

**NEW HANOVER TOWNSHIP**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

*Year Ended December 31, 2024*

## **INTRODUCTORY SECTION**

**NEW HANOVER TOWNSHIP**  
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YEAR ENDED DECEMBER 31, 2024

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## **FINANCIAL SECTION**

## ***Independent Auditors' Report***

To the Board of Supervisors  
New Hanover Township  
Gilbertsville, Pennsylvania

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New Hanover Township, as of and for the year ended December 31, 2024, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. 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.

#### ***Emphasis of Matter***

As discussed in Note M to the financial statements, the Township has corrected an error. Our opinion is not modified with respect to this matter.

#### ***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 and GAS, 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.

### ***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.

To the Board of Supervisors  
New Hanover Township  
Gilbertsville, Pennsylvania

***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, combining schedule of changes in net position – fiduciary funds, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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, combining schedule of changes in net position – fiduciary funds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated June 4, 2025 on our consideration of New Hanover Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering New Hanover Township's internal control over financial reporting and compliance.



Limerick, Pennsylvania  
June 4, 2025

# NEW HANOVER TOWNSHIP

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2024

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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, 2024. This information needs to be read in conjunction with the Township's financial statements.

### FINANCIAL HIGHLIGHTS

The Township's net position decreased by \$634,272 as a result of this year's operations. Net position of our governmental activities decreased by \$96,655 and the net position of our business-type activities decreased by \$537,617.

In 2024, Sewer Fund operating revenues decreased by 6.4% and expenses were 13.5% higher than the previous year.

The General Fund reported a fund balance of \$1,877,281 this year compared to a fund balance of \$2,384,308 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, 2024

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- *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, 2024**

**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	
	2024	2023	2024	2023	2024	2023
<b>ASSETS</b>						
Current and other assets	\$ 11,298,637	\$ 13,370,844	\$ 1,973,931	\$ 2,584,699	\$ 13,272,568	\$ 15,955,543
Net pension asset	198,739	105,356	114,236	48,899	312,975	154,255
Capital assets	27,682,002	26,887,102	20,081,577	20,478,384	47,763,579	47,365,486
<b>TOTAL ASSETS</b>	<b>39,179,378</b>	<b>40,363,302</b>	<b>22,169,744</b>	<b>23,111,982</b>	<b>61,349,122</b>	<b>63,475,284</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	609,905	1,027,528	46,891	108,848	656,796	1,136,376
<b>LIABILITIES</b>						
Other liabilities	650,556	1,640,123	285,304	182,212	935,860	1,822,335
Long-term liabilities	2,915,715	3,450,101	2,658,508	3,228,178	5,574,223	6,678,279
<b>TOTAL LIABILITIES</b>	<b>3,566,271</b>	<b>5,090,224</b>	<b>2,943,812</b>	<b>3,410,390</b>	<b>6,510,083</b>	<b>8,500,614</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	103,381	84,320	-	-	103,381	84,320
<b>NET POSITION</b>						
Net investment in capital assets	25,309,278	24,216,378	17,441,577	17,263,384	42,750,855	41,479,762
Restricted	6,816,198	6,780,385	114,236	-	6,930,434	6,780,385
Unrestricted	3,994,155	5,219,523	1,717,010	2,547,056	5,711,165	7,766,579
<b>TOTAL NET POSITION</b>	<b>\$ 36,119,631</b>	<b>\$ 36,216,286</b>	<b>\$ 19,272,823</b>	<b>\$ 19,810,440</b>	<b>\$ 55,392,454</b>	<b>\$ 56,026,726</b>

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, 2024**

**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	
	2024	2023	2024	2023	2024	2023
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 542,310	\$ 441,920	\$ 2,096,412	\$ 2,240,350	\$ 2,638,722	\$ 2,682,270
Operating grants and contributions	2,030,141	962,133	25,166	20,722	2,055,307	982,855
Capital grants and contributions	110,480	-	-	-	110,480	-
General revenues						
Taxes						
Real estate	1,237,497	1,239,167	-	-	1,237,497	1,239,167
Real estate transfer	385,927	316,058	-	-	385,927	316,058
Per capita	41,554	41,035	-	-	41,554	41,035
Earned income	4,150,390	4,013,463	-	-	4,150,390	4,013,463
Local services	17,923	18,179	-	-	17,923	18,179
Interest income	646,008	628,110	101,050	124,834	747,058	752,944
Gain on sale of assets	3,122	11,255	-	18,212	3,122	29,467
Miscellaneous	18,203	9,062	-	-	18,203	9,062
<b>TOTAL REVENUES</b>	<b>9,183,555</b>	<b>7,680,382</b>	<b>2,222,628</b>	<b>2,404,118</b>	<b>11,406,183</b>	<b>10,084,500</b>
<b>EXPENDITURES</b>						
General government	3,142,358	1,834,562	-	-	3,142,358	1,834,562
Public safety - police	2,201,024	2,230,502	-	-	2,201,024	2,230,502
Public safety - fire	413,314	407,209	-	-	413,314	407,209
Public safety - other	478,722	358,566	-	-	478,722	358,566
Public works - highways and streets	1,601,780	1,247,495	-	-	1,601,780	1,247,495
Culture and recreation	244,618	152,689	-	-	244,618	152,689
Community development	94,863	71,253	-	-	94,863	71,253
Debt service	23,478	26,572	-	-	23,478	26,572
Insurance	74,820	46,943	-	-	74,820	46,943
Sewer	-	-	2,760,245	2,431,728	2,760,245	2,431,728
Miscellaneous	1,224	1,418	-	-	1,224	1,418
Depreciation	1,004,009	966,876	-	-	1,004,009	966,876
<b>TOTAL EXPENDITURES</b>	<b>9,280,210</b>	<b>7,344,085</b>	<b>2,760,245</b>	<b>2,431,728</b>	<b>12,040,455</b>	<b>9,775,813</b>
<b>CHANGE IN NET POSITION</b>	<b>(96,655)</b>	<b>336,297</b>	<b>(537,617)</b>	<b>(27,610)</b>	<b>(634,272)</b>	<b>308,687</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>36,216,286</b>	<b>35,879,989</b>	<b>19,810,440</b>	<b>19,838,050</b>	<b>56,026,726</b>	<b>55,718,039</b>
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 36,119,631</b>	<b>\$ 36,216,286</b>	<b>\$ 19,272,823</b>	<b>\$ 19,810,440</b>	<b>\$ 55,392,454</b>	<b>\$ 56,026,726</b>

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, 2024

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## GENERAL FUND BUDGETARY HIGHLIGHTS

Budgetary adjustments and supplemental appropriations in 2024 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, 2024, totaled \$27,682,002 and \$20,081,577, 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	\$ 11,703	\$ 2,743
Sanitary sewer system	-	12,259
Wastewater treatment plant	-	4,575
Vehicles	524	144
Infrastructure	9,557	-
Building	5,104	-
Land Improvements	216	-
Machinery and equipment	578	361
	<u>27,682</u>	<u>20,082</u>
TOTAL	\$ <u>27,682</u>	\$ <u>20,082</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 2024, the Township had \$5,619,613 (see Figure A-2) in outstanding debt. The debt service due within one year is \$882,000 which is a combination from Note H, Total Governmental Activities \$301,000 and Total Business-Type Activities \$581,000.

