

WEST HEMPFIELD TOWNSHIP

Financial Statements

Year Ended December 31, 2024

WEST HEMPFIELD TOWNSHIP
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

TABLE OF CONTENTS

Independent Auditors' Report

Financial Statements

Balance Sheet - Modified Cash Basis

Pages 6-7

Statement of Revenues and Expenditures - Modified Cash Basis

Pages 8-16

Notes to Financial Statements

Pages 17-32

Supplementary Information

Independent Auditors' Report on Supplementary Information

Page 34

Debt Statement

Page 35

Statements of Capital Expenditures and Employee Compensation

Page 36

BERTZ, HESS & CO., LLP

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INDEPENDENT AUDITORS' REPORT

Board of Supervisors

West Hempfield Township

Lancaster, Pennsylvania

Opinions

We have audited the accompanying financial statements of West Hempfield Township (the "Township"), Pennsylvania, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the regulatory basis financial position of each fund of the Township as of December 31, 2024, and their respective changes in financial position for the year then ended in accordance with the modified cash basis of accounting and the financial reporting provisions of the Pennsylvania DCED as described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2024, or the changes in financial position for the year then ended. Further, the Township has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Board of Supervisors
West Hempfield Township
Lancaster, Pennsylvania

Basis for Opinions

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the modified cash basis of accounting under the financial reporting provisions of the Pennsylvania DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Pennsylvania DCED. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and the financial reporting provisions of the Pennsylvania DCED. Management is also responsible 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.

Board of Supervisors
West Hempfield Township
Lancaster, Pennsylvania

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with GAAS, we:

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

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Bertz, Hess & Co., LLP

BERTZ, HESS & CO., LLP
Lancaster, Pennsylvania
March 29, 2025

**2024 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

361805 WEST HEMPFIELD TWP, LANCASTER COUNTY



BALANCE SHEET - MODIFIED CASH BASIS

DCED-CLGS-30 (09-09)

WEST HEMPFIELD TWP, LANCASTER County
BALANCE SHEET - MODIFIED CASH BASIS
 December 31, 2024

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Assets and Other Debits											
100-120	Cash and Investments	10,324,215	3,017,810					13,034,337			26,376,362
140-144	Tax Receivable	6,773									6,773
121-129, 145-149	Accounts Receivable (excluding taxes)	3,795	3,793								7,588
130.00	Due From Other Funds	2,891	630								3,521
131-139, 150-159	Other Current Assets	44,592	156								44,748
160-169	Fixed Assets								13,840,056		13,840,056
180-189	Other Debits									6,218,365	6,218,365
Total Assets and Other Debits		10,382,266	3,022,389					13,034,337	13,840,056	6,218,365	46,497,413
Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	4,965									4,965
200-209, 231-239	All Other Current Liabilities	955,634	76,641								1,032,275
230.00	Due To Other Funds	630	2,891								3,521

WEST HEMPFIELD TWP, LANCASTER County
BALANCE SHEET - MODIFIED CASH BASIS

December 31, 2024

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									5,646,365	5,646,365
240-259	Current Portion of Long-Term Debt and Other Credits									572,000	572,000
Total Liabilities and Other Credits		961,229	79,532							6,218,365	7,259,126
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets								13,840,056		13,840,056
270-289	Fund Balance / Retained Earnings on 12/31	9,421,037	2,942,857					13,034,337			25,398,231
291-299	Other Equity										
Total Fund and Account Group Equity		9,421,037	2,942,857					13,034,337	13,840,056		39,238,287
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											46,497,413

WEST HEMPFIELD TWP, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES - MODIFIED CASH BASIS
 December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Taxes								
301.00	Real Estate Taxes	2,420,864	279,880					2,700,744
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)							
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	333,406						333,406
310.20	Earned Income Taxes / Wage Taxes	2,953,119						2,953,119
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	323,084						323,084
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		6,030,473	279,880					6,310,353

Licenses and Permits								
320-322	All Other Licenses and Permits	29,545						29,545
321.80	Cable Television Franchise Fees	214,956						214,956
Total Licenses and Permits		244,501						244,501

Fines and Forfeits								
330-332	Fines and Forfeits	64,820						64,820
Total Fines and Forfeits		64,820						64,820

WEST HEMPFIELD TWP, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES - MODIFIED CASH BASIS

December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Interest, Rents and Royalties									
341.00	Interest Earnings	416,298	153,066					916,383	1,485,747
342.00	Rents and Royalties	40,820							40,820
Total Interest, Rents and Royalties		457,118	153,066					916,383	1,526,567

Federal									
351.03	Highways and Streets								
351.09	Community Development								
351.00	All Other Federal Capital and Operating Grants								
352.01	National Forest								
352.00	All Other Federal Shared Revenue and Entitlements								
353.00	Federal Payments in Lieu of Taxes								
Total Federal									

