



EAST LAMPETER TOWNSHIP

**FINANCIAL STATEMENTS,
SUPPLEMENTARY AND OTHER INFORMATION**

Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Supervisors
East Lampeter Township
Lancaster, Pennsylvania**

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of East Lampeter Township, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise East Lampeter Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of East Lampeter Township, as of December 31, 2024, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of East Lampeter 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 - Basis of Accounting

We draw attention to Note 1 of the financial statements which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1 and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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.

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 East Lampeter 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, 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 East Lampeter 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 East Lampeter 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise East Lampeter Township's basic financial statements. The combining modified cash basis - nonmajor governmental funds financial statements, combining modified cash basis - sewer fund schedules, and combining modified cash basis - fiduciary funds financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 combining modified cash basis - nonmajor governmental funds financial statements, combining modified cash basis - sewer fund schedules, and combining modified cash basis - fiduciary funds financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison information, the pension information, and the other postemployment benefit schedule but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Herbein + Company, Inc.

Reading, Pennsylvania

July 9, 2025

EAST LAMPETER TOWNSHIP

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

December 31, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 12,022,700	\$ 8,928,216	\$ 20,950,916
Restricted cash and investments	3,646,543	-	3,646,543
Restricted cash and investments - trust indenture	-	5,485,126	5,485,126
Restricted assets - escrow funds held by City of Lancaster	-	961,491	961,491
Other receivables	2,133	-	2,133
Internal balances	167,098	(167,098)	-
TOTAL ASSETS	15,838,474	15,207,735	31,046,209
LIABILITIES			
Funds held in escrow	1,710,124	-	1,710,124
TOTAL LIABILITIES	1,710,124	-	1,710,124
NET POSITION			
Restricted	3,434,808	6,449,900	9,884,708
Unrestricted	10,693,542	8,757,835	19,451,377
TOTAL NET POSITION	\$ 14,128,350	\$ 15,207,735	\$ 29,336,085

See accompanying notes.

EAST LAMPETER TOWNSHIP

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities:							
General government	\$ 1,776,468	\$ 318,135	\$ 47,789	\$ -	\$ (1,410,544)	\$ -	\$ (1,410,544)
Public safety:							
Police	8,071,485	1,776,850	582,546	37,719	(5,674,370)	-	(5,674,370)
Fire, ambulance, and rescue	580,854	150	144,268	-	(436,436)	-	(436,436)
Other (planning, zoning, etc.)	330,588	160,558	14,418	-	(155,612)	-	(155,612)
Health and human services	3,569	-	-	-	(3,569)	-	(3,569)
Public works - highways and streets	2,164,442	155,345	578,476	227,517	(1,203,104)	-	(1,203,104)
Culture and recreation	1,086,220	19,413	51,239	-	(1,015,568)	-	(1,015,568)
Community development	10,003,770	-	-	9,998,770	(5,000)	-	(5,000)
Insurance, other	76,448	-	-	-	(76,448)	-	(76,448)
Debt service - principal	560,000	-	-	-	(560,000)	-	(560,000)
Debt - interest, fiscal agent fees	165,955	-	34,174	-	(131,781)	-	(131,781)
Total Governmental Activities	24,819,799	2,430,451	1,452,910	10,264,006	(10,672,432)	-	(10,672,432)
Business-Type Activities:							
Wastewater collection and treatment	6,538,120	4,394,239	33,019	1,211,285	-	(899,577)	(899,577)
Stormwater	648,157	1,767,798	8,863	-	-	1,128,504	1,128,504
Total Primary Government	\$ 32,006,076	\$ 8,592,488	\$ 1,494,792	\$ 11,475,291	(10,672,432)	228,927	(10,443,505)
General Revenues							
Taxes:							
Property taxes					3,665,046	-	3,665,046
Earned income taxes					3,270,035	-	3,270,035
Other taxes					1,850,580	-	1,850,580
Grants not restricted for specific programs					44,097	-	44,097
Investment earnings					734,581	808,671	1,543,252
Miscellaneous income					153,136	16,692	169,828
Transfers					316,084	(316,084)	-
Total General Revenues and Transfers					10,033,559	509,279	10,542,838
Change in Net Position					(638,873)	738,206	99,333
Net Position - Beginning of Year					14,767,223	14,469,529	29,236,752
Net Position - End of Year					\$ 14,128,350	\$ 15,207,735	\$ 29,336,085

See accompanying notes.

EAST LAMPETER TOWNSHIP

**BALANCE SHEET - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS**

December 31, 2024

	General	Highway Aid	Capital Reserve	Fire Apparatus Capital	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 8,782,816	\$ 593,499	\$ 80,568	\$ 1,661,518	\$ 904,299	\$ 12,022,700
Restricted cash	1,710,124	-	1,936,419	-	-	3,646,543
Interfund receivables	168,640	-	-	-	591	169,231
TOTAL ASSETS	\$ 10,661,580	\$ 593,499	\$ 2,016,987	\$ 1,661,518	\$ 904,890	\$ 15,838,474
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Restricted escrow deposits	\$ 1,710,124	\$ -	\$ -	\$ -	\$ -	\$ 1,710,124
FUND BALANCES						
Restricted for:						
State highway aid	-	593,499	-	-	-	593,499
Public safety - police	-	-	-	-	128,846	128,846
Street light costs	-	-	-	-	85,084	85,084
Industrial and commercial development	-	-	-	-	522,555	522,555
Parks development and improvement	-	-	-	-	166,035	166,035
Capital projects	-	-	1,936,419	-	-	1,936,419
Debt service	-	-	-	-	2,370	2,370
Assigned for:						
Other postemployment benefits	2,303,674	-	-	-	-	2,303,674
2025 budget appropriations	1,047,901	-	-	-	-	1,047,901
Capital projects	-	-	80,568	-	-	80,568
Fire apparatus	-	-	-	1,661,518	-	1,661,518
Unassigned	5,599,881	-	-	-	-	5,599,881
TOTAL FUND BALANCES	8,951,456	593,499	2,016,987	1,661,518	904,890	14,128,350
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,661,580	\$ 593,499	\$ 2,016,987	\$ 1,661,518	\$ 904,890	\$ 15,838,474

See accompanying notes.