**NEW HANOVER TOWNSHIP**

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2024

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**Figure A-2**  
**Outstanding Long-Term Debt**

Notes payable	\$ <u>5,012,724</u>
Compensated absences	\$ <u>56,898</u>
Net pension liability	\$ <u>504,601</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 fund balance reserves. At the end of 2024, 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, 2024**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash	\$ 9,662,886	\$ 1,765,574	\$ 11,428,460
Accounts receivable	64,925	206,609	271,534
Lease receivable	107,407	-	107,407
Taxes receivable	1,296,717	-	1,296,717
Intergovernmental receivable	19,351	-	19,351
Due from developers	93,770	-	93,770
Prepays	53,581	1,748	55,329
Net pension asset	198,739	114,236	312,975
Capital assets			
Land	11,702,771	2,743,421	14,446,192
Land improvements	2,618,595	-	2,618,595
Infrastructure	20,780,321	-	20,780,321
Buildings	8,271,952	-	8,271,952
Sanitary sewer system	-	25,355,921	25,355,921
Wastewater treatment plant	-	10,010,669	10,010,669
Vehicles	5,287,453	842,417	6,129,870
Equipment	1,231,960	833,981	2,065,941
Accumulated depreciation	(22,211,050)	(19,704,832)	(41,915,882)
<b>TOTAL ASSETS</b>	<u>39,179,378</u>	<u>22,169,744</u>	<u>61,349,122</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	609,905	46,891	656,796
<b>LIABILITIES</b>			
Accounts payable	563,873	261,863	825,736
Accrued salaries	82,693	12,881	95,574
Accrued interest payable	3,990	10,560	14,550
Long-term liabilities			
Notes payable, current portion	301,000	581,000	882,000
Notes payable, long-term portion	2,071,724	2,059,000	4,130,724
Compensated absences payable	38,390	18,508	56,898
Net pension liability	504,601	-	504,601
<b>TOTAL LIABILITIES</b>	<u>3,566,271</u>	<u>2,943,812</u>	<u>6,510,083</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	103,381	-	103,381
<b>NET POSITION</b>			
Net investment in capital assets	25,309,278	17,441,577	42,750,855
Restricted	6,816,198	114,236	6,930,434
Unrestricted	3,994,155	1,717,010	5,711,165
<b>TOTAL NET POSITION</b>	<u>\$ 36,119,631</u>	<u>\$ 19,272,823</u>	<u>\$ 55,392,454</u>

See accompanying notes to the basic financial statements.

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**NEW HANOVER TOWNSHIP**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2024**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ 3,142,358	\$ 225,934	\$ 1,208,758	\$ -
Public safety - police	2,201,024	23,017	1,900	-
Public safety - fire	413,314	-	96,269	-
Public safety - code enforcement, planning, zoning	478,722	207,970	-	-
Public works - highways and streets	1,601,780	-	496,718	110,480
Culture and recreation	244,618	85,389	-	-
Community development	94,863	-	-	-
Debt service	23,478	-	-	-
Employer benefits - pensions	-	-	226,496	-
Insurance	74,820	-	-	-
Miscellaneous	1,224	-	-	-
Depreciation	1,004,009	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>9,280,210</b>	<b>542,310</b>	<b>2,030,141</b>	<b>110,480</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Sewer	2,760,245	2,096,412	25,166	-
	<u>\$ 12,040,455</u>	<u>\$ 2,638,722</u>	<u>\$ 2,055,307</u>	<u>\$ 110,480</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>Totals</u>
<u>Activities</u>	<u>Activities</u>	
\$ (1,707,666)	\$ -	\$ (1,707,666)
(2,176,107)	-	(2,176,107)
(317,045)	-	(317,045)
(270,752)	-	(270,752)
(994,582)	-	(994,582)
(159,229)	-	(159,229)
(94,863)	-	(94,863)
(23,478)	-	(23,478)
226,496	-	226,496
(74,820)	-	(74,820)
(1,224)	-	(1,224)
<u>(1,004,009)</u>	<u>-</u>	<u>(1,004,009)</u>
(6,597,279)	-	(6,597,279)
<u>-</u>	<u>(638,667)</u>	<u>(638,667)</u>
<u>(6,597,279)</u>	<u>(638,667)</u>	<u>(7,235,946)</u>
1,237,497	-	1,237,497
385,927	-	385,927
41,554	-	41,554
4,150,390	-	4,150,390
17,923	-	17,923
646,008	101,050	747,058
3,122	-	3,122
<u>18,203</u>	<u>-</u>	<u>18,203</u>
<u>6,500,624</u>	<u>101,050</u>	<u>6,601,674</u>
(96,655)	(537,617)	(634,272)
<u>36,216,286</u>	<u>19,810,440</u>	<u>56,026,726</u>
<u>\$ 36,119,631</u>	<u>\$ 19,272,823</u>	<u>\$ 55,392,454</u>

**NEW HANOVER TOWNSHIP**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2024**

	<u>General Fund</u>	<u>Transportation Impact</u>	<u>Open Space</u>
<b>ASSETS</b>			
Cash	\$ 1,283,475	\$ 1,964,895	\$ 2,900,625
Accounts receivable	64,854	-	-
Taxes receivable	999,359	-	283,258
Leases receivable	107,407	-	-
Intergovernmental receivable	19,351	-	-
Due from developers	93,770	-	-
Prepays	53,581	-	-
	<u>2,621,797</u>	<u>1,964,895</u>	<u>3,183,883</u>
<b>TOTAL ASSETS</b>	<b>\$ 2,621,797</b>	<b>\$ 1,964,895</b>	<b>\$ 3,183,883</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 89,197	\$ 16,759	\$ 6,758
Accrued salaries	82,693	-	-
	<u>171,890</u>	<u>16,759</u>	<u>6,758</u>
<b>TOTAL LIABILITIES</b>	<b>171,890</b>	<b>16,759</b>	<b>6,758</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue, leases	103,381	-	-
Unavailable revenue, property taxes	9,422	-	-
Unavailable revenue, other taxes	459,823	-	136,915
	<u>572,626</u>	<u>-</u>	<u>136,915</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>572,626</b>	<b>-</b>	<b>136,915</b>
<b>FUND BALANCES</b>			
Nonspendable	53,581	-	-
Restricted			
Fire Protection	-	-	-
Recreation	-	-	-
Traffic impact	-	1,948,136	-
Open Space	-	-	3,040,210
Capital projects	-	-	-
Assigned			
Capital projects	-	-	-
Unassigned	1,823,700	-	-
	<u>1,877,281</u>	<u>1,948,136</u>	<u>3,040,210</u>
<b>TOTAL FUND BALANCES</b>	<b>1,877,281</b>	<b>1,948,136</b>	<b>3,040,210</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,621,797</b>	<b>\$ 1,964,895</b>	<b>\$ 3,183,883</b>

*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>
\$ 1,584,843	\$ -	\$ 1,929,048	\$ 9,662,886
-	-	71	64,925
-	-	14,100	1,296,717
-	-	-	107,407
-	-	-	19,351
-	-	-	93,770
-	-	-	53,581
<u>\$ 1,584,843</u>	<u>\$ -</u>	<u>\$ 1,943,219</u>	<u>\$ 11,298,637</u>
\$ 448,259	\$ -	\$ 2,900	\$ 563,873
-	-	-	82,693
<u>448,259</u>	<u>-</u>	<u>2,900</u>	<u>646,566</u>
-	-	-	103,381
-	-	6,202	15,624
-	-	-	596,738
<u>-</u>	<u>-</u>	<u>6,202</u>	<u>715,743</u>
-	-	-	53,581
-	-	19,129	19,129
-	-	408,952	408,952
-	-	570,007	2,518,143
-	-	-	3,040,210
-	-	631,025	631,025
1,136,584	-	305,004	1,441,588
-	-	-	1,823,700
<u>1,136,584</u>	<u>-</u>	<u>1,934,117</u>	<u>9,936,328</u>
<u>\$ 1,584,843</u>	<u>\$ -</u>	<u>\$ 1,943,219</u>	<u>\$ 11,298,637</u>

**NEW HANOVER TOWNSHIP**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2024**

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TOTAL GOVERNMENTAL FUNDS BALANCES \$ 9,936,328

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

Capital assets of \$49,893,052, net of accumulated depreciation of \$22,211,050, used in governmental activities are not financial resources and, therefore, are not reported in the funds. 27,682,002

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. 612,362

The net pension asset is not an available resource and, therefore, is not reported in the funds. 198,739

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. 609,905

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, 2024 are as follows:

Notes payable	(2,372,724)
Accrued interest payable	(3,990)
Net pension liability	(504,601)
Compensated absences payable	<u>(38,390)</u>