State									
354.03	Highways and Streets	4,675							4,675
354.09	Community Development								
354.15	Recycling / Act 101								
354.00	All Other State Capital and Operating Grants								
355.01	Public Utility Realty Tax (PURTA)	5,973							5,973
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		574,477						574,477
355.04	Alcoholic Beverage Licenses	1,800							1,800
355.05	General Municipal Pension System State Aid	358,620							358,620
355.07	Foreign Fire Insurance Tax Distribution	114,723							114,723
355.08	Local Share Assessment/Gaming Proceeds								
355.09	Marcellus Shale Impact Fee Distribution								

WEST HEMPFIELD TWP, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES - MODIFIED CASH BASIS

December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

State								
356.00	State Payments in Lieu of Taxes							
355.00	All Other State Shared Revenues and Entitlements	157,309						157,309
Total State		643,100	574,477					1,217,577

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	92,404						92,404
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units		92,404						92,404

Charges for Service								
361.00	General Government	6,850						6,850
362.00	Public Safety	615,326						615,326
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	12,390						12,390
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)		1,446,497					1,446,497
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	149,075						149,075
368.00	Airports							

WEST HEMPFIELD TWP, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES - MODIFIED CASH BASIS

December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service	1,686						1,686
Total Charges for Service		785,327	1,446,497					2,231,824

Unclassified Operating Revenues								
383.00	Special Assessments		61,565					61,565
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	3,900						3,900
388.00	Fiduciary Fund Pension Contributions					751,601		751,601
389.00	All Other Unclassified Operating Revenues	2,420	1,072					3,492
Total Unclassified Operating Revenues		6,320	62,637			751,601		820,558

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	70,117	104,923					175,040
392.00	Interfund Operating Transfers							
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

WEST HEMPFIELD TWP, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES - MODIFIED CASH BASIS
 December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	276,261						276,261
Total Other Financing Sources		346,378	104,923					451,301

TOTAL REVENUES	8,670,441	2,621,480				1,667,984	12,959,905
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	15,257						15,257
401.00	Executive (Manager or Mayor)	183,276						183,276
402.00	Auditing Services / Financial Administration	9,000						9,000
403.00	Tax Collection							
404.00	Solicitor / Legal Services	4,969						4,969
405.00	Secretary / Clerk	89,708						89,708
406.00	Other General Government Administration	107,803	1,072					108,875
407.00	IT-Networking Services-Data Processing	3,129						3,129
408.00	Engineering Services	12,975						12,975
409.00	General Government Buildings and Plant	108,941						108,941
Total General Government		535,058	1,072					536,130

Public Safety								
410.00	Police	2,794,871						2,794,871
411.00	Fire	114,723	62,900					177,623
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement							

WEST HEMPFIELD TWP, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES - MODIFIED CASH BASIS

December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Safety								
414.00	Planning and Zoning	410,363						410,363
415.00	Emergency Management and Communications							
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
Total Public Safety		3,319,957	62,900					3,382,857

Health and Human Services								
420.00-425.00	Health and Human Services	6,410						6,410
Total Health and Human Services		6,410						6,410

Public Works - Sanitation								
426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)		1,459,412					1,459,412
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection	4,968						4,968
Total Public Works - Sanitation		4,968	1,459,412					1,464,380

Public Works - Highways and Streets								
430.00	General Services - Administration	665,722						665,722
431.00	Cleaning of Streets and Gutters		3,230					3,230
432.00	Winter Maintenance – Snow Removal		50,885					50,885
433.00	Traffic Control Devices		46,264					46,264
434.00	Street Lighting		60,546					60,546

WEST HEMPFIELD TWP, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES - MODIFIED CASH BASIS

December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Works - Highways and Streets							
435.00	Sidewalks and Crosswalks						
436.00	Storm Sewers and Drains						
437.00	Repairs of Tools and Machinery	45,212	104,065				149,277
438.00	Maintenance and Repairs of Roads and Bridges	49,417	40,977				90,394
439.00	Highway Construction and Rebuilding Projects		418,752				418,752
Total Public Works - Highways and Streets		760,351	724,719				1,485,070

Other Public Works Enterprises							
440.00	Airports						
441.00	Cemeteries						
442.00	Electric System						
443.00	Gas System						
444.00	Markets						
445.00	Parking						
446.00	Storm Water and Flood Control						
447.00	Transit System						
448.00	Water System		116,490				116,490
449.00	Water Transport and Terminals						
Total Other Public Works Enterprises			116,490				116,490

Culture and Recreation							
451.00	Culture-Recreation Administration	159,124					159,124
452.00	Participant Recreation	60,140					60,140
453.00	Spectator Recreation						
454.00	Parks						

WEST HEMPFIELD TWP, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES - MODIFIED CASH BASIS

December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries	30,000						30,000
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		249,264						249,264

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development								

Debt Service								
471.00	Debt Principal (short-term and long-term)	562,000						562,000
472.00	Debt Interest (short-term and long-term)	120,714						120,714
475.00	Fiscal Agent Fees		951					951
Total Debt Service		682,714	951					683,665

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	251,750						251,750
482.00	Judgments and Losses						28,914	28,914
483.00	Pension / Retirement Fund Contributions	649,942						649,942