EAST LAMPETER TOWNSHIP

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2024

	General	Highway Aid	Capital Reserve	Fire Apparatus Capital	Nonmajor Funds	Total Governmental Funds
REVENUES						
Real estate taxes	\$ 3,665,046	\$ -	\$ -	\$ -	\$ -	\$ 3,665,046
Earned income taxes	3,270,035	-	-	-	-	3,270,035
Other taxes	1,850,580	-	-	-	-	1,850,580
Licenses, permits, fines, and forfeitures	369,359	-	-	-	37,719	407,078
Interest and rent	487,358	42,442	113,263	80,575	29,598	753,236
Intergovernmental	884,598	548,839	10,216,270	-	-	11,649,707
Charges for services	1,950,812	-	-	-	29,396	1,980,208
Special assessments	-	-	-	-	91,625	91,625
Other and contributions	1,500	-	10,017	-	34,174	45,691
TOTAL REVENUES	12,479,288	591,281	10,339,550	80,575	222,512	23,713,206
EXPENDITURES						
Current:						
General government	1,771,161	-	1,987	-	3,320	1,776,468
Public safety:						
Police	8,011,700	-	-	-	59,785	8,071,485
Fire, ambulance, and rescue	580,854	-	-	-	-	580,854
Other (planning, zoning, etc.)	330,588	-	-	-	-	330,588
Health and human services	3,569	-	-	-	-	3,569
Public works - highways and streets	1,034,088	594,871	444,706	-	90,777	2,164,442
Culture and recreation	858,889	-	210,405	-	16,926	1,086,220
Community development	-	-	9,998,770	-	5,000	10,003,770
Insurance and other	76,448	-	-	-	-	76,448
Debt service - principal	560,000	-	-	-	-	560,000
Debt service - interest, fiscal agent fees	131,475	-	-	-	34,480	165,955
TOTAL EXPENDITURES	13,358,772	594,871	10,655,868	-	210,288	24,819,799
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(879,484)	(3,590)	(316,318)	80,575	12,224	(1,106,593)

See accompanying notes.

EAST LAMPETER TOWNSHIP

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS - CONTINUED**

For the Year Ended December 31, 2024

	General	Highway Aid	Capital Reserve	Fire Apparatus Capital	Nonmajor Funds	Total Governmental Funds
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(879,484)	(3,590)	(316,318)	80,575	12,224	(1,106,593)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	18,444	9,000	-	-	-	27,444
Refund of prior year expenditures	92,701	31,491	-	-	-	124,192
Transfers in	318,343	-	283,996	330,000	-	932,339
Transfers out	(613,996)	-	-	-	(2,259)	(616,255)
TOTAL OTHER FINANCING SOURCES (USES)	(184,508)	40,491	283,996	330,000	(2,259)	467,720
NET CHANGE IN FUND BALANCES	(1,063,992)	36,901	(32,322)	410,575	9,965	(638,873)
FUND BALANCES - BEGINNING OF YEAR, as previously reported	10,015,448	556,598	2,049,309	-	2,145,868	14,767,223
Change within financial reporting entity (nonmajor to major fund)	-	-	-	1,250,943	(1,250,943)	-
FUND BALANCES - BEGINNING OF YEAR, as adjusted	10,015,448	556,598	2,049,309	1,250,943	894,925	14,767,223
FUND BALANCES - END OF YEAR	<u>\$ 8,951,456</u>	<u>\$ 593,499</u>	<u>\$ 2,016,987</u>	<u>\$ 1,661,518</u>	<u>\$ 904,890</u>	<u>\$ 14,128,350</u>

See accompanying notes.

EAST LAMPETER TOWNSHIP

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS -
PROPRIETARY FUNDS**

December 31, 2024

	Sewer Fund	Stormwater Fund	Total
ASSETS			
Cash and investments	\$ 4,170,957	\$ 4,757,259	\$ 8,928,216
Restricted cash and investments - trust indenture	5,485,126	-	5,485,126
Restricted assets - escrow funds held by by City of Lancaster	961,491	-	961,491
Interfund receivables	10,489	-	10,489
TOTAL ASSETS	10,628,063	4,757,259	15,385,322
LIABILITIES			
Interfund payables	70,534	107,053	177,587
NET POSITION			
Restricted for:			
Administrative expenses	38,232	-	38,232
Debt service	324	-	324
Capital projects	6,411,344	-	6,411,344
Unrestricted	4,107,629	4,650,206	8,757,835
TOTAL NET POSITION	<u>\$ 10,557,529</u>	<u>\$ 4,650,206</u>	<u>\$ 15,207,735</u>

EAST LAMPETER TOWNSHIP

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
MODIFIED CASH BASIS - PROPRIETARY FUNDS**

For the Year Ended December 31, 2024

	Sewer Fund	Stormwater Fund	Total
OPERATING REVENUES			
Wastewater and stormwater charges	\$ 4,378,383	\$ 1,767,798	\$ 6,146,181
Other operating revenues	15,856	-	15,856
TOTAL OPERATING REVENUES	4,394,239	1,767,798	6,162,037
OPERATING EXPENSES			
Personnel services	623,184	327,680	950,864
Wastewater collection and treatment	2,299,225	-	2,299,225
Professional fees	91,589	211,489	303,078
Other operating goods and services	721,839	37,272	759,111
Project costs	973,169	71,716	1,044,885
TOTAL OPERATING EXPENSES	4,709,006	648,157	5,357,163
NET OPERATING INCOME (LOSS)	(314,767)	1,119,641	804,874
NONOPERATING REVENUES (EXPENSES)			
Interest income	557,842	250,829	808,671
State sources	33,019	8,863	41,882
Grant revenue	317,460	-	317,460
Tapping fees	893,825	-	893,825
Sale of capital assets	9,000	-	9,000
Other revenue	7,294	398	7,692
Principal payments on long-term debt	(1,445,000)	-	(1,445,000)
Interest expense	(384,114)	-	(384,114)
TOTAL NONOPERATING REVENUES (EXPENSES)	(10,674)	260,090	249,416
INCOME (LOSS) BEFORE TRANSFERS	(325,441)	1,379,731	1,054,290
TRANSFERS OUT	(234,533)	(81,551)	(316,084)
CHANGES IN NET POSITION	(559,974)	1,298,180	738,206
NET POSITION - BEGINNING OF YEAR	11,117,503	3,352,026	14,469,529
NET POSITION - END OF YEAR	<u>\$ 10,557,529</u>	<u>\$ 4,650,206</u>	<u>\$ 15,207,735</u>

See accompanying notes.