TOTAL NET POSITION, GOVERNMENTAL ACTIVITIES \$ 36,119,631

*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, 2024**

	<u>General Fund</u>	<u>Transportation Impact</u>	<u>Open Space</u>
<b>REVENUES</b>			
Taxes			
Real estate	\$ 749,771	\$ -	\$ -
Real estate transfer	385,927	-	-
Per capita	41,554	-	-
Earned income	3,206,627	-	941,810
Local services	17,869	-	-
Licenses and permits	204,076	-	-
Fines and forfeits	23,017	-	-
Interest and rents	145,331	94,251	166,001
Intergovernmental revenues	232,867	110,480	-
Charges for services	229,828	-	-
Miscellaneous	18,203	-	-
<b>TOTAL REVENUES</b>	<u>5,255,070</u>	<u>204,731</u>	<u>1,107,811</u>
<b>EXPENDITURES</b>			
General government	1,207,579	-	69,900
Public safety			
Police	2,492,236	-	-
Fire	70,344	-	-
Code enforcement, planning, zoning	470,788	-	-
Public works - highway and streets	866,912	31,965	-
Culture and recreation	106,245	-	-
Community development	-	-	1,415,321
Debt service	321,949	-	-
Insurance	74,820	-	-
Miscellaneous	1,224	-	-
<b>TOTAL EXPENDITURES</b>	<u>5,612,097</u>	<u>31,965</u>	<u>1,485,221</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(357,027)</u>	<u>172,766</u>	<u>(377,410)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	(150,000)	-	-
Proceeds from disposal of assets	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(150,000)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(507,027)</u>	<u>172,766</u>	<u>(377,410)</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>2,384,308</u>	<u>1,775,370</u>	<u>3,417,620</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 1,877,281</u>	<u>\$ 1,948,136</u>	<u>\$ 3,040,210</u>

*See accompanying notes to the basic financial statements.*

Capital Reserve	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 493,070	\$ 1,242,841
-	-	-	385,927
-	-	-	41,554
-	-	-	4,148,437
-	-	-	17,869
-	-	-	204,076
-	-	-	23,017
136,264	-	104,161	646,008
1,204,287	-	592,987	2,140,621
-	-	85,389	315,217
-	-	-	18,203
<u>1,340,551</u>	<u>-</u>	<u>1,275,607</u>	<u>9,183,770</u>
1,814,505	-	64,746	3,156,730
116,406	-	-	2,608,642
-	-	342,970	413,314
-	-	-	470,788
-	-	679,444	1,578,321
-	-	138,373	244,618
-	-	-	1,415,321
-	-	-	321,949
-	-	-	74,820
-	-	-	1,224
<u>1,930,911</u>	<u>-</u>	<u>1,225,533</u>	<u>10,285,727</u>
<u>(590,360)</u>	<u>-</u>	<u>50,074</u>	<u>(1,101,957)</u>
150,086	-	60,000	210,086
-	(86)	(60,000)	(210,086)
<u>2,590</u>	<u>-</u>	<u>532</u>	<u>3,122</u>
<u>152,676</u>	<u>(86)</u>	<u>532</u>	<u>3,122</u>
(437,684)	(86)	50,606	(1,098,835)
<u>1,574,268</u>	<u>86</u>	<u>1,883,511</u>	<u>11,035,163</u>
<u>\$ 1,136,584</u>	<u>\$ -</u>	<u>\$ 1,934,117</u>	<u>\$ 9,936,328</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, 2024**

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NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (1,098,835)

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. 794,900

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	\$ (5,344)	
Other taxes	<u>2,007</u>	
		(3,337)

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. 471

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>298,000</u>	
		298,000

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	(95,173)	
Compensated absences payable	<u>7,319</u>	
		<u>(87,854)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (96,655)

*See accompanying notes to the basic financial statements.*

**NEW HANOVER TOWNSHIP**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2024**

	<u>Sewer</u>
ASSETS	
CURRENT ASSETS	
Cash, unrestricted	\$ 1,765,574
Accounts receivable	79,952
Receivable - connection fees	103,459
Receivable - front footage assessments	23,198
Prepays	1,748
TOTAL CURRENT ASSETS	<u>1,973,931</u>
NONCURRENT ASSETS	
Capital assets	
Land	2,743,421
Sanitary sewer system	25,355,921
Wastewater treatment plant	10,010,669
Vehicles	842,417
Equipment	833,981
Less accumulated depreciation	<u>(19,704,832)</u>
TOTAL CAPITAL ASSETS	20,081,577
Net pension asset	114,236
TOTAL NONCURRENT ASSETS	<u>20,195,813</u>
TOTAL ASSETS	<u>22,169,744</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	<u>46,891</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	261,863
Accrued salaries	12,881
Accrued interest payable	10,560
Notes payable, current portion	581,000
TOTAL CURRENT LIABILITIES	<u>866,304</u>
NONCURRENT LIABILITIES	
Notes payable, long-term portion	2,059,000
Compensated absences payable	18,508
TOTAL NONCURRENT LIABILITIES	<u>2,077,508</u>
TOTAL LIABILITIES	<u>2,943,812</u>
NET POSITION	
Net investment in capital assets	17,441,577
Restricted due to pension	114,236
Unrestricted	<u>1,717,010</u>
TOTAL NET POSITION	<u>\$ 19,272,823</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, 2024**

	<u>Sewer</u>
OPERATING REVENUES	
Sewer charges	\$ 2,092,768
Miscellaneous	3,644
TOTAL OPERATING REVENUES	<u>2,096,412</u>
OPERATING EXPENSES	
Administrative	183,840
Legal	78,340
Engineering	65,381
Professional fees	59,586
Buildings and plant	836,473
Sewage disposal operations	581,478
Insurance	82,963
Depreciation	845,209
TOTAL OPERATING EXPENSES	<u>2,733,270</u>
OPERATING INCOME (LOSS)	<u>(636,858)</u>
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental	25,166
Interest income	101,050
Debt service	
Interest	<u>(26,975)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>99,241</u>
CHANGE IN NET POSITION	(537,617)
NET POSITION AT BEGINNING OF YEAR	<u>19,810,440</u>
NET POSITION AT END OF YEAR	<u>\$ 19,272,823</u>

*See accompanying notes to the basic financial statements.*

**NEW HANOVER TOWNSHIP**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	<u>Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 2,134,827
Payments to suppliers	(1,417,536)
Payments to employees	(332,082)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>385,209</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition, construction and improvements of capital assets	(448,402)
Intergovernmental revenues	25,166
Interest paid	(29,275)
Principal paid on bonds	(575,000)
NET CASH USED BY IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,027,511)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on investments	<u>101,050</u>
NET DECREASE IN CASH	(541,252)
CASH AT BEGINNING OF YEAR	<u>2,306,826</u>
CASH AT END OF YEAR	<u>\$ 1,765,574</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (636,858)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	845,209
Pension expense	(3,380)
Decrease in assets	
Accounts receivable	38,415
Prepays	31,101
Increase in liabilities	
Accounts payable	100,293
Accrued salaries	5,099
Compensated absences payable	5,330
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 385,209</u>

*See accompanying notes to the basic financial statements.*

**NEW HANOVER TOWNSHIP**

## STATEMENT OF NET POSITION

## FIDUCIARY FUNDS

DECEMBER 31, 2024

	Pension Trust Funds	Custodial Fund
	<u>                    </u>	<u>                    </u>
ASSETS		
Cash and cash equivalents	\$ 417,275	\$ 596,048
Investments		
Mutual funds	4,585,304	-
Exchange Traded Funds	5,054,958	-
Receivables	10,655	11,100
TOTAL ASSETS	<u>10,068,192</u>	<u>607,148</u>
LIABILITIES AND NET POSITION		
LIABILITIES		
Refunds payable	3,627	-
Accounts payable	<u>-</u>	<u>24,913</u>
TOTAL LIABILITIES	<u>3,627</u>	<u>24,913</u>
NET POSITION		
Net position restricted for pensions	10,064,565	-
Net position restricted for custodial purposes	<u>-</u>	<u>582,235</u>
TOTAL NET POSITION	<u>\$ 10,064,565</u>	<u>\$ 582,235</u>

See accompanying notes to the basic financial statements.