WEST HEMPFIELD TWP, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES - MODIFIED CASH BASIS

December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Employer Paid Benefits and Withholding Items

484.00	Worker Compensation Insurance	148,804						148,804
487.00	Other Group Insurance Benefits	816,278						816,278
Total Employer Paid Benefits and Withholding Items		1,866,774				28,914		1,895,688

Insurance

486.00	Insurance, Casualty, and Surety	209,030						209,030
Total Insurance		209,030						209,030

Unclassified Operating Expenditures

488.00	Fiduciary Fund Benefits and Refunds Paid						907,072	907,072
489.00	All Other Unclassified Expenditures							
Total Unclassified Operating Expenditures							907,072	907,072

Other Financing Uses

491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers							
493.00	All Other Financing Uses							
Total Other Financing Uses								

TOTAL EXPENDITURES

		7,634,526	2,365,544				935,986	10,936,056
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES

		1,035,915	255,936				731,998	2,023,849
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WEST HEMPFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

NOTE 1: NATURE OF ENTITY

West Hempfield Township, Lancaster County, Pennsylvania (the "Township"), which was founded in 1818, has an approximate population of 17,020 based on the 2020 census report, living within an area of about 20.9 square miles. The Township is in the southeastern portion of the Commonwealth of Pennsylvania.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Township have been prepared on the modified cash basis of accounting in a form prescribed by the Pennsylvania Department of Community and Economic Development (DCED). The modified cash basis of accounting, which is a special purpose framework other than United States generally accepted accounting principles, is similar to the cash basis of accounting except that accounts receivable, accounts payable, accrued wages and accrued benefits are reflected in the financial statements. Under the modified cash basis of accounting, a statement of cash flows is not presented and fair value disclosures are omitted. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Reporting Entity

The Township is a second class township under the laws of the Commonwealth of Pennsylvania and operates under a board of supervisors-manager form of government. The financial statements present all fund types and account groups of the Township. They do not include volunteer fire companies located within the Township, which are considered independent and have their own boards of directors which are not appointed by the Township.

The West Hempfield Township Municipal Authority ("WHTMA") is classified as a component unit of the Township. WHTMA is organized as a special purpose government in Pennsylvania, effective February 4, 2020, for the purpose of administering the Township's stormwater maintenance plan. The Township and WHTMA are under common control, but WHTMA presents its own discrete set of financial statements.

Budgets and Budgetary Accounting

As set forth in the Township Code, the Board of Supervisors is required to adopt an annual budget for the General Fund. The annual budget is prepared in accordance with the basis of accounting utilized by the General Fund. The Township Manager is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter the total budgeted expenditures must be approved by the Board of Supervisors.

Description of Funds

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Governmental resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and groups of accounts are used by the Township:

WEST HEMPFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Description of Funds (Continued)

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use and balances 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 upon determination of changes in financial position rather than upon net income determination. The following are the Township's governmental fund types:

General Fund

The General Fund is the Township's primary operating fund and is used to account for all financial transactions not accounted for in another fund. It receives financial support from a variety of sources including real estate taxes, earned income tax, licenses and permits, fees for services, interest, and state and federal distributions. It provides for various services including general Township government, police protection, and health and welfare programs.

Special Revenue Funds

Special Revenue Funds are used to account for revenue sources that are legally restricted to expenditures for specific purposes as follows:

Liquid Fuels Fund

The Liquid Fuels Fund is used to account for state distributions of the proceeds from the state tax on gasoline. Under the Act of June 1, 1956, P.L. 1944, No. 145, this fund must be kept separate from all other funds and no other funds shall be commingled with this fund. Expenditures from this fund are restricted to street construction, maintenance and repairs in accordance with Pennsylvania Department of Transportation regulations.

Street Lighting Fund

The Street Lighting Fund is used to account for all special assessment real estate taxes collected and disbursements made relative to street lighting.

Fire Hydrant Fund

The Fire Hydrant Fund is used to account for all real estate taxes collected and disbursements made relative to fire hydrant service.

Fire Tax Fund

The Fire Tax Fund is used to account for real estate taxes collected and expenditures made to fund the personnel and apparatus of the fire companies which serve the Township.

WEST HEMPFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Description of Funds (Continued)

Special Revenue Funds (Continued)

Refuse Fund

The Refuse Fund is used to account for revenues from and expenditures of collection and removal of refuse and recyclable materials.

Transferable Development Rights Fund

The Transferable Development Rights Fund is used to provide financial resources to assist with farmland and open-space preservation.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the Township in a trustee capacity or as an agent for other funds and/or other governments as follows:

Police Pension Fund

The Police Pension Fund is maintained to cover uniformed employees and is financed by monies from the Commonwealth of Pennsylvania.

Non-uniformed Pension Fund

The Non-uniformed Pension Fund is used to cover non-uniformed employees and is financed by monies received from the Commonwealth of Pennsylvania and West Hempfield Township's general fund.

General Long-term Debt Account Group

The General Long-term Debt Account Group is used to account for long-term debt of the Township. There is no equity in this account group; therefore, the balance sheet - modified cash basis reflects the long-term debt offset as 'Other Debits' on the General Long-term Debt Account Group financial presentation.