EAST LAMPETER TOWNSHIP
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS - PROPRIETARY FUNDS

For the Year Ended December 31, 2024

	Sewer Fund	Stormwater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 4,394,239	\$ 1,767,798	\$ 6,162,037
Payments for wastewater collection and treatment	(2,299,225)	-	(2,299,225)
Payments for employee services and benefits	(623,184)	(327,680)	(950,864)
Payments to suppliers for goods and services	(1,421,819)	(320,477)	(1,742,296)
NET CASH PROVIDED BY OPERATING ACTIVITIES	50,011	1,119,641	1,169,652
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advance from (to) other funds	550,595	(1,076,208)	(525,613)
State sources	33,019	8,863	41,882
Other revenue	16,294	398	16,692
Transfers out	(234,533)	(81,551)	(316,084)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	365,375	(1,148,498)	(783,123)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Grant revenue	317,460	-	317,460
Tapping fees received	893,825	-	893,825
Principal payments on long-term debt	(1,445,000)	-	(1,445,000)
Interest payments on long-term debt	(384,114)	-	(384,114)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(617,829)	-	(617,829)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	539,404	250,829	790,233
Refund of escrow funds held by City of Lancaster	21,808	-	21,808
Payments to escrow funds held by City of Lancaster	(771,133)	-	(771,133)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(209,921)	250,829	40,908
NET INCREASE (DECREASE) IN CASH	(412,364)	221,972	(190,392)
CASH AT BEGINNING OF YEAR	10,068,447	4,535,287	14,603,734
CASH AT END OF YEAR	<u>\$ 9,656,083</u>	<u>\$ 4,757,259</u>	<u>\$ 14,413,342</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Income (loss) from operations	\$ (314,767)	\$ 1,119,641	\$ 804,874
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Wastewater project costs paid by escrow assets	364,778	-	364,778
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 50,011</u>	<u>\$ 1,119,641</u>	<u>\$ 1,169,652</u>
SUPPLEMENTAL DISCLOSURES OF NON-CASH FINANCING AND INVESTING ACTIVITIES			
Interest income in escrow accounts	\$ 18,438	\$ -	\$ 18,438
Wastewater project costs paid by escrow assets	364,778	-	364,778

See accompanying notes.

EAST LAMPETER TOWNSHIP

STATEMENT OF NET POSITION - MODIFIED CASH BASIS -
FIDUCIARY FUNDS

December 31, 2024

	Pension Trust Funds
ASSETS	
Cash and investments	\$ 36,436,780
LIABILITIES	
Interfund payables	2,133
NET POSITION	
Net position held in trust for pension benefits	\$ 36,434,647

EAST LAMPETER TOWNSHIP

**STATEMENT OF CHANGE IN NET POSITION -
MODIFIED CASH BASIS - FIDUCIARY FUNDS**

For the Year Ended December 31, 2024

	Pension Trust Funds
ADDITIONS	
Contributions:	
State pension aid	\$ 665,491
Employees	225,531
Investment income:	
Interest and dividends	961,781
Realized gain	3,102,032
Miscellaneous distributions	28,179
TOTAL ADDITIONS	4,983,014
DEDUCTIONS	
Benefit payments	1,381,820
Administrative expenses	262,300
TOTAL DEDUCTIONS	1,644,120
CHANGE IN NET POSITION	3,338,894
NET POSITION - BEGINNING OF YEAR	33,095,753
NET POSITION - END OF YEAR	\$ 36,434,647

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

East Lampeter Township (the "Township"), is a township of the second-class located in Lancaster County, Pennsylvania. The Township is governed by five (5) elected supervisors in accordance with laws of the Commonwealth of Pennsylvania. The supervisors must be residents who are elected every two years, on a staggered basis, for a six-year term. The supervisors have the power to establish policies to be carried out by the Township. The supervisors appoint a manager who is responsible for the execution of all actions of the supervisors and manages the Township with the assistance of the assistant township manager and various department heads.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As described further in Note 1D., these financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

A. Financial Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Township (the primary government) and its component units.

The Township used guidance contained in generally accepted accounting principles to evaluate the possible inclusion of related entities (authorities, boards, councils, fiduciary activities, etc.) within its reporting entity. Accounting principles generally accepted in the United States of America require that the reporting entity consists of the primary government and legally separate entities for which the primary government is financially accountable. In addition, the primary government may determine through the exercise of management's professional judgment that the inclusion of a legally separate entity that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, that legally separate entity should be included as a component unit if the nature and significance of their relationship with the primary government or other component units are such that the exclusion from the financial reporting entity would render the financial reporting entity's financial statements incomplete or misleading. In evaluating how to define the reporting entity, management has considered all potential component units.

Based on the foregoing criteria, the Township has determined it has two fiduciary component units. The Township's defined benefit pension plans are considered fiduciary component units and are reported as pension trust funds in the fiduciary fund financial statements.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

A. Financial Reporting Entity - continued

GASB pronouncements require blending a component unit into a primary government when a component unit's governing body is substantially the same as the governing body of the primary government, a component unit provides services entirely, or almost entirely, to the primary government, or a component unit's total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government.

East Lampeter Sewer Authority's (Authority) governing board is appointed by the Township's governing board. The Authority acquires, constructs, and improves the sewer collection system as requested by the Township. The Township guarantees debt of the Authority. The Authority was originally created as a financing authority. During 2020, the Township transferred ownership of the stormwater system and the Authority began stormwater operations. After the transfer of the stormwater system, the Authority became an operating authority. The Authority is presented as a blended component unit within the proprietary funds since the Authority provides services entirely or almost entirely to the Township and the Authority's total debt outstanding is expected to be repaid entirely or almost entirely with resources of the Township. For financial statement presentation, the lease rental between the Township and the Authority has been eliminated. The Authority has prepared and issued separate audited financial statements. The financial statements for the Authority are available for public inspection during normal business hours at the Township office.

East Lampeter Industrial and Commercial Development Authority's (ICA) governing board is appointed by the Township's governing board. The ICA applies for and implements economic development financing programs authorized by the Commonwealth of Pennsylvania. The Township has the ability to significantly influence operations as the Township sets the tax rates. Finally, there is a financial burden between the Township and the ICA. Therefore, the ICA is to be presented as a blended component unit for financial reporting purposes. The ICA has prepared and issued separate audited financial statements. The financial statements for the ICA are available for public inspection during normal business hours at the Township office.

B. 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 within the limitations of the modified cash basis of accounting. They include all funds of the reporting entity except for fiduciary funds which are reported only in the fund financial statements. The government-wide statements include separate columns and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts, and other nonexchange receipts. Business-type activities are financed, in whole or part, by fees charged to external parties for goods or services.

EAST LAMPETER TOWNSHIP
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Basis of Presentation - Government-Wide Financial Statements - continued

The statement of activities demonstrates the level to which the direct expenses of a given function of the Township are offset by the program revenues related to that function. Direct expenses are those that are directly related to and clearly identified with a function. Program revenues include 1) charges to customers or others who purchase, use, or directly benefit from services or goods provided by a given function, or 2) taxes and grants and contributions that are restricted to meet the operational or capital requirements of a function. Taxes and other items not includable in program revenues are reported as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are the transfers between governmental funds and business-type funds. Elimination of these contributions would distort the direct costs and program revenues reported for the various functions concerned.

C. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as one column (nonmajor funds) on the fund financial statements.

The Township Reports the Following Major 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 sources 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 - These funds are established to account for the cash receipts of specific sources other than expendable trusts or major capital projects that are legally restricted to disbursements for specified purposes. The Township's major special revenue fund is:

Highway Aid - This fund is used to account for the proceeds from the State Motor License Fund. 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 are legally restricted to expenditures for highway purposes in accordance with Department of Transportation regulations.

EAST LAMPETER TOWNSHIP
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of Presentation - Fund Financial Statements - continued

The Township Reports the Following Major Governmental Funds: continued

Capital Project Funds

Capital Reserve Fund - This fund is used to account for the financial resources set aside by the Township to be used for the acquisition or construction of capital items, other than those financed by proprietary funds.

Fire Apparatus Fund - This fund has been established to provide monies for future purchases of Township fire company vehicles.

The Township Reports the Following Nonmajor Governmental Funds:

Special Revenue Funds

Police Forfeiture Fund - This fund is used to record the proceeds of asset forfeitures received from the U.S. Drug Enforcement Agency and other government agencies. These monies are used to fund special projects of the Township's Police Department.

Street Light Fund - This fund is used to record the assessment made and expenses incurred for providing street lighting to the Township.

Tax Increment Financing Fund - The East Lampeter Industrial and Commercial Development Authority created a project plan for the Tax Increment Financing (TIF) District for transportation and related infrastructure improvements in the Lincoln Highway TIF District within the Township. TIF revenue is collected to carry out the proposed improvements.

Capital Project Fund

Parkland Capital Fund - This fund has been established to provide monies for Township Park development and improvement.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on general long-term debt.

EAST LAMPETER TOWNSHIP
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of Presentation - Fund Financial Statements - continued

The Township has the Following Major Proprietary (Enterprise) Funds:

Enterprise Funds - These funds are used to account for business-like activities provided to the general public. Activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The Township's major enterprise funds are the following:

Sewer Fund - This fund is established to account for the user charges and operating expenses of providing sewer services to Township residents.

Stormwater Fund - This fund is established to account for the user charges and operating expenses of providing stormwater services to Township residents.

Additionally, the Township Reports the Following Fund Types:

Fiduciary Funds - The Township's fiduciary funds are pension trust funds. Pension trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and, therefore, are not available to support the Township's own programs. The Township's pension trust funds include:

Police Pension Fund - This fund was established to provide pension benefits to qualified Township police employees.

Nonuniformed Pension Fund - This fund was established to provide pension benefits to qualified Township nonuniformed employees.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as interfund receivables/payables. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of Presentation - Fund Financial Statements - continued

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

1. Measurement Focus

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

- All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use net fund balance as their measure of available spendable financial resources at the end of the period.
- The proprietary funds utilize an economic resources measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent or financial or nonfinancial) associated with its activities are generally reported within the limitations of the modified cash basis of accounting.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Measurement Focus and Basis of Accounting - continued

1. Measurement Focus - continued

- The fiduciary funds utilize an economic resources measurement focus within the limitations of the modified cash basis of accounting. All assets and liabilities (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.

2. Basis of Accounting

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. The modified cash basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include interfund receivables and payables and escrow assets and liabilities arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not arise from cash transactions or events are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the Township utilized accounting principles generally accepted in the United States, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary and fiduciary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

EAST LAMPETER TOWNSHIP
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Financial Position

1. Cash and Cash Equivalents

For purposes of reporting cash flows, the proprietary fund type considers all cash accounts which are not subject to withdrawal restrictions or penalties, and all highly-liquid debt investments purchased with a maturity of three months or less to be cash and cash equivalents.

2. Investments

Investments in external investment pools, are valued at amortized costs if required criteria are met as outlined in Governmental Accounting Standards Board Statement No. 79, *Certain External Investment Pools and Pool Participants*. Investments in the financial statements consisting of corporate bonds, U.S. Government agency obligations, stocks, mutual funds, and alternative investments held for pension benefits are recorded in fiduciary funds. These investments are reported at cost.

3. Restricted Assets

The Township maintains various escrow cash accounts for funds advanced to the Township by developers for road improvement, water and sewer connections, and for the completion of certain infrastructure items required by the development plan.

The Township holds cash and investments from debt instruments that are restricted for specific purposes by a trust indenture. Escrow funds held by City of Lancaster are restricted by the agreements for various capital improvement projects.

4. Interfund Transactions

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year are referred to as "interfund receivables/payables." Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as "internal balances."

5. Capital Assets

The Township's modified cash basis of accounting reports capital outlays resulting from cash transactions as expended at the time payment is made and does not capitalize the cost of capital assets. Accordingly, no depreciation has been reflected in the financial statements.

6. Long-Term Debt

Long-term debt arising from cash basis transactions is not reported as a liability in the financial statements. In governmental funds, the debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. In proprietary funds, the debt proceeds and payment of principal and interest are reported as nonoperating revenues and nonoperating expenses, respectively.

EAST LAMPETER TOWNSHIP
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Financial Position - continued

7. Compensated Absences

Compensated absences for vacation and sick leave are recorded when paid. Township employees are entitled to accumulate sick days. After five years of employment, police officers are entitled to half of all accumulated sick days upon termination subject to a maximum of 720 hours. Other employees are entitled to half of all accumulated sick days in excess of 60 days. Comp time may be accumulated but is not paid at termination. Vacation and personal time may not be accumulated.

8. Other Postemployment Benefits

The Township provides certain benefits for its retired employees. The cost of such benefit is charged to expense as the premiums are paid.

9. Net Position/Fund Balance Classifications

Government-Wide Statements, Proprietary Funds, and Fiduciary Funds

Net Position is classified and displayed in two components:

Restricted - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This category represents net positions of the Township, which are not restricted for any project or other purpose.

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

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Financial Position - continued

9. Net Position/Fund Balance Classifications - continued

Governmental Fund Financial Statements

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for the specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed - Amounts that can be used only for a specific purpose determined by a formal action of the Township's board of supervisors, the government's highest level of decision-making authority. The formal action (resolution) to commit fund balance to a specific purpose must occur prior to the end of the reporting period, but the amount which will be subject to the constraint may be determined in the subsequent period. Committed funds may only be changed or lifted by the same formal action taken to commit them.

Assigned - Amounts that do not meet the criteria to be classified as restricted or committed, but the Township intends to use for a specific purpose. Assignments of fund balance are made by the Township's board of supervisors.