**NEW HANOVER TOWNSHIP**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	Pension Trust Funds	Custodial Fund
<b>ADDITIONS</b>		
Contributions		
Member contributions	\$ 106,663	\$ -
Employer contributions	271,954	-
Developer contributions	-	486,660
<b>TOTAL CONTRIBUTIONS</b>	<u>378,617</u>	<u>486,660</u>
Investment earnings		
Dividends	435,962	-
Net increase in the fair value of investments	585,991	-
<b>TOTAL INVESTMENT EARNINGS</b>	<u>1,021,953</u>	<u>-</u>
Investment expense	(40,263)	-
<b>INVESTMENT EARNINGS, net</b>	<u>981,690</u>	<u>-</u>
<b>TOTAL ADDITIONS</b>	<u>1,360,307</u>	<u>486,660</u>
<b>DEDUCTIONS</b>		
Benefits	623,458	-
Administrative expenses	12,000	-
Forfeiture refunded to municipality	23,069	-
Payments for developers	-	511,380
<b>TOTAL DEDUCTIONS</b>	<u>658,527</u>	<u>511,380</u>
<b>CHANGE IN NET POSITION</b>	701,780	(24,720)
<b>NET POSITION - BEGINNING OF YEAR AS PREVIOUSLY STATED</b>	9,059,224	606,955
Error Correction	<u>303,561</u>	<u>-</u>
<b>NET POSITION - BEGINNING OF YEAR, AS RESTATED</b>	<u>9,362,785</u>	<u>606,955</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 10,064,565</u></u>	<u><u>\$ 582,235</u></u>

*See accompanying notes to the basic financial statements.*

**NEW HANOVER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

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**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, 2024**

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**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 issue separate financial statements.
- The Non-Uniformed Defined Contribution Pension Plan is a single employer, self-directed, defined contribution pension plan that covers all full-time non-uniformed employees hired on or after 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 issue 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, 2024

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**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, 2024

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**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 three pension plans: the Police Pension Plan, the Non-Uniformed Pension Plan and the Non-Uniformed Defined Contribution 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, 2024

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**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, 2024**

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**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, 2024**

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**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, 2024**

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**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, 2024.

**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 implicit 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, 2024**

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**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 two items 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. The other item, deferred inflows of resources related to leases is reported in the government-wide statement of net position and is deferred and recognized as an inflow of resources in the period the amount becomes due.

**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.

**NEW HANOVER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Authority implemented GASB Statement No. 101, Compensated Absences, effective January 1, 2024. The objective of GASB 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. The adoption of GASB 101 did not have a material impact on the financial statements.

**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.

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

**NEW HANOVER TOWNSHIP**  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, 2024**

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**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 intergovernmental revenues, 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 2024 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 substantially all conditions were met.

**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, 2024**

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**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, 2024 consists of the following:

<b>CASH</b>	
Township deposits with Victory Bank	\$ 11,428,160
Custodial fund deposits with Victory Bank	596,048
Pension cash	417,275
Petty cash	300
TOTAL CASH	<u>12,441,783</u>
 <b>INVESTMENTS</b>	
Pension mutual funds	4,585,304
Pension exchange traded funds	5,054,958
TOTAL INVESTMENTS	<u>9,640,262</u>
TOTAL CASH AND INVESTMENTS	<u>\$ 22,082,045</u>

**NEW HANOVER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

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**NOTE D - DEPOSITS AND INVESTMENTS (Continued)**

**Reconciliation to Statement of Net Position/Balance Sheet**

CASH		
Governmental activities		\$ 9,662,886
Business-type activities		1,765,574
Fiduciary funds		1,013,323
		<u>12,441,783</u>
INVESTMENTS		
Fiduciary funds		<u>9,640,262</u>
		<u>\$ 22,082,045</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, 2024, the carrying amounts of the Township's bank deposits were \$12,441,783, and the corresponding bank balances were \$13,262,379, of which \$12,593,169 was covered by Federal Depository Insurance. Pension fund deposits of \$417,275 were uninsured and uncollateralized. The remaining \$251,935 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, 2024, the Township had the following investments:

<u>Investment Type</u>	<u>Fair Value Level 1</u>	<u>Investment Maturities Less Than One Year</u>
PENSION ACTIVITIES		
Mutual funds	\$ 4,585,304	\$ 4,585,304
Exchange traded funds	<u>5,054,958</u>	<u>5,054,958</u>
TOTAL PENSION ACTIVITIES	<u>\$ 9,640,262</u>	<u>\$ 9,640,262</u>

**NEW HANOVER TOWNSHIP**  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024

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**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, 2024:

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, 2024**

**NOTE E - CAPITAL ASSETS**

Changes in capital asset activity for the year ended December 31, 2024, were as follows:

GOVERNMENTAL ACTIVITIES

Capital assets, not being depreciated				
Land	\$ 10,382,313	\$ 1,320,458	\$ -	\$ 11,702,771
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>10,382,313</u>	<u>1,320,458</u>	<u>-</u>	<u>11,702,771</u>
Capital assets being depreciated				
Infrastructure	20,780,321	-	-	20,780,321
Building	8,233,056	38,896	-	8,271,952
Land improvements	2,618,595	-	-	2,618,595
Vehicles	4,953,612	371,841	(38,000)	5,287,453
Equipment	1,164,246	67,714	-	1,231,960
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>37,749,830</u>	<u>478,451</u>	<u>(38,000)</u>	<u>38,190,281</u>
Accumulated depreciation				
Infrastructure	(10,801,732)	(421,962)	-	(11,223,694)
Building	(2,969,021)	(198,699)	-	(3,167,720)
Land improvements	(2,365,651)	(37,396)	-	(2,403,047)
Vehicles	(4,532,792)	(268,277)	38,000	(4,763,069)
Equipment	(575,845)	(77,675)	-	(653,520)
TOTAL ACCUMULATED DEPRECIATION	<u>(21,245,041)</u>	<u>(1,004,009)</u>	<u>38,000</u>	<u>(22,211,050)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	<u>16,504,789</u>	<u>(525,558)</u>	<u>-</u>	<u>15,979,231</u>
 GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	 <u>\$ 26,887,102</u>	 <u>\$ 794,900</u>	 <u>\$ -</u>	 <u>\$ 27,682,002</u>

BUSINESS-TYPE ACTIVITIES

Capital assets, not being depreciated				
Land	\$ 2,743,421	\$ -	\$ -	\$ 2,743,421
Capital assets being depreciated				
Sanitary sewer system	25,355,921	-	-	25,355,921
Wastewater treatment plant	9,596,976	413,693	-	10,010,669
Vehicles	842,417	-	-	842,417
Equipment	799,272	34,709	-	833,981
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>36,594,586</u>	<u>448,402</u>	<u>-</u>	<u>37,042,988</u>
Accumulated depreciation				
Sanitary sewer system	(12,589,638)	(507,118)	-	(13,096,756)
Wastewater treatment plant	(5,172,163)	(263,343)	-	(5,435,506)
Vehicles	(671,865)	(27,177)	-	(699,042)
Equipment	(425,957)	(47,571)	-	(473,528)
TOTAL ACCUMULATED DEPRECIATION	<u>(18,859,623)</u>	<u>(845,209)</u>	<u>-</u>	<u>(19,704,832)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	<u>17,734,963</u>	<u>(396,807)</u>	<u>-</u>	<u>17,338,156</u>
 BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net	 <u>\$ 20,478,384</u>	 <u>\$ (396,807)</u>	 <u>\$ -</u>	 <u>\$ 20,081,577</u>

**NEW HANOVER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

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**NOTE F - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

There were no interfund receivables and payables at December 31, 2024.