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for fixed assets used in operations. No depreciation is recorded on general fixed assets. Disbursements on public domain ("infrastructure") general fixed assets, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are recorded as expenditures. The cost of normal maintenance and repairs to buildings and equipment that do not materially add to the value of the asset or extend asset lives are not capitalized. Fixed assets that are no longer used in operations are retired.

Cash

The Township considers all demand and time deposit accounts maturing within thirty days, which are not subject to withdrawal restrictions or penalties, to be cash.

WEST HEMPFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Township is authorized by the Pennsylvania Second Class Township Code (the "Code") to invest its funds. Authorized types of investments for governmental and proprietary funds include the following:

- 1. U.S. Treasury bills
- 2. Short-term obligations of the U.S. Government or its agencies or instrumentalities
- 3. Insured savings and checking accounts and certificates of deposit in banks, savings and loan associations, and credit unions
- 4. General obligation bonds of the U.S. Government or any of its agencies, the Commonwealth of Pennsylvania or any state agency, or of any Pennsylvania political subdivision
- 5. Shares of mutual funds whose investments are restricted to the above categories

In addition to the investments authorized for governmental and proprietary funds, fiduciary fund investments may also be made in corporate stocks and bonds, real estate and other investments consistent with sound business practices.

Accounts Receivable

Accounts receivable are stated at the amount the Township expects to collect. Accounts receivable are considered to be fully collectible; no allowance for doubtful accounts is required. Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible.

Real Estate Taxes

Based upon assessments by the County, real estate taxes are billed and collected by the County's tax collector. As of January 1, 2019, the Township eliminated fire hydrant special assessments and enacted a fire hydrant tax. Effective January 1, 2021, the Township also has enacted a fire tax. The Township's tax rate for the year ended December 31, 2024, was 1.95 mills (1.75 mills general tax, .10 mills fire tax and .10 mills fire hydrant tax; \$1.95 per \$1,000 of assessed valuation) as levied by the Township Commissioners. Township real estate tax revenues are recognized when remitted to the tax collector. The schedule for real estate taxes levied for each fiscal year is as follows:

January 1	Levy date
February 1 - April 30	2% discount period
May 1 - June 30	Face payment period
July 1 - December 31	10% penalty period
January 1 following the levy date	Lien date

WEST HEMPFIELD TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The Township allows uniformed employees to accumulate unused sick leave up to a maximum of 150 days and non-uniformed employees to accumulate unused sick leave up to a maximum of 90 days. Earned vacation time is generally required to be used within the year in which it is earned. Sick leave is paid upon normal retirement for uniformed employees up to 45 days if hired on or before December 31, 1992, 35 days if hired on or after January 1, 1993. For non-uniformed employees, sick leave is paid only upon illness while in the employment of the Township and is not paid out at retirement. Total compensated absences earned but not paid to employees as of December 31, 2024, is \$19,949 and is included in 'All Other Current Liabilities'.

NOTE 3: DEPOSITS AND INVESTMENTS

The Township's available cash is invested in demand and time deposit accounts. The Township has not adopted a formal investment policy but adheres to prudent business practice in relation to cash and the Code in relation to investments.

The carrying amount of the cash and investments at December 31, 2024, consisted of the following:

	Governmental Funds	Fiduciary Funds	Total
Cash	\$ 13,342,025	\$ 3,534	\$ 13,345,559
Investments	-	13,030,803	13,030,803
Total cash and investments	\$ 13,342,025	\$ 13,034,337	\$ 26,376,362

As of December 31, 2024, the Township had the following investments in its governmental and fiduciary funds:

Investment Type	Fiduciary Funds
Mutual Funds	\$ 13,030,803

All investments are carried at fair market value. The fair market values of mutual funds are based on quoted market prices.

Concentration of Credit Risk - Investments:

The Fiduciary Funds held no investment in excess of 5% of total Fiduciary Fund investments as of December 31, 2024.

WEST HEMPFIELD TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2024

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a financial institution failure, the Township’s deposits may not be returned to it. The Township has a deposit policy for custodial risk that requires depository institutions to pledge securities as collateral for deposits that exceed depository insurance. Cash balances of governmental entities are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 as of December 31, 2024. The Township maintains investment accounts where the cash and investment balances are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000. At December 31, 2024, the Township had deposits of \$1,381,988 which were exposed to custodial risk because they were collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name. The Township had additional deposits of \$8,449,111 as of December 31, 2024, in an intergovernmental cooperative institution which are not subject to FDIC coverage. The Township had uninsured investment balances at December 31, 2024, of \$12,534,337.