Unassigned - Amounts that are not included within any other classification noted. Unassigned amounts are the portion of fund balance not obligated or specifically designated and is available for any purpose.

Fund Balance Policies

Spending Policy

It is the Township's policy to first use restricted fund balance prior to the use of unrestricted fund balance when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available. It is also Township policy to use committed fund balance before assigned fund balance and assigned fund balance before unassigned amounts when an expenditure is incurred for purposes for which amounts in those classifications are available to be used.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Financial Position - continued

9. Net Position/Fund Balance Classifications - continued

Fund Balance Policies - continued

Minimum Fund Balance Policy

It is the Township's policy that the General Fund shall maintain a minimum unassigned balance equal to 18% of the annual General Fund expenditures. At December 31, 2024, the unassigned balance was 41.9% of the General Fund expenditures.

F. Revenues, Expenditures, and Expenses

1. Program Revenues

In the statement of activities, revenues that are derived directly from each activity or from parties outside the Township's taxpayers are reported as program receipts. The Township has the following program receipts in each activity:

General Government - Charges for services include licenses, franchise fees, permits, and intergovernmental services; operating grants include grants received for general government expenditures.

Public Safety - Charges for services include fines and forfeitures, charges for shared services, and permits; operating grants include foreign fire insurance tax distribution from the Commonwealth of Pennsylvania; capital grants include Drug Enforcement Agency forfeitures.

Public Works: Highways and Streets - Charges for services include streetlight assessments, road encroachment fees and contracted snow removal; operating grants include proceeds from the State Motor License Fund through the Commonwealth of Pennsylvania and other grants. Capital grants includes proceeds from the Commonwealth of Pennsylvania for traffic signal upgrades.

Culture and Recreation - Charges for services include rentals of the Township's park facilities. Operating grants and contributions include fees in lieu of open space.

Community Development - Capital grants includes proceeds from the Commonwealth of Pennsylvania under the Redevelopment Assistance Capital Program funding.

Debt - Includes contributions from fire companies for debt payments.

EAST LAMPETER TOWNSHIP
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Revenues, Expenditures, and Expenses - continued

1. Program Revenues - continued

The Township also receives general municipal pension system state aid from the Commonwealth of Pennsylvania. This aid is all allocated to the various categories under operating grants based on where corresponding pension expense is incurred.

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

2. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer fund and stormwater fund are charges to customers for wastewater and stormwater collection and treatment. Operating expenses include personnel, maintenance, operations, and contracted services, and capital costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

3. Property Taxes

Property taxes are based on assessed valuations provided by Lancaster County (the "County"). Assessed values are an approximation of market value. All taxable real property was assessed at \$1,888,396,000 for 2024. The tax levy ordinance for the 2024 calendar year levied taxes on March 1, 2024, at 1.957 mills for general purposes. Taxes paid prior to April 30 are payable at a 2% discount, and taxes paid after June 30 are assessed at a 10% penalty. Taxes not paid as of January 1 in the year following the billings are considered delinquent and are turned over to the Lancaster County Tax Claim Bureau for collection and lien filing.

G. Use of Estimates

The preparation of the financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data

The Township adopts an annual operating budget, which can be amended by the supervisors throughout the year. Formal budgetary accounting is employed as a management control for all funds of the Township. Legal budgets are adopted for the general fund, special revenue funds, and proprietary funds. For each of the funds for which a formal budget is adopted, the same basis of accounting is used to reflect revenue and expenditures (expenses) recognized on the modified cash basis. For this reason, no reconciliation will be needed between budgeted and actual amounts. Appropriations, encumbrances, and unexpended grant appropriations lapse at the end of each fiscal year.

The Township follows the procedures outlined below in establishing the budgetary data reflected in the financial statements:

1. Prior to December 1, the Township prepares a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted at the Township meeting to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted through passage of an ordinance.

Excess of Expenditures over Appropriations

For the year ended December 31, 2024, expenditures did not exceed appropriations in any major governmental fund in which a budget was legally adopted.

Deficit Fund Balance of Individual Funds

For the year ended December 31, 2024, no individual fund had a deficit fund balance.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 3 - CASH AND INVESTMENTS

Under Section 3204.1 of the Commonwealth of Pennsylvania Second Class Township Code, the Township is permitted to invest operating funds in the following types of investments:

United States Treasury Bills

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Deposits in savings accounts, time deposits, or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and for any amounts above the insured maximum, provided that approved collateral, as provided by law, therefore shall be pledged by the depository.

Pennsylvania Act 10 of 2016 became effective May 25, 2016, and expanded the permitted investment types to include commercial paper, bankers' acceptances, negotiable certificates of deposit, and insured bank deposit reciprocals as long as certain safeguards related to credit quality and maturity are met.

In addition to the investments authorized for the Township's operating funds, fiduciary fund investments may be invested as authorized by Title 20 Pennsylvania Consolidated Statutes Chapter 73.

The components of cash and investments as presented on the balance sheet are as follows at December 31, 2024:

Petty cash	\$ 1,850
Deposits	3,286,392
Pooled cash and investments (PLGIT)	21,309,217
Overnight sweep - restricted investments	5,485,126
Pension cash and investments	<u>36,436,780</u>
Total	<u><u>\$ 66,519,365</u></u>

Cash

Custodial Credit Risk - Deposit

Custodial credit risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The Township does not have a policy for custodial credit risk. As of December 31, 2024, the carrying amount of the Township's deposits was \$3,286,392 and the bank balance was \$3,386,584. Of the bank balance, \$418,704 was covered by federal depository insurance and \$2,967,880 was exposed to custodial credit risk, but covered by collateralization requirements in accordance with Act 72 of the 1971 Session of the Pennsylvania General Assembly.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

Investments

Pooled Cash and Investments

As of December 31, 2024, the Township had the following pooled cash and investments:

	<u>Carrying Value</u>
<u>Pooled Cash and Investments</u>	
PA Local Government Investment Trust (PLGIT):	
Class	\$ 2,004,684
Reserve Class	1,814,508
Prime	17,495,428
	<u>21,314,620</u>
Less: reconciling items	<u>(5,403)</u>
Pooled cash and investments	21,309,217
<u>Investments</u>	
Overnight sweep - money market portfolio	5,466,522
Plus: reconciling items	<u>18,604</u>
Investments	<u>5,485,126</u>
Total pooled cash and investments	<u>\$ 26,794,343</u>

Certain external pool investments held by the Township, based on portfolio maturity, quality, diversification, and liquidity measures, qualify for measurement at amortized cost at both the pool and the participating government levels consistent with GASB Statement No. 79. The Township measures those investments, which include \$21,314,620 (PLGIT), at amortized cost.