Transfers between funds for the year ended December 31, 2024, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
GOVERNMENTAL ACTIVITIES		
General Fund	\$ -	\$ 150,000
Capital Reserve Fund	150,000	-
American Rescue Plan	86	-
Nonmajor governmental funds	<u>60,000</u>	<u>60,086</u>
TOTAL GOVERNMENTAL FUNDS	<u>\$ 210,086</u>	<u>\$ 210,086</u>

During the year, \$150,000 was transferred by the General Fund to the Capital Reserve Fund for future capital projects, \$60,000 was transferred from the Recreation Fund to the Recreation Reserve Fund for future recreation-related projects, and \$86 was transferred from the American Rescue Plan Fund to the Capital Reserve Fund to close out remaining ARPA money.

**NEW HANOVER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

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**NOTE G - LONG-TERM DEBT**

At December 31, 2024, long-term debt consists of the following:

	Balance Outstanding December 31, 2023	Additions	Payments	Balance Outstanding December 31, 2024	Due Within One Year
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>GOVERNMENTAL ACTIVITIES</b>					
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.	\$ 2,670,724	\$ -	\$ (298,000)	\$ 2,372,724	\$ 301,000
<b>BUSINESS-TYPE ACTIVITIES</b>					
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>3,215,000</u>	<u>-</u>	<u>(575,000)</u>	<u>2,640,000</u>	<u>581,000</u>
<b>TOTAL DEBT</b>	<u>\$ 5,885,724</u>	<u>\$ -</u>	<u>\$ (873,000)</u>	<u>\$ 5,012,724</u>	<u>\$ 882,000</u>

**NEW HANOVER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

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**NOTE G - LONG-TERM DEBT (Continued)**

Aggregate maturities required on long-term debt at December 31, 2024 are as follows:

**GOVERNMENTAL ACTIVITIES**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
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	284,000	34,117	318,117
2030 to 2033	<u>921,724</u>	<u>49,757</u>	<u>971,481</u>
	<u>\$ 2,372,724</u>	<u>\$ 198,436</u>	<u>\$ 2,571,160</u>

**BUSINESS-TYPE ACTIVITIES**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
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>\$ 2,640,000</u>	<u>\$ 60,100</u>	<u>\$ 2,700,100</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, 2024**

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**NOTE H - CHANGES IN LONG-TERM LIABILITIES**

Changes in long-term liabilities for the year ended December 31, 2024 are as follows:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2024	Current Portion
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>GOVERNMENTAL ACTIVITIES</b>					
General obligation debt					
Notes payable	\$ 2,670,724	\$ -	\$ (298,000)	\$ 2,372,724	\$ 301,000
Compensated absences	45,709	-	(7,319)	38,390	-
Net pension liability	<u>733,668</u>	<u>-</u>	<u>(229,067)</u>	<u>504,601</u>	<u>-</u>
TOTAL GOVERNMENTAL ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 3,450,101</u>	<u>\$ -</u>	<u>\$ (534,386)</u>	<u>\$ 2,915,715</u>	<u>\$ 301,000</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
General obligation debt					
Notes payable	\$ 3,215,000	\$ -	\$ (575,000)	\$ 2,640,000	\$ 581,000
Compensated absences	<u>13,178</u>	<u>5,330</u>	<u>-</u>	<u>18,508</u>	<u>-</u>
TOTAL BUSINESS-TYPE ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 3,228,178</u>	<u>\$ 5,330</u>	<u>\$ (575,000)</u>	<u>\$ 2,658,508</u>	<u>\$ 581,000</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, 2024**

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**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 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, 2024, the following employees were covered by the Police Pension Plan:

Inactive members or beneficiaries currently receiving benefits	7
Active members	14
	<hr/>
	21
	<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, 2024**

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**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, 2024 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, 2024, were as follows:

Total pension liability	\$ 5,577,319
Plan fiduciary net position	<u>(5,072,718)</u>
NET PENSION LIABILITY	<u>\$ 504,601</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.95%</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, 2024**

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**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%	6.60%
International equity	12%	7.50%
Fixed income	37%	4.70%
Real estate	3%	7.90%
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, 2024, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 10.35%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**NEW HANOVER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

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**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, 2024.

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
BALANCE AT DECEMBER 31, 2023	\$ 5,315,722	\$ 4,582,054	\$ 733,668
Changes for the year			
Service cost	157,363	-	157,363
Interest cost	373,685	-	373,685
Changes for experience	-	-	-
Contributions - employer	-	209,305	(209,305)
Contributions - member	-	81,841	(81,841)
Net investment income	-	474,969	(474,969)
Benefit payments, including refunds of member contributions	(269,451)	(269,451)	-
Administrative expense	-	(6,000)	6,000
BALANCE AT DECEMBER 31, 2024	<u>\$ 5,577,319</u>	<u>\$ 5,072,718</u>	<u>\$ 504,601</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 (ASSET)	<u>\$ 1,269,849</u>	<u>\$ 504,601</u>	<u>\$ (127,345)</u>

**NEW HANOVER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

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**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, 2024, the Township recognized pension expense of \$244,916. The Township has deferred outflows and inflows of resources related to the Police Pension Plan from the following source at December 31, 2024:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 378,961	\$ -
Changes of assumptions	45,984	-
Net difference between projected and actual earnings on pension plan investments	<u>103,383</u>	<u>-</u>
Total	<u>\$ 528,328</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, 2024:

2025	\$ 154,621
2026	204,359
2027	(36,653)
2028	31,024
2029	62,492
Thereafter	112,485

**NOTE J - NEW HANOVER TOWNSHIP NON-UNIFORMED PENSION PLANS**

**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, 2024**

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**NOTE J - NEW HANOVER TOWNSHIP NON-UNIFORMED PENSION PLANS (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, 2024, 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	7
Active members	1
	<hr/>
	25
	<hr/> <hr/>

**NEW HANOVER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

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**NOTE J - NEW HANOVER TOWNSHIP NON-UNIFORMED PENSION PLANS (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, 2024, 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, 2024, were as follows:

Total pension liability	\$ 4,268,196
Plan fiduciary net position	<u>(4,581,171)</u>
NET PENSION LIABILITY (ASSET)	<u>\$ (312,975)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>107.33%</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, 2024**

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**NOTE J - NEW HANOVER TOWNSHIP NON-UNIFORMED PENSION PLANS (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%	6.60%
International equity	12%	7.50%
Fixed income	37%	4.70%
Real estate	3%	7.90%
Cash	<u>3%</u>	0.76%
	<u><u>100%</u></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, 2024, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 10.80%. 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, 2024**

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

**Changes in Net Pension Liability (Asset)**

The following table shows the changes in net pension liability (asset) for the year ended December 31, 2024.

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
BALANCE AT DECEMBER 31, 2023	\$ 4,322,915	\$ 4,477,170	\$ (154,255)
Changes for the year			
Service cost	8,481	-	8,481
Interest cost	290,807	-	290,807
Changes for experience	-	-	-
Net investment income	-	464,008	(464,008)
Benefit payments, including refunds of member contributions	(354,007)	(354,007)	-
Administrative expense	-	(6,000)	6,000
BALANCE AT DECEMBER 31, 2024	<u>\$ 4,268,196</u>	<u>\$ 4,581,171</u>	<u>\$ (312,975)</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 (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
PLAN'S NET PENSION LIABILITY (ASSET)	<u>\$ 66,914</u>	<u>\$ (312,975)</u>	<u>\$ (638,582)</u>

**NEW HANOVER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

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

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

For the year ended December 31, 2024, the Township recognized pension expense of \$56,182. 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>81,577</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>46,891</u>	\$ <u>-</u>

Actuarially determined deferred outflows and inflows of resources related to the Non-Uniformed Pension Plan are as follows for the year ended December 31, 2024:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2025	\$ 65,724	\$ 37,778
2026	101,045	58,081
2027	(64,465)	(37,054)
2028	(20,727)	(11,914)
2029	-	-
Thereafter	-	-

**NEW HANOVER TOWNSHIP**  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024

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

**Non-Uniformed Defined Contribution Pension Fund**

**Plan Description**

The New Hanover Township Non-Uniformed Defined Contribution Pension Plan is a single-employer, self-directed defined contribution pension plan that covers all full-time non-uniformed employees of New Hanover Township hired on or after June 1, 2016 and which is controlled by the provisions of Ordinance No. 17-04, adopted pursuant to Act 69. The plan is governed by the Township Board of Supervisors which is responsible for management of plan assets. The Township Board of Supervisors has appointed the Pension Board as the official body to which all related investment matters of the Fund are delegated. The Pension Board shall consist of at least five members which may consist of elected officials, management, and/or members of the plan. The Township Board of Supervisors has delegated the authority to manage certain plan assets to Girard Pension Services, LLC., with Nationwide Financial as custodian.

