 410,657</u>	<u>\$ 365,166</u>

<u>Capital Project Funds</u>		<u>Total Other Governmental Funds</u>
<u>Road Equipment</u>	<u>Recreation Reserve</u>	
\$ 793,591	\$ 298,241	\$ 1,882,301
-	-	13
<u>3,145</u>	<u>-</u>	<u>14,153</u>
<u>\$ 796,736</u>	<u>\$ 298,241</u>	<u>\$ 1,896,467</u>
\$ <u>-</u>	\$ <u>2,125</u>	\$ <u>4,632</u>
<u>1,850</u>	<u>-</u>	<u>8,324</u>
-	-	21,301
-	-	360,551
-	-	410,657
794,886	-	794,886
-	296,116	296,116
<u>794,886</u>	<u>296,116</u>	<u>1,883,511</u>
<u>\$ 796,736</u>	<u>\$ 298,241</u>	<u>\$ 1,896,467</u>

NEW HANOVER TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
OTHER GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds		
	Fire Protection Tax	State Highway Aid	Recreation
REVENUES			
Taxes			
Real estate	\$ 241,235	\$ -	\$ 140,004
Interest and rents	2,275	24,989	21,182
Intergovernmental revenues	94,863	504,404	-
Charges for services	-	-	63,805
TOTAL REVENUES	<u>338,373</u>	<u>529,393</u>	<u>224,991</u>
EXPENDITURES			
General government	-	-	-
Public safety			
Fire	343,205	-	-
Public works - highway and streets	-	303,134	-
Culture and recreation	-	-	142,439
TOTAL EXPENDITURES	<u>343,205</u>	<u>303,134</u>	<u>142,439</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,832)</u>	<u>226,259</u>	<u>82,552</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	(60,000)
Sale of general capital assets	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(60,000)</u>
NET CHANGE IN FUND BALANCES	(4,832)	226,259	22,552
FUND BALANCES AT BEGINNING OF YEAR	<u>26,133</u>	<u>184,398</u>	<u>337,999</u>
FUND BALANCES AT END OF YEAR	<u>\$ 21,301</u>	<u>\$ 410,657</u>	<u>\$ 360,551</u>

<u>Capital Project Funds</u>		<u>Total Other Governmental Funds</u>
<u>Road Equipment</u>	<u>Recreation Reserve</u>	
\$ 109,230	\$ -	\$ 490,469
35,755	12,925	97,126
-	-	599,267
-	-	63,805
<u>144,985</u>	<u>12,925</u>	<u>1,250,667</u>
-	3,562	3,562
-	-	343,205
11,390	-	314,524
-	-	142,439
<u>11,390</u>	<u>3,562</u>	<u>803,730</u>
<u>133,595</u>	<u>9,363</u>	<u>446,937</u>
-	60,000	60,000
-	-	(60,000)
1,130	-	1,130
<u>1,130</u>	<u>60,000</u>	<u>1,130</u>
134,725	69,363	448,067
<u>660,161</u>	<u>226,753</u>	<u>1,435,444</u>
<u>\$ 794,886</u>	<u>\$ 296,116</u>	<u>\$ 1,883,511</u>

NEW HANOVER TOWNSHIP
COMBINING SCHEDULE OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	<u>Pension Trust Funds</u>		
	<u>Non-Uniformed Pension Fund</u>	<u>Police Pension Fund</u>	<u>Total Pension Trust Funds</u>
ASSETS			
Cash and cash equivalents	\$ 88,055	\$ 108,489	\$ 196,544
Investments			
Mutual funds	2,243,430	2,299,895	4,543,325
Exchange Traded Funds	2,145,685	2,171,162	4,316,847
Receivables	<u>-</u>	<u>2,508</u>	<u>2,508</u>
TOTAL ASSETS	<u>4,477,170</u>	<u>4,582,054</u>	<u>9,059,224</u>
NET POSITION			
Restricted for pensions	<u>\$ 4,477,170</u>	<u>\$ 4,582,054</u>	<u>\$ 9,059,224</u>

NEW HANOVER TOWNSHIP
COMBINING SCHEDULE OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Pension Trust Funds		Total Pension Trust Funds
	Non-Uniformed Pension Fund	Police Pension Fund	
ADDITIONS			
Contributions			
Member contributions	\$ -	\$ 70,176	\$ 70,176
Employer contributions	-	172,828	172,828
TOTAL CONTRIBUTIONS	<u>-</u>	<u>243,004</u>	<u>243,004</u>
Investment earnings			
Interest and Dividends	111,411	109,834	221,245
Net increase in the fair value of investments	<u>529,267</u>	<u>519,556</u>	<u>1,048,823</u>
TOTAL INVESTMENT EARNINGS	<u>640,678</u>	<u>629,390</u>	<u>1,270,068</u>
Less investment expense	<u>(14,722)</u>	<u>(14,215)</u>	<u>(28,937)</u>
INVESTMENT EARNINGS, net	<u>625,956</u>	<u>615,175</u>	<u>1,241,131</u>
TOTAL ADDITIONS	<u>625,956</u>	<u>858,179</u>	<u>1,484,135</u>
DEDUCTIONS			
Benefits	336,309	297,936	634,245
Administrative expense	<u>6,000</u>	<u>6,000</u>	<u>12,000</u>
TOTAL DEDUCTIONS	<u>342,309</u>	<u>303,936</u>	<u>646,245</u>
CHANGE IN NET POSITION	283,647	554,243	837,890
NET POSITION - BEGINNING OF YEAR	<u>4,193,523</u>	<u>4,027,811</u>	<u>8,221,334</u>
NET POSITION - END OF YEAR	<u><u>\$ 4,477,170</u></u>	<u><u>\$ 4,582,054</u></u>	<u><u>\$ 9,059,224</u></u>