NOTE 4: FIXED ASSETS

Activity in the General Fixed Assets Account Group for the year ended December 31, 2024, was as follows:

	Beginning	Additions	Retirements	Ending
Buildings/Improvements	\$ 9,668,464	\$ -	\$ -	\$ 9,668,464
Equipment	3,977,460	247,464	(53,332)	4,171,592
Total General Fixed Assets Account Group	\$ 13,645,924	\$ 247,464	\$ (53,332)	\$ 13,840,056

NOTE 5: RISK MANAGEMENT

The Township maintains both insurance contracts and self-funded arrangements to deal with the risk of loss arising from the following events: torts; thefts of, damage to, or destruction of assets; business interruptions; errors and omissions; job-related illnesses or injuries to employees; acts of God; and losses resulting from providing medical benefits to employees and their dependents. Insurance contracts cover public officials, law enforcement, automobile and umbrella liabilities. The contracts also provide tax collector, treasurer and employee blanket bonds. There have been no reductions in coverage during 2024. During the year ended December 31, 2024, and the three previous years, no settlements exceeded insurance coverage.

The Township has two self-funded arrangements through risk pools for medical and workers’ compensation claims. Both of these arrangements are retrospectively rated policies. In a retrospectively rated policy, the Township pays in the maximum amount per covered employee during the period based on their past loss experience on an actuarially determined formula. Subsequent to the plan year, the premium amount is determined based on actual losses during the plan year. As these are pooled arrangements, any excess of losses over premiums paid in by one member is shared by the remaining members. Any excesses of premiums over losses remaining after cost-sharing are refunded to the members. If losses of the pool exceed premiums paid in by all members of the pool, the pool is allowed to make additional assessments to negate this deficit. During 2024, the Township received \$276,261 of refunds, recognized within the General Fund as 'Refunds of Prior Year Expenditures', from these two risk pools for the 2023 plan year.

WEST HEMPFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

NOTE 5: RISK MANAGEMENT (Continued)

Due to the nature of the self-funding arrangements, as the amount of all insurance claims must be determined prior to any refund or assessment, the amount of any amounts receivable or payable by the Township in regard to these arrangements cannot be determined as of December 31, 2024.

NOTE 6: LITIGATION

The Township is involved in various claims and legal actions arising in the ordinary course of business. The outcome of these matters cannot be determined for the year ended December 31, 2024.

NOTE 7: PENSION PLANS

Plan Description

The Township contributes to two defined benefit pension plans, the West Hempfield Township Police Pension Plan and the West Hempfield Township Non-Uniformed Pension Plan. The assets of these two plans are invested separately and each plan's assets may be used only for the payment of benefits to the members of that plan in accordance with the terms of the plan.

Valuation of Investments

All investments of the pension plans are reported at fair value based on quoted market values. Investments that do not have an established market value are reported at estimated fair value. Insurance holdings, if any, are valued at reported contract values.

Trends

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the accrued liability as a factor.

West Hempfield Township Police Pension Plan

The West Hempfield Township Police Pension Plan (the "P-Plan") is a single-employer defined benefit pension plan administered by Charles Schwab. The P-Plan covers all full-time, uniformed employees of the Township. The P-Plan provides retirement, disability and death benefits to P-Plan members and beneficiaries.

Contributions

Act 205 requires that annual contributions to the P-Plan be based upon the P-Plan's Minimum Municipal Obligation (MMO), which in turn is based on the P-Plan's biennial actuarial valuation. Effective January 1, 2011, employees are required to contribute 5.00% of compensation to the P-Plan. The P-Plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program, which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the Township in accordance with Act 205.

WEST HEMPFIELD TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2024

NOTE 7: PENSION PLANS (Continued)

West Hempfield Township Police Pension Plan (Continued)

Annual Pension Cost and Net Pension Obligation

The annual required contribution for 2024 was determined as part of the January 1, 2021, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return and (b) a salary increase of 5.00% per year. Provisions for administrative expenses are added to normal cost. The assumptions included post-retirement mortality, disability and inflation. Retirement is based upon normal retirement age. The amortization method utilized is the level dollar closed basis. The Township's annual pension cost and net obligation to the P-Plan for 2024 were as follows:

Annual required contribution	\$	317,354
Adjustment to annual required contribution		<u>317,498</u>
Annual pension cost		634,852
Contributions made by members		(102,050)
Contributions made by Township		(533,784)
<u>Net pension obligation, beginning of year</u>		<u>(96,069)</u>
<u>Net pension obligation, end of year</u>	\$	<u>(97,051)</u>

The three-year trend information for the years ended December 31 are as follows:

	Annual Pension Cost (APC)		Actual Contribution		Percentage of APC Contributed
2024	\$ 634,852	\$	635,834		100.2 %
2023	597,390		618,522		103.5 %
2022	552,374		580,492		105.1 %

WEST HEMPFIELD TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2024

NOTE 7: PENSION PLANS (Continued)

West Hempfield Township Police Pension Plan (Continued)

Annual Pension Cost and Net Pension Obligation (Continued)

The schedule of funding progress, which follows, presents multi-year trend information about whether the actuarial values of P-Plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. The information about the funded status is prepared using the entry age normal actuarial cost method. The actuarial value of assets is the market value of the assets as determined by the trustee on January 1 of the corresponding years.