**Eligibility Requirements:**

Normal Retirement - Age 60.

Early Retirement - None.

Vesting - None for employer monies in the first five full years of service; thereafter 100%. Member monies are always 100% vested.

**Retirement Benefit:** The fair market value of the member's vested account balance at the time of retirement.

**Survivor Benefit:** The fair market value of the member's vested account balance at the time of death.

**Plan Membership:** As of December 31, the pension plan's membership consisted of 13 active employees.

**NEW HANOVER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

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**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 2034	\$4,500

As of December 31, 2024, New Hanover Township's receivable for lease payments was \$107,407. 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, 2024, the balance of the deferred inflow of resources was \$103,381. Lease related revenues recognized as of December 31, 2024 were as follows:

<u>Lease-related Revenue</u>	<u>Year Ending December 31, 2024</u>
Lease Revenue	
Cell Towers	\$ 9,142
Billboard	4,500
Interest Revenue	<u>3,360</u>
 TOTAL	 \$ <u><u>17,002</u></u>

Current year interest revenues were \$10,388. This is included on interest and rents financial statement line.

**NEW HANOVER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2024**

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**NOTE K - LEASES (Continued)**

The future maturity of lease receivables is as follows:

Year Ending December 31,	Principal	Interest	Receipts
2025	\$ 11,811	\$ 5,191	\$ 17,002
2026	13,464	4,632	18,096
2027	13,653	3,974	17,627
2028	14,308	3,320	17,628
2029	14,997	2,631	17,628
2030-2034	<u>39,174</u>	<u>3,988</u>	<u>43,162</u>
TOTAL FUTURE RECEIPTS	<u>\$ 107,407</u>	<u>\$ 23,736</u>	<u>\$ 131,143</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.

**NOTE M - CORRECTION OF AN ERROR IN PREVIOUSLY ISSUED FINANCIAL STATEMENTS**

During the year ending December 31, 2024, the Township determined that the Fiduciary Funds did not report a non-uniformed defined contribution pension plan that met the requirements for reporting under GASB 84, *Fiduciary Activities*. Therefore, beginning net position was understated by \$303,561.

The correction of this error resulted in adjustments to and restatements of beginning net position as follows:

	12/31/2023 As Previously Reported	Error Correction	12/31/2023 As Restated
Fiduciary Fund			
Pension Trust Funds	<u>\$ 9,059,224</u>	<u>\$ 303,561</u>	<u>\$ 9,362,785</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 157,363	\$ 151,311	\$ 150,697	\$ 144,901
Interest	373,685	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>(269,451)</u>	<u>(297,936)</u>	<u>(226,971)</u>	<u>(253,000)</u>
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>261,597</b>	<b>276,775</b>	<b>260,801</b>	<b>570,779</b>
Total pension liability, beginning	<u>5,315,722</u>	<u>5,038,947</u>	<u>4,778,146</u>	<u>4,207,367</u>
<b>TOTAL PENSION LIABILITY, ENDING</b>	<b>\$ <u>5,577,319</u></b>	<b>\$ <u>5,315,722</u></b>	<b>\$ <u>5,038,947</u></b>	<b>\$ <u>4,778,146</u></b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 209,305	\$ 172,828	\$ 163,695	\$ 144,051
Contributions - member	81,841	70,176	63,530	55,447
Net investment income (loss)	474,969	615,175	(865,216)	552,500
Benefit payments, including refunds of member contributions	(269,451)	(297,936)	(226,971)	(253,000)
Other	-	-	-	-
Administrative expense	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>490,664</b>	<b>554,243</b>	<b>(870,962)</b>	<b>492,998</b>
Plan net position, beginning	<u>4,582,054</u>	<u>4,027,811</u>	<u>4,898,773</u>	<u>4,405,775</u>
<b>PLAN NET POSITION, ENDING</b>	<b>\$ <u>5,072,718</u></b>	<b>\$ <u>4,582,054</u></b>	<b>\$ <u>4,027,811</u></b>	<b>\$ <u>4,898,773</u></b>
<b>TOWNSHIP'S NET PENSION LIABILITY</b>	<b>\$ <u>504,601</u></b>	<b>\$ <u>733,668</u></b>	<b>\$ <u>1,011,136</u></b>	<b>\$ <u>(120,627)</u></b>
<b>PLAN NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY</b>	<b><u>90.95%</u></b>	<b><u>86.20%</u></b>	<b><u>79.93%</u></b>	<b><u>102.52%</u></b>
<b>COVERED PAYROLL</b>	<b>\$ <u>1,424,621</u></b>	<b>\$ <u>1,309,116</u></b>	<b>\$ <u>1,203,652</u></b>	<b>\$ <u>1,199,985</u></b>
<b>TOWNSHIP'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL</b>	<b><u>35.42%</u></b>	<b><u>56.04%</u></b>	<b><u>84.01%</u></b>	<b><u>-10.05%</u></b>

**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 years, 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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 8,481	\$ 8,155	\$ 39,651	\$ 38,126
Interest	290,807	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>(354,007)</u>	<u>(336,309)</u>	<u>(199,291)</u>	<u>(192,629)</u>
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>(54,719)</b>	<b>243,716</b>	<b>113,742</b>	<b>197,910</b>
Total pension liability, beginning	<u>4,322,915</u>	<u>4,079,199</u>	<u>3,965,457</u>	<u>3,767,547</u>
<b>TOTAL PENSION LIABILITY, ENDING</b>	<b><u>\$ 4,268,196</u></b>	<b><u>\$ 4,322,915</u></b>	<b><u>\$ 4,079,199</u></b>	<b><u>\$ 3,965,457</u></b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ -	\$ -	\$ -	\$ 34,233
Net investment income (loss)	464,008	625,956	(936,902)	613,799
Benefit payments, including refunds of member contributions	(354,007)	(336,309)	(199,291)	(192,629)
Other	-	-	-	-
Administrative expense	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>104,001</b>	<b>283,647</b>	<b>(1,142,193)</b>	<b>449,403</b>
Plan net position, beginning	<u>4,477,170</u>	<u>4,193,523</u>	<u>5,335,716</u>	<u>4,886,313</u>
<b>PLAN NET POSITION, ENDING</b>	<b><u>\$ 4,581,171</u></b>	<b><u>\$ 4,477,170</u></b>	<b><u>\$ 4,193,523</u></b>	<b><u>\$ 5,335,716</u></b>
<b>TOWNSHIP'S NET PENSION LIABILITY</b>	<b><u>\$ (312,975)</u></b>	<b><u>\$ (154,255)</u></b>	<b><u>\$ (114,324)</u></b>	<b><u>\$ (1,370,259)</u></b>
<b>PLAN NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY</b>	<b><u>107.33%</u></b>	<b><u>103.57%</u></b>	<b><u>102.80%</u></b>	<b><u>134.55%</u></b>
<b>COVERED PAYROLL</b>	<b><u>\$ 95,593</u></b>	<b><u>\$ 300,439</u></b>	<b><u>\$ 446,982</u></b>	<b><u>\$ 450,695</u></b>
<b>TOWNSHIP'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL</b>	<b><u>-327.40%</u></b>	<b><u>-51.34%</u></b>	<b><u>-25.58%</u></b>	<b><u>-304.03%</u></b>