A portion of the Township's deposits were in the Pennsylvania Local Government Investment Trust (PLGIT). PLGIT acts like a money market mutual fund in that the objective is to maintain a stable net asset value of \$1 per share, is rated by nationally recognized statistical rating organization, and is subject to an independent annual audit.

PLGIT invests primarily in U.S. Treasury and federal agency securities and repurchase agreements secured by such obligations, as well as certain municipal obligations and collateralized or insured certificates of deposit. The fund manager intends to comply with guidelines similar to those mandated for money-market funds as contained in Rule 2a-7 of the Investment Company Act of 1940.

Class Shares are a flexible option within the PLGIT fund which requires no minimum balance, no minimum initial investments, and a one-day minimum investment period. Dividends are paid monthly.

Reserve Class Shares are an option which requires a minimum investment of \$50,000, a one-day minimum investment period, and limits redemptions or exchanges to two per calendar month. Dividends are paid quarterly.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

Investments - continued

Pooled Cash and Investments - continued

Prime is a variable rate investment portfolio which requires no minimum balance and no minimum investment. This option limits redemptions or exchanges to two per calendar month.

The Township's cash equivalent investments in PLGIT cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form. The fair value of the Township's position in the external investment pool is the same as the value of the pool shares. All investments in external investment pools that are not registered with the Securities and Exchange Commission are subject to oversight by the Commonwealth of Pennsylvania.

The Township's investments of \$5,466,522 as of December 31, 2024 are held in an overnight investment sweep account in a money market portfolio that is comprised of U.S. Government and U.S. Treasury securities.

As of December 31, 2024, the entire PLGIT book balance of \$21,309,217 and the investment carrying balance of \$5,485,126 is considered to be a cash equivalent for presentation on the government-wide and fund financial statements.

Pension Trust Funds

The pension trust funds' investments are held separately from those of other Township funds. Assets in the pension trust funds are stated at cost. Any premiums or discounts are recognized as a gain or loss upon disposition. The Township maintains investment policies that summarize the investment philosophy of the Township and establishes investment guidelines and performance objectives for both the Police and Nonuniformed Pension Plans.

As of December 31, 2024, the Township had the following cash and investments in its pension trust funds:

<u>Cash or Investment Type</u>	<u>Value at Cost</u>
Mutual funds	\$ 3,565,726
Exchange traded funds	1,562,517
Common stocks	15,558,273
Corporate bonds	10,939,560
Alternative investments	3,549,533
	<u>35,175,609</u>
Cash and cash equivalents	<u>1,261,171</u>
Total pension cash and investments	<u>\$ 36,436,780</u>

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair 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

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The Township's investment in PLGIT is not rated as it is part of a government investment pool but has an implied rating of AAAM by Standard and Poor's. The Township's investment in overnight sweeps in a money market portfolio has a rating of AAAM by Standard and Poor's. As of December 31, 2024, the pension trust funds' investment in corporate bonds range in ratings from A+ to BBB by Standard and Poor's.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The Township does not have a formal investment policy regarding concentration of credit risk but utilizes "sound business practice" in choosing investments mandated by the State Code. There were no investments in the Police Pension Plan or the Nonuniformed Pension Plan that constituted more than 5% of any of the plan net assets available for benefits at December 31, 2024.

Custodial Credit Risk

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

Restricted Cash and Investments - Trust Indenture

Per contractual and legal requirements contained in the Trust Indenture dated April 15, 1985, First Supplemental Trust Indenture dated July 12, 1990, Second Supplemental Trust Indenture dated May 15, 1994, Third Supplemental Trust Indenture dated October 15, 2003, Fourth Supplemental Trust Indenture dated August 15, 2009, Fifth Supplemental Trust Indenture dated October 26, 2010, Sixth Supplemental Trust Indenture dated August 13, 2014, Seventh Supplemental Trust Indenture dated July 14, 2016, Eighth Supplemental Trust Indenture dated November 14, 2018, Ninth Supplemental Trust Indenture dated July 3, 2019, Tenth Supplemental Trust Indenture dated December 3, 2019, and Eleventh Supplemental Trust Indenture dated March 10, 2023, all monies held by the Trustee will be considered Trust Funds and shall not be subject to lien or attachment by any creditor of the Authority.

The Trustee is permitted to invest in direct obligations of the United States of America, agency obligations, direct obligations of any state of the United States of America, commercial paper, savings, or time deposits or certificates of deposit provided such deposits are fully insured, investments in a money-market fund, and repurchase agreements meeting certain requirements.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 4 - RESTRICTED ASSETS - ESCROW FUNDS HELD BY CITY OF LANCASTER

The Authority has entered into various agreements with the City of Lancaster (the "City") and other neighboring municipalities. As a participant in the agreements, the Authority is required to deposit its cost allocation for the respective capital improvement projects. The monies are deposited in escrow accounts maintained by a financial institution (escrow agent) for the City. Funds may only be withdrawn upon authorization of all participants in the intergovernmental escrow agreement.

Escrow agreements consist of the following:

1. Process and Hydraulic Capacity Evaluation - On October 30, 2008, an agreement was established to provide for an evaluation of the hydraulic capacity of the wastewater treatment plant. A subsequent amendment was approved to provide additional funding for the development of the short-term and long-term capital needs of the wastewater treatment plant facilities.
2. Oxygen Control and BNR System Improvements - On May 31, 2013, an agreement was established to provide for the design of upgrades and improvements to the wastewater treatment plant's nutrient removal system. Subsequent amendments were approved to provide additional construction funding to complete the project.
3. Electrical Service Upgrade - On March 20, 2015, an agreement was established to provide for the evaluation phase of an upgrade to the electrical service at the wastewater treatment plant. Subsequent amendments were approved related to the design phase and the construction and engineering construction management of the upgrade to the electrical service at the wastewater treatment plant. On June 30, 2022, an amendment to provide additional funding needed based on bid results, remaining available contingency, and the necessary contract change order for the addition of above grade cable termination cabinets.
4. Liquid Sludge Storage System Upgrades - On December 17, 2015, an agreement was established to provide for the study and design phase of upgrades to the advanced wastewater treatment plant's liquid sludge storage system.
5. North and Stevens Force Main Assessment - On July 21, 2017, an agreement was established to provide for condition assessments of the North Pumping and Stevens Avenue Pumping Stations to determine operation reliability and plan for future rehabilitation and/or replacement. On September 27, 2022, the Authority approved an amendment to provide additional funding for rehabilitation of the force mains.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 4 - RESTRICTED ASSETS - ESCROW FUNDS HELD BY CITY OF LANCASTER - CONTINUED