	Actuarial Valuation Date		
	2023	2021	2019
1. Actuarial Value of Assets	\$ 9,971,515	\$ 8,682,507	\$ 6,802,244
2. Actuarial Accrued Liability (AAL)	\$ 11,070,053	\$ 9,871,840	\$ 8,703,777
3. Unfunded AAL (UAAL) (2) - (1)	\$ 1,098,538	\$ 1,189,333	\$ 1,901,533
4. Funded Ratio (1) / (2)	90.1 %	88.0 %	78.2 %
5. Annual Covered Payroll	\$ 1,777,675	\$ 1,723,986	\$ 1,701,674
6. UAAL as a % of Payroll (3) / (5)	61.8 %	69.0 %	111.7 %

West Hempfield Township Non-Uniformed Pension Plan

The West Hempfield Township Governmental Non-Uniformed Pension Plan (the “NU-Plan”) is a single-employer defined benefit pension plan administered by Charles Schwab. The NU-Plan covers substantially all full-time, non-uniformed employees of the Township. The NU-Plan provides retirement, disability and death benefits to NU-Plan members and beneficiaries.

Contributions

Act 205 requires that annual contributions to the NU-Plan be based upon the NU-Plan’s Minimum Municipal Obligation (MMO), which in turn is based on the NU-Plan’s biennial actuarial valuation. In accordance with the NU-Plan’s governing document, employees are not required to contribute to the NU-Plan. The NU-Plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program, which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the Township in accordance with Act 205.

WEST HEMPFIELD TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2024

NOTE 7: PENSION PLANS (Continued)

West Hempfield Township Non-Uniformed Pension Plan (Continued)

Annual Pension Cost and Net Pension Obligation

The annual required contribution for 2024 was determined as part of the January 1, 2021, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return and (b) a salary increase of 5.00% per year. Provisions for administrative expenses are added to normal cost. The assumptions included post-retirement mortality, disability and inflation. Retirement is based upon normal retirement age. The amortization method utilized is the level dollar closed basis. The Township's annual pension cost and net obligation to the NU-Plan for 2024 were as follows:

Annual required contribution	\$	115,767
Adjustment to annual required contribution		-
Annual pension cost		115,767
Contributions made by the Township		(115,767)
<u>Net pension obligation, beginning of year</u>		-
<u>Net pension obligation, end of year</u>	\$	-

The three-year trend information for the years ended December 31 is as follows:

	Annual Pension Cost (APC)		Actual Contribution		Percentage of APC Contributed
2024	\$ 115,767	\$	115,767		100.0 %
2023	110,327		110,327		100.0 %
2022	92,366		92,366		100.0 %

The schedule of funding progress, which follows, presents multi-year trend information about whether the actuarial values of NU-Plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. The information about the funded status is prepared using the entry age normal actuarial cost method. The actuarial value of assets is the market value of the assets as determined by the trustee on January 1 of the corresponding years.

WEST HEMPFIELD TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2024

NOTE 7: PENSION PLANS (Continued)

West Hempfield Township Non-Uniformed Pension Plan (Continued)

Annual Pension Cost and Net Pension Obligation (Continued)

	Actuarial Valuation Date		
	2023	2021	2019
1. Actuarial Value of Assets	\$ 3,253,000	\$ 3,024,471	\$ 2,244,135
2. Actuarial Accrued Liability (AAL)	\$ 3,182,399	\$ 2,633,703	\$ 2,488,703
3. Unfunded AAL (UAAL) (2) - (1)	\$ (70,601)	\$ (390,768)	\$ 244,568
4. Funded Ratio (1) / (2)	102.2 %	114.8 %	90.2 %
5. Annual Covered Payroll	\$ 1,034,291	\$ 952,556	\$ 792,521
6. UAAL as a % of Payroll (3) / (5)	(6.8)%	(41.0)%	30.9 %

NOTE 8: POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

The Township has established the West Hempfield Township Postemployment Benefits Plan (the "OPEB-Plan") to provide Other Post-Employment Benefits (OPEB) including hospitalization, major medical and dental services and prescriptions. The OPEB-Plan is a single-employer OPEB plan which covers all members of the police force hired before January 1, 2013, who upon retirement have attained the age of 50 and completed 25 years of service. The retiree is responsible for payment of 25% of the premium for coverage. Such benefits are also available to retiree spouses if the retiree pays 25% of the family tier rate. Retirees and spouses may participate in this OPEB-Plan until they reach Medicare eligibility age, at which time they are required to enroll in Medicare. The OPEB plan is closed to new entrants. Additionally, no assets are accumulated in a trust that meets the criteria in GASB No. 75, paragraph 4.

Information about post-employment health care benefits is derived from the most recent actuarial valuation, which was as of January 1, 2023.

Contributions

The Township has elected to finance post-employment benefits on a pay-as-you-go basis. The Township recognizes expenditures for post-employment insurance when claims are filed with the plan administrator. No contributions are required of retirees outside of the previously disclosed payments.

Changes in Actuarial Assumptions

As part of the January 1, 2023, actuarial valuation, the following change in actuarial assumptions and methods was made: The discount rate changed from 1.93% to 4.31%.