**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 years, 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>\$ 3,767,547</u>	<u>\$ 3,620,976</u>	<u>\$ 3,608,895</u>	<u>\$ 3,402,417</u>	<u>\$ 3,389,835</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>\$ 4,886,313</u>	<u>\$ 4,438,040</u>	<u>\$ 3,773,030</u>	<u>\$ 4,091,064</u>	<u>\$ 3,613,210</u>
<u>\$ (1,118,766)</u>	<u>\$ (817,064)</u>	<u>\$ (164,135)</u>	<u>\$ (688,647)</u>	<u>\$ (223,375)</u>
<u>129.69%</u>	<u>122.56%</u>	<u>104.55%</u>	<u>120.24%</u>	<u>106.59%</u>
<u>\$ 676,748</u>	<u>\$ 625,594</u>	<u>\$ 619,839</u>	<u>\$ 779,589</u>	<u>\$ 868,276</u>
<u>-165.32%</u>	<u>-130.61%</u>	<u>-26.48%</u>	<u>-88.33%</u>	<u>-25.73%</u>

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 182,832	\$ 172,828	\$ 163,695	\$ 144,051
Contribution in relation to the actuarially determined contribution	<u>209,305</u>	<u>172,828</u>	<u>163,695</u>	<u>144,051</u>
CONTRIBUTION (EXCESS) DEFICIENCY	<u>\$ (26,473)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 1,424,621</u>	<u>\$ 1,309,116</u>	<u>\$ 1,203,652</u>	<u>\$ 1,199,958</u>
Contribution as a percentage of covered payroll	<u>14.69%</u>	<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 2023 and 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:

	1/1/2023	1/1/2021	1/1/2019
Actuarial valuation date	1/1/2023	1/1/2021	1/1/2019
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar	Level dollar	Level dollar
Remaining amortization period	5 years	4 years	9 years
Asset valuation method	Market	Market	Market
Salary increases	4.00%	4.00%	4.00%
Investment rate of return	7.00%	7.00%	7.00%
Retirement age	55	55	55
Mortality	PUBS-2010	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 years, 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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ 27,970
Contribution in relation to the actuarially determined contribution	-	-	-	34,233
CONTRIBUTION (EXCESS) DEFICIENCY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,263)</u>
Covered payroll	<u>\$ 95,593</u>	<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>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 2023 and 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:

	1/1/2023	1/1/2021	1/1/2019
Actuarial valuation date	1/1/2023	1/1/2021	1/1/2019
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar	Level dollar	Level dollar
Remaining amortization period	5 years	None	None
Asset valuation method	Market	Market	Market
Salary increases	4.00%	4.00%	4.00%
Investment rate of return	7.00%	7.00%	7.00%
Retirement age	55	60	60
Mortality	PUBS-2010	PUBG-2010	RP2000

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

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<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  
Entry age normal  
Level dollar  
None  
Market  
4.00%  
7.00%  
60  
RP2000

1/1/2015  
Entry age normal  
Level dollar  
None  
Market  
4.00%  
7.00%  
60  
RP2000

1/1/2013  
Entry age normal  
Level dollar  
12 years  
Market  
4.00%  
7.00%  
60  
RP2000

**NEW HANOVER TOWNSHIP**

SCHEDULE OF PENSION PLAN INVESTMENT RETURNS -

POLICE PENSION PLAN

LAST TEN FISCAL YEARS\*

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	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	<u>10.35%</u>	<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 years, for which information is available, is shown.

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<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\*

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	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	<u>10.80%</u>	<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.

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<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, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes				
Real estate	\$ 759,000	\$ 759,000	\$ 749,771	\$ (9,229)
Real estate transfer	288,000	288,000	385,927	97,927
Per capita	39,000	39,000	41,554	2,554
Earned income	3,103,500	3,103,500	3,206,627	103,127
Local services	16,000	16,000	17,869	1,869
Licenses and permits	237,500	237,500	204,076	(33,424)
Fines and forfeits	17,000	17,000	23,017	6,017
Interest and rents	91,500	91,500	145,331	53,831
Intergovernmental revenues	204,000	204,000	232,867	28,867
Charges for services	97,000	97,000	229,828	132,828
Miscellaneous	5,000	5,000	18,203	13,203
<b>TOTAL REVENUES</b>	<u>4,857,500</u>	<u>4,857,500</u>	<u>5,255,070</u>	<u>397,570</u>
<b>EXPENDITURES</b>				
General government	952,300	952,300	1,207,579	(255,279)
Public Safety				
Police	2,508,000	2,508,000	2,492,236	15,764
Fire	61,000	61,000	70,344	(9,344)
Code enforcement, planning, zoning	359,000	359,000	470,788	(111,788)
Public works - highway and streets	904,000	904,000	866,912	37,088
Culture and recreation	106,250	106,250	106,245	5
Debt service	315,000	315,000	321,949	(6,949)
Insurance	75,000	75,000	74,820	180
Miscellaneous	-	-	1,224	(1,224)
<b>TOTAL EXPENDITURES</b>	<u>5,280,550</u>	<u>5,280,550</u>	<u>5,612,097</u>	<u>(331,547)</u>
<b>DEFICIENCY         OF REVENUES OVER         EXPENDITURES</b>	<u>(423,050)</u>	<u>(423,050)</u>	<u>(357,027)</u>	<u>66,023</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND         BALANCE</b>	<u>\$ (573,050)</u>	<u>\$ (573,050)</u>	<u>(507,027)</u>	<u>\$ 66,023</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>			<u>2,384,308</u>	
<b>FUND BALANCE AT END OF YEAR</b>			<u>\$ 1,877,281</u>	

**NEW HANOVER TOWNSHIP**  
**NOTE TO BUDGETARY COMPARISON SCHEDULE**  
**YEAR ENDED DECEMBER 31, 2024**

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**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, 2024**

	Special Revenue Funds		
	Fire Protection Tax	State Highway Aid	Recreation
<b>ASSETS</b>			
Cash	\$ 15,411	\$ 570,007	\$ 406,792
Accounts receivable	-	-	71
Taxes receivable	6,939	-	4,029
<b>TOTAL ASSETS</b>	<b>\$ 22,350</b>	<b>\$ 570,007</b>	<b>\$ 410,892</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 169	-	\$ 167
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue, property taxes	3,052	-	1,773
<b>FUND BALANCES</b>			
Restricted			
Fire Protection	19,129	-	-
Recreation	-	-	408,952
Traffic impact	-	570,007	-
Capital projects	-	-	-
Assigned			
Capital projects	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>19,129</b>	<b>570,007</b>	<b>408,952</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 22,350</b>	<b>\$ 570,007</b>	<b>\$ 410,892</b>

<u>Capital Project Funds</u>		<u>Total Other Governmental Funds</u>
<u>Road Equipment</u>	<u>Recreation Reserve</u>	
\$ 629,270	\$ 307,568	\$ 1,929,048
-	-	71
<u>3,132</u>	<u>-</u>	<u>14,100</u>
<u>\$ 632,402</u>	<u>\$ 307,568</u>	<u>\$ 1,943,219</u>
\$ <u>-</u>	\$ <u>2,564</u>	\$ <u>2,900</u>
<u>1,377</u>	<u>-</u>	<u>6,202</u>
-	-	19,129
-	-	408,952
-	-	570,007
631,025	-	631,025
-	305,004	305,004
<u>631,025</u>	<u>305,004</u>	<u>1,934,117</u>
<u>\$ 632,402</u>	<u>\$ 307,568</u>	<u>\$ 1,943,219</u>

**NEW HANOVER TOWNSHIP**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**OTHER GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	Special Revenue Funds		
	Fire Protection Tax	State Highway Aid	Recreation
<b>REVENUES</b>			
Taxes			
Real estate	\$ 242,496	\$ -	\$ 140,721
Interest and rents	2,033	34,747	20,664
Intergovernmental revenues	96,269	496,718	-
Charges for services	-	-	85,389
<b>TOTAL REVENUES</b>	<u>340,798</u>	<u>531,465</u>	<u>246,774</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Public safety			
Fire	342,970	-	-
Public works - highway and streets	-	372,115	-
Culture and recreation	-	-	138,373
<b>TOTAL EXPENDITURES</b>	<u>342,970</u>	<u>372,115</u>	<u>138,373</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(2,172)</u>	<u>159,350</u>	<u>108,401</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	(60,000)
Sale of general capital assets	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(60,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(2,172)	159,350	48,401
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>21,301</u>	<u>410,657</u>	<u>360,551</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 19,129</u>	<u>\$ 570,007</u>	<u>\$ 408,952</u>