6. Wastewater Treatment Plant Chlorine Scrubber - On July 17, 2019, an agreement was established to construct a chlorine gas scrubbing system and to replace the chlorination building motor control center. A subsequent amendment was approved related to additional design for the project.
7. Wastewater Treatment Plant North Secondary Clarifier Addition - On December 4, 2020, an agreement was established to provide for the construction of an additional secondary clarifier to the north treatment train of the City's wastewater treatment plant.
8. Wastewater Treatment Oxygen Plant Improvements - On August 28, 2020, an agreement was established to provide for an upgrade to the cryogenic oxygen plant controls and vaporization system. A subsequent amendment was approved to provide additional funding for the construction and engineering construction management of the upgrade.
9. Special Project, Emergency Repairs, Replacements, and Improvements - On June 30, 2022, an agreement was established to provide for special projects and emergency repairs, replacements, and improvements capital in nature needed to keep the wastewater treatment plant operationally functional. Subsequent amendments were approved to provide additional funding for this purpose.
10. South Primary Clarifier Addition - On September 27, 2022, an agreement was established to provide for the upgrade of the south primary clarifiers of the wastewater treatment plant. A subsequent amendment was approved on July 8, 2024 to provide additional funding for this purpose.
11. South Train Screenings - On September 27, 2022, an agreement was established to provide for the upgrade of south train screening and handling facilities.
12. CGPS and SAPS Interceptor Flow Monitoring and Capacity Evaluation - On April 11, 2023, an agreement was established to provide for the interceptor flow monitoring and capacity evaluation.
13. Dewatering Building Locker Room - On June 12, 2023, an agreement was established to provide for upgrades to the locker room in the dewatering building. A subsequent amendment was approved on January 29, 2024 to provide additional funding for this purpose.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 4 - RESTRICTED ASSETS - ESCROW FUNDS HELD BY CITY OF LANCASTER - CONTINUED

Activity related to the funds in escrow for the year ended December 31, 2024 was as follows:

Agreement number	Balance at 12/31/2023	Deposits	Construction Costs	Interest	Refund	Balance at 12/31/2024
1	\$ 43,370	\$ -	\$ (4,417)	\$ 1,380	\$ -	\$ 40,333
2	6,016	-	(1,257)	161	(4,920)	-
3	295,031	-	(216,733)	6,986	-	85,284
4	13,404	-	-	95	(13,499)	-
5	3,365	-	-	24	(3,389)	-
6	14,147	-	(12,174)	139	-	2,112
7	22,843	-	(7,349)	680	-	16,174
8	54,233	-	(30,295)	1,443	-	25,381
9	13,686	37,325	(25,047)	1,028	-	26,992
10	12,446	633,778	(11,402)	4,860	-	639,682
11	31,906	-	(21,158)	716	-	11,464
12	41,810	-	(19,624)	278	-	22,464
13	6,249	100,030	(15,322)	648	-	91,605
	<u>\$ 558,506</u>	<u>\$ 771,133</u>	<u>\$ (364,778)</u>	<u>\$ 18,438</u>	<u>\$ (21,808)</u>	<u>\$ 961,491</u>

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

Interfund receivables and payables are summarized as follows at December 31, 2024:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds		
Major funds:		
General fund	\$ 168,640	\$ -
Nonmajor funds:		
Street light	591	-
Enterprise Funds		
Sewer	10,489	70,534
Stormwater	-	107,053
Fiduciary Funds		
Police pension	-	1,230
Nonuniformed pension	-	903
	<u>\$ 179,720</u>	<u>\$ 179,720</u>

Interfund receivables and payables exist as a result of the time lag between the dates when goods and services are provided and payments between funds are made. All balances outstanding will be paid within one year.

Interfund transfers are as follows at December 31, 2024:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds		
Major funds:		
General fund	\$ 318,343	\$ 613,996
Capital Reserve	283,996	-
Fire apparatus capital	330,000	-
Nonmajor funds:		
Street light	-	2,259
Enterprise Funds		
Sewer	-	234,533
Stormwater	-	81,551
	<u>\$ 932,339</u>	<u>\$ 932,339</u>

Transfers were made from the streetlight, sewer, and stormwater funds to the general fund for the allocation of administrative expenses. A transfer was made from the general fund to the fire apparatus capital fund for future fire apparatus replacement commitments. A transfer was made from the general fund to the capital reserve fund for future expenses.

EAST LAMPETER TOWNSHIP
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 6 - NOTES RECEIVABLE

The Township holds a note receivable of \$705,000 as of December 31, 2024 from the Lafayette Fire Company for the debt service fund. Interest payments are receivable monthly at a variable rate through February 2030. At December 31, 2024, interest is receivable at a rate of 3.75% plus a 1.25% fee per annum. Principal is due and payable annually beginning February 2013 and continues through February 2030.

The balance of this receivable is not presented as an asset on the financial statements under the modified cash basis of accounting.

For the year ended December 31, 2024, the Township received \$34,174 in payments related to these notes which are included as contributions in the debt service fund.

NOTE 7 - LONG-TERM DEBT

The Township issues bonds and notes to provide resources for major capital improvements. The bonds and notes are issued on a pledge of the full faith and credit of the Township as well as their general taxing authority. The Township's general obligation and guaranteed sewer revenue notes are direct borrowings.

General Obligation Note, Series of 2012 (Governmental Activities)

On December 13, 2012 the Township issued General Obligation Note, Series of 2012 in the amount of \$1,710,000. The note was issued to refund the General Obligation Note dated June 24, 2011 and provide additional monies to finance the construction of a fire station for Lafayette Fire Company. Principal maturities occur annually on March 1, 2013 thru 2030. Interest rates vary weekly and interest is payable beginning January 2013. Interest payments continue monthly thereafter to March 1, 2030. As of December 31, 2024, the outstanding balance is \$705,000 and the interest rate is 3.75% plus a 1.25% fee. Funds to satisfy the note will be provided by payments made from the Lafayette Fire Company (Note 6) and liquidated through the debt service fund.