WEST HEMPFIELD TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2024

NOTE 8: POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Employees covered by the Plan

At January 1, 2023, employees covered by the OPEB plan were as follows:

	Police
Covered employees	
Active	22
Inactive but not yet receiving payments	2
Inactive and receiving benefits	1
Total covered employees	25

Annual OPEB Cost and Net OPEB Obligation

The annual required contribution for 2024 was determined as part of the January 1, 2021, actuarial valuation, the last actuarial valuation conducted, using the entry age normal actuarial cost method. The actuarial valuation involves estimates of value of reported amounts and assumptions about the probability of events far into the future and is subject to revision based on actual results. The actuarial assumptions included (a) 4.31% investment rate of return, (b) a salary increase of 5.00% per year and (c) a healthcare cost trend rate of 7.0% in 2023. The assumptions included post-retirement mortality, 90% married and 100% participation. Retirement is based upon the latest of age 53, age at completion of 28 years of service or age on the valuation date.

Actuarial assumptions and other inputs

The total OPEB liability as of December 31, 2024, was determined using the following January 1, 2023, actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	Police
Valuation Date	1/1/2023
Discount Rate	4.31%
Salary increases (annual)	5.00%

Health care cost trends are 7.0% in 2023 with a 0.5% decrease per year until 5.5% in 2026. Rates gradually decrease from 5.4% in 2027 to 4.1% in 2075 and later, based on the Society of Actuaries Long-Run Medical Cost Trend Model.

WEST HEMPFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

NOTE 8: POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Actuarial assumptions and other inputs (Continued)

The Township's actuarially determined annual OPEB cost and net obligation to the OPEB Plan as of January 1, 2023, for the year ended December 31 was as follows:

	2023
Service cost	\$ 203,508
Differences between expected and actual	(1,293,543)
Changes of assumptions	(370,021)
Interest on total OPEB liability	88,911
Annual OPEB cost	(1,371,145)
Actuarial computed benefit payments	(93,033)
Decrease in net OPEB obligation	(1,464,178)
<u>Beginning net OPEB obligation</u>	<u>3,798,506</u>
<u>Ending net OPEB obligation</u>	<u>\$ 2,334,328</u>

The Township's covered payroll and total OPEB liability as a percentage of covered payroll for the years ended December 31 is as follows:

	2023	2021
Covered payroll	\$ 2,094,855	\$ 1,923,845
<u>OPEB as a % of covered payroll</u>	<u>111.43%</u>	<u>190.68%</u>

The following table presents the total OPEB liability of the Township, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.31%) or one percentage point higher (5.31%) than the current discount rate as of December 31:

	2023
1% Decrease (3.31%)	\$ 2,171,728
Discount rate (4.31%)	2,334,328
1% Increase (5.31%)	2,509,098

WEST HEMPFIELD TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2024

NOTE 8: POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

Actuarial assumptions and other inputs (Continued)

The following table presents the total OPEB liability of the Township, as well as what the total OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower or one percentage point higher than the current discount rates as of December 31:

	2023
1% Decrease	\$ 2,158,986
Health Care Cost Increase	2,334,328
1% Increase	2,531,191

NOTE 9: COMMITMENT

West Hempfield Township entered into an agreement with Mountville Borough by which the Township would provide police services to Mountville Borough, under a contract which automatically renews each calendar year with a 5.00% increase in the price of services unless cancelled by either party on September 30 prior to each calendar year-end. Total revenues received under the contract for 2024 were \$446,153. The Township and Mountville Borough amended their agreement in October 2022 for the years 2023 through 2027. Future payment amounts for the years ended December 31 are as follows:

2025	490,438
2026	539,482
2027	593,430
Total	\$ 1,623,350

NOTE 10: DUE TO AND FROM OTHER FUNDS

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

	Due From Other Funds	Due To Other Funds
General Fund	\$ 2,891	\$ 630
Special Revenue Funds		
Fire Hydrant Fund	315	-
Refuse Fund	-	2,891
Street Light Fund	-	-
State Liquid Fuels Fund	-	-
Fire Tax Fund	315	-
Total all funds	\$ 3,521	\$ 3,521

Amounts due from the General Fund are the special assessment revenues received and deposited into the General Fund accounts for the Fire Hydrant, Refuse, Fire Tax and Street Light Funds.

WEST HEMPFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

NOTE 11: ADHERENCE TO GOVERNMENTAL ACCOUNTING STANDARDS

Due to the size of the Township, the Supervisors believe it is not practical or cost effective to conform the financial statements to all Governmental Accounting Standards Board (GASB) standards, and it would not provide meaningful, useful information. Thus, the Township has decided not to issue a financial statement which conforms to all GASB standards. As explained in the independent auditors' report and Note 2, they have elected to present the financial statements on a special purpose framework. Some of the largest variations between these special purpose framework financial statements and financial statements which conform to GASB standards are created by GASB standards 34, 54, 61, 68, 73, 82, 84 and 87. Two major items that are required by GASB standards but are not included in this special purpose framework report are as follows:

1. Financial managers are required to share their insights in a management's discussion and analysis (MD&A) that gives the reader an analysis of the government's overall financial position and results of the previous year's operations.
2. Financial statements would be presented under a dual perspective - a government-wide perspective and a fund-level perspective.