<u>Capital Project Funds</u>		<u>Total Other</u>
<u>Road</u>	<u>Recreation</u>	<u>Governmental</u>
<u>Equipment</u>	<u>Reserve</u>	<u>Funds</u>
\$ 109,853	\$ -	\$ 493,070
33,083	13,634	104,161
-	-	592,987
-	-	85,389
<u>142,936</u>	<u>13,634</u>	<u>1,275,607</u>
-	64,746	64,746
-	-	342,970
307,329	-	679,444
-	-	138,373
<u>307,329</u>	<u>64,746</u>	<u>1,225,533</u>
<u>(164,393)</u>	<u>(51,112)</u>	<u>50,074</u>
-	60,000	60,000
-	-	(60,000)
<u>532</u>	<u>-</u>	<u>532</u>
<u>532</u>	<u>60,000</u>	<u>532</u>
(163,861)	8,888	50,606
<u>794,886</u>	<u>296,116</u>	<u>1,883,511</u>
<u>\$ 631,025</u>	<u>\$ 305,004</u>	<u>\$ 1,934,117</u>

**NEW HANOVER TOWNSHIP**  
**COMBINING SCHEDULE OF NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2024**

	Pension Trust Funds			Total Pension Trust Funds
	Non-Uniformed Pension Fund	Police Pension Fund	Non-Uniformed Defined Contribution Pension Fund	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 196,247	\$ 221,028	\$ -	\$ 417,275
Investments				
Mutual funds	2,034,206	2,230,255	320,843	4,585,304
Exchange traded funds	2,354,345	2,613,987	86,626	5,054,958
Receivables	-	7,448	3,207	10,655
<b>TOTAL ASSETS</b>	<b>4,584,798</b>	<b>5,072,718</b>	<b>410,676</b>	<b>10,068,192</b>
<b>LIABILITIES AND NET POSITION</b>				
<b>LIABILITIES</b>				
Refunds payable	3,627	-	-	3,627
<b>NET POSITION</b>				
Restricted for pensions	<u>\$ 4,581,171</u>	<u>\$ 5,072,718</u>	<u>\$ 410,676</u>	<u>\$ 10,064,565</u>

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

	Pension Trust Funds			Total Pension Trust Funds
	Non-Uniformed Pension Fund	Police Pension Fund	Non-Uniformed Defined Contribution Pension Fund	
<b>ADDITIONS</b>				
Contributions				
Member contributions	\$ -	\$ 81,841	\$ 24,822	\$ 106,663
Employer contributions	-	209,305	62,649	271,954
<b>TOTAL CONTRIBUTIONS</b>	<u>-</u>	<u>291,146</u>	<u>87,471</u>	<u>378,617</u>
Investment earnings				
Interest and Dividends	211,306	224,656	-	435,962
Net increase in the fair value of investments	<u>272,244</u>	<u>270,534</u>	<u>43,213</u>	<u>585,991</u>
<b>TOTAL INVESTMENT         EARNINGS</b>	<u>483,550</u>	<u>495,190</u>	<u>43,213</u>	<u>1,021,953</u>
Less investment expense	<u>(19,542)</u>	<u>(20,221)</u>	<u>(500)</u>	<u>(40,263)</u>
<b>INVESTMENT     EARNINGS, net</b>	<u>464,008</u>	<u>474,969</u>	<u>42,713</u>	<u>981,690</u>
<b>TOTAL ADDITIONS</b>	<u>464,008</u>	<u>766,115</u>	<u>130,184</u>	<u>1,360,307</u>
<b>DEDUCTIONS</b>				
Benefits	354,007	269,451	-	623,458
Administrative expense	6,000	6,000	-	12,000
Forfeiture refunded to municipality	-	-	23,069	23,069
<b>TOTAL DEDUCTIONS</b>	<u>360,007</u>	<u>275,451</u>	<u>23,069</u>	<u>635,458</u>
<b>CHANGE IN NET POSITION</b>	<u>104,001</u>	<u>490,664</u>	<u>107,115</u>	<u>701,780</u>
<b>NET POSITION - BEGINNING OF YEAR AS PREVIOUSLY STATED</b>				
	4,477,170	4,582,054	-	9,059,224
Error Correction	<u>-</u>	<u>-</u>	<u>303,561</u>	<u>303,561</u>
<b>NET POSITION - BEGINNING OF YEAR, AS RESTATED</b>	<u>4,477,170</u>	<u>4,582,054</u>	<u>303,561</u>	<u>9,362,785</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 4,581,171</u>	<u>\$ 5,072,718</u>	<u>\$ 410,676</u>	<u>\$ 10,064,565</u>

# **SINGLE AUDIT**

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

To the Board of Supervisors  
New Hanover Township  
Gilbertsville, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New Hanover Township as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the New Hanover Township's basic financial statements, and have issued our report thereon dated June 4, 2025.

***Report on Internal Control Over Financial Reporting***

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

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

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

***Report on Compliance and Other Matters***

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

To the Board of Supervisors  
New Hanover Township  
Gilbertsville, Pennsylvania

***Purpose of this Report***

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

A handwritten signature in black ink, appearing to read "Mailli Ut". The signature is written in a cursive, somewhat stylized font.

Limerick, Pennsylvania  
June 4, 2025

***Independent Auditors' Report on Compliance for Each Major Federal Program and  
and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance***

To the Board of Supervisors  
New Hanover Township  
Gilbertsville, Pennsylvania

***Report on Compliance for Each Major Federal Program***

***Opinion on Each Major Federal Program***

We have audited New Hanover Township's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of New Hanover Township's major federal programs for the year ended December 31, 2024. New Hanover Township's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, New Hanover Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended December 31, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of New Hanover Township and to meet our other ethical responsibilities, in accordance with 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 on compliance for each major federal program. Our audit does not provide a legal determination of New Hanover Township's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to New Hanover Township's federal programs.

To the Board of Supervisors  
New Hanover Township  
Gilbertsville, Pennsylvania

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on New Hanover Township's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about New Hanover Township's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 New Hanover Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of New Hanover Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of New Hanover Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on Internal Control Over Compliance***

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

To the Board of Supervisors  
New Hanover Township  
Gilbertsville, Pennsylvania

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Mailhi UF". The signature is written in a cursive, somewhat stylized font.

Limerick, Pennsylvania  
June 4, 2025

**SUPPLEMENTARY INFORMATION - MAJOR FEDERAL  
AWARD PROGRAMS AUDIT**

**NEW HANOVER TOWNSHIP**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2024**

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<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Sub-Recipients</u>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<b>Passed through Pennsylvania Department of Community &amp; Economic Development</b>			
COVID-19 Coronavirus State and Local Fiscal Recovery	21.027	\$ <u>1,159,127</u>	\$ <u>-</u>
TOTAL FEDERAL AWARDS		\$ <u><u>1,159,127</u></u>	\$ <u><u>-</u></u>

*See accompanying notes to the schedule of expenditures of federal awards.*

**NEW HANOVER TOWNSHIP**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2024**

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**NOTE A - GENERAL**

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of New Hanover Township. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included in the schedule.

**NOTE B - BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting.

**NOTE C - INDIRECT COST RATES**

The Township has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

**NEW HANOVER TOWNSHIP**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2024**

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**A. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: **Unmodified**

Internal control over financial reporting

Significant deficiencies identified: **No**

Significant deficiencies identified that are considered to be material weaknesses: **No**

Noncompliance material to financial statements noted: **No**

**Federal Awards**

Internal control over major programs:

Significant deficiencies identified: **No**

Significant deficiencies identified that are considered to be material weaknesses: **No**

Type of auditors' report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Circular: **No**

Identification of major programs:

Program	ALN
Coronavirus State and Local Fiscal Recovery Funds	21.027

The threshold used for distinguishing Types A and B programs was \$750,000.

Auditee qualified as a low-risk auditee: **No**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None.