General Obligation Note, Series of 2016A (Governmental Activities)

On November 15, 2016, the Township issued General Obligation Note, Series of 2016A in the amount of \$3,870,000. The proceeds were used to currently refund the 2011 General Obligation Bonds and to pay the cost of issuance associated with issuing the note. The interest rate is 2.42%. Principal payments are due annually on November 15 of each year, while interest is due semi-annually on May 15 and November 15 of each year. Final payment of outstanding principal and accrued interest is due on November 15, 2028. Funds to satisfy the note will be provided by future tax revenues and liquidated by the general fund. As of December 31, 2024, the outstanding balance is \$1,460,000.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 7 - LONG-TERM DEBT - CONTINUED

General Obligation Bonds, Series of 2019 and Series of 2019A (Governmental Activities)

On December 3, 2019, the Township issued General Obligation Bonds, Series of 2019 and Series A of 2019 in the total amount of \$4,580,000. The Bonds were issued in order to refinance the Township's outstanding General Obligation Notes, Series B of 2016, and pay the costs of issuing the Bonds and borrow additional money to fund various capital projects of the Township. Principal payments are due annually on November 15 of each year, while interest is due semi-annually on May 15 and November 15 of each year. Final payment of outstanding principal and accrued interest is due on November 15, 2032. Bond yield rates vary from 1.41% to 2.49% depending on date of maturity. This bond is being liquidated by the General Fund. Funds to satisfy the bonds will be provided by future tax revenues and liquidated by the general fund. As of December 31, 2024, the outstanding balance is \$3,555,000.

Guaranteed Sewer Revenue Bonds, Series of 2019 (Business-Type Activities)

On July 3, 2019, the East Lampeter Township Sewer Authority ("Authority") issued Guaranteed Sewer Revenue Bonds, Series of 2019, in the amount of \$5,075,000. The Bonds were issued in order to refinance the Authority's outstanding Guaranteed Sewer Revenue Bonds, Series of 2014, and pay the costs of issuing the Bonds. The Bonds are secured by the Ninth Supplemental Trust Indenture dated July 3, 2019. The Township guarantees the payment of the principal and interest on the Bonds by making lease rental payments to the Authority. Principal payments are due annually on April 1 of each year, while interest is due semi-annually on April 1 and October 1 of each year. Final payment of outstanding principal and accrued interest is due on April 1, 2027. Bond yield rates vary from 1.5% to 2.05% depending on date of maturity. Funds to satisfy the bonds will be provided by future charges for services and liquidated by the sewer fund. As of December 31, 2024, the outstanding balance is \$2,760,000.

Guaranteed Sewer Revenue Bonds, Series of 2019A and Series of 2019B (Business-Type Activities)

On December 3, 2019, the Authority issued Guaranteed Sewer Revenue Bonds, Series A and Series B of 2019 in the total amount of \$7,695,000. The Bonds were issued in order to refinance the Authority's outstanding Guaranteed Sewer Revenue Bonds, Series 2016 and Series 2018, pay the costs of issuing the Bonds and borrow additional money to fund various capital projects of the Authority. The Bonds are secured by the Tenth Supplemental Trust Indenture dated December 3, 2019. The Township guarantees the payment of the principal and interest on the Bonds by making lease rental payments to the Authority. Principal payments are due annually on October 1 of each year, while interest is due semi-annually on April 1 and October 1 of each year. Final payment of outstanding principal and accrued interest is due on October 1, 2031. Bond yield rates vary from 1.41% to 2.43% depending on date of maturity. Funds to satisfy the bonds will be provided by future charges for services and liquidated by the sewer fund. As of December 31, 2024, the outstanding balance is \$3,440,000.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 7 - LONG-TERM DEBT - CONTINUED

Guaranteed Sewer Revenue Note, Series of 2023 (Business-Type Activities)

On March 10, 2023, the Authority issued Guaranteed Sewer Revenue Note, Series of 2023 in the total amount of \$5,000,000. The Note was issued to fund capital additions and extraordinary repairs to the sewer system and pay the costs of issuing the Note. The Note is secured by the Eleventh Supplemental Trust Indenture dated March 10, 2023. The Township guarantees the payment of the principal and interest on the Note by making lease rental payments to the Authority. Principal maturities occur annually on October 1, 2023 through 2031. Interest rate is 3.85%. Funds to satisfy the Note will be provided by future charges for services and liquidated by the sewer fund. As of December 31, 2024, the outstanding balance is \$4,990,000.

Principal maturities on the general obligation and guaranteed sewer revenue bonds and notes are as follows:

	Bonds		Governmental Activities Direct Borrowing Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 235,000	\$ 76,006	\$ 455,000	\$ 43,972	\$ 690,000	\$ 119,978
2026	235,000	71,306	470,000	33,918	705,000	105,224
2027	240,000	66,606	485,000	23,550	725,000	90,156
2028	240,000	61,806	500,000	12,868	740,000	74,674
2029	635,000	57,006	125,000	1,872	760,000	58,878
2030-2032	1,970,000	85,138	130,000	312	2,100,000	85,450
	<u>\$ 3,555,000</u>	<u>\$ 417,868</u>	<u>\$ 2,165,000</u>	<u>\$ 116,492</u>	<u>\$ 5,720,000</u>	<u>\$ 534,360</u>

	Bonds		Business-type Activities Direct Borrowing Note		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,510,000	\$ 124,956	\$ 5,000	\$ 192,115	\$ 1,515,000	\$ 317,071
2026	1,550,000	83,156	5,000	191,923	1,555,000	275,079
2027	1,570,000	61,056	5,000	191,730	1,575,000	252,786
2028	1,000,000	32,356	605,000	191,538	1,605,000	223,894
2029	185,000	12,356	1,465,000	168,245	1,650,000	180,601
2030-2031	385,000	12,813	2,905,000	165,165	3,290,000	177,978
	<u>\$ 6,200,000</u>	<u>\$ 326,693</u>	<u>\$ 4,990,000</u>	<u>\$ 1,100,716</u>	<u>\$ 11,190,000</u>	<u>\$ 1,427,409</u>

EAST LAMPETER TOWNSHIP
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 7 - LONG-TERM DEBT - CONTINUED

The following is a summary of the Township's long-term debt transactions for the year:

	Balance 1/1/2024	Payments	Balance 12/31/2024
Governmental activities:			
Bonds	\$ 3,780,000	\$ 225,000	\$ 3,555,000
Direct borrowing - notes	2,500,000	335,000	2,165,000
Total governmental activities	<u>\$ 6,280,000</u>	<u>\$ 560,000</u>	<u>\$ 5,720,000</u>
Business-type activities:			
Bonds	\$ 7,640,000	\$ 1,440,000	\$ 6,200,000
Direct borrowing - Note	4,995,000	5,000	4,990,000
Total business-type activities	<u>\$ 12,635,000</u>	<u>\$ 1,445,000</u>	<u>\$ 11,190,000</u>

Total interest expense paid during the year was \$538,875.

Event of Default

In the event of default, the holders of the bonds and notes are entitled to all rights and remedies provided by the Local Government Unit Debt Act.

Lease Purchase Agreement

The Township is financing the purchase of police radios in the amount of \