NOTE 12: SUBSEQUENT EVENTS

Events that occurred subsequent to December 31, 2024, have been evaluated by the Township's management through March 29, 2025, which is the date the financial statements were available to be issued.

NOTE 13: GENERAL OBLIGATION NOTES

In May 2017, the Township applied for a general obligation note in the amount of \$7,630,000 to be used to finance the design and construction of a new municipal building, the acquisition of related real estate rights and interests, acquisition and installation of related equipment, machinery, furnishings and professional fees. The proceedings authorizing the issuance and sale of the note have been approved by the Department of Community and Economic Development of the Commonwealth of Pennsylvania. The note was purchased by Fulton Bank, N.

A sinking fund was established and segregated from all other funds of the Township. The Township covenants and agrees to deposit respective amounts of debt service appropriations, together with any other funds available to the sinking fund to pay the principal and interest on the note as of and when the same shall become due in accordance with terms of the note. The sinking fund shall be secured and invested by the paying agent in securities or deposits authorized and permitted, and any deposit or security in the sinking fund shall be in the name of the Township.

The note has been designated as a qualified tax exempt obligation. The note obligation contains a representation that the Township has not designated more than \$10,000,000 in aggregate principal obligations which would be considered "qualified tax-exempt obligations" during the calendar year 2017.

WEST HEMPFIELD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

NOTE 13: GENERAL OBLIGATION NOTES (Continued)

The note was refinanced, effective December 1, 2021, with People's Security Bank & Trust Co., in the amount of \$6,325,000, with a fixed interest rate of 1.89%. The total refinanced balance includes \$49,000 of loan closing and legal costs. Total principal and interest paid under this obligation during the year ended December 31, 2024, were \$355,000 and \$106,593, respectively. Total principal and interest payments for the next five years and five-year periods thereafter are as follows:

Years	Principal	Interest	Total
2025	\$ 362,000	\$ 99,773	\$ 461,773
2026	369,000	92,931	461,931
2027	376,000	85,957	461,957
2028	383,000	78,851	461,851
2029	390,000	71,612	461,612
2030-2034	2,064,000	244,604	2,308,604
2035-2037	1,335,000	50,765	1,385,765
Total	\$ 5,279,000	\$ 724,493	\$ 6,003,493

In 2021, the Township's Board of Supervisors approved issuance of \$3,050,000 with fixed interest rates of 1.23% in two additional notes payable for the purpose of funding the planning, design and construction of stormwater improvements and facilities. Those notes payable were approved by ACNB Bank during 2021. Total principal and interest paid in 2024 were \$207,000 and \$14,121, respectively. Total principal and interest payments for the next five years and thereafter are as follows:

Years	Principal	Interest	Total
2025	\$ 210,000	\$ 13,210	\$ 223,210
2026	212,000	10,627	222,627
2027	215,000	8,020	223,020
2028	217,000	5,375	222,375
2029	85,365	1,353	86,718
Total	\$ 939,365	\$ 38,585	\$ 977,950

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

	Beginning	Draws	Principal Paid	Ending
General obligation note - Series C	\$ 5,634,000	\$ -	\$ (355,000)	\$ 5,279,000
General obligation note - Series A	1,146,365	-	(207,000)	939,365
Total Long-term Debt	\$ 6,780,365	\$ -	\$ (562,000)	\$ 6,218,365

SUPPLEMENTARY INFORMATION

BERTZ, HESS & CO., LLP

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BERTZ, HESS & CO., LLP
Founded in 1945

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Supervisors

West Hempfield Township

Lancaster, Pennsylvania

Our report on our audit of the financial statements of West Hempfield Township for the year ended December 31, 2024, appears on pages 2 through 4. That audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. Although not a part of the basic financial statements, the debt statement and statement of capital expenditures and employee compensation are presented for purposes of additional analysis and are required to supplement the basic financial statements presented under the financial reporting provisions of the Pennsylvania DCED. Such information is the responsibility of management and was derived from, and relates directly, to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Bertz, Hess & Co., LLP

BERTZ, HESS & CO., LLP
Lancaster, Pennsylvania
March 29, 2025

WEST HEMPFIELD TWP
December 31, 2024

DEBT STATEMENT											
OUTSTANDING BONDS AND NOTES											
Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.											
Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
General Obligation Note	Bond	2021	2037	6,325,000	5,634,000		355,000		5,279,000		5,279,000
General Obligation Note	Bond	2021	2029	1,485,000	1,146,365		207,000		939,365		939,365
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	6,218,365
Capitalized lease obligations	0
Net debt	6,218,365

WEST HEMPFIELD TWP, LANCASTER County
STATEMENT OF CAPITAL EXPENDITURES
 December 31, 2024

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	130,013		130,013
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	117,451		117,451
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	247,464		247,464

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

3,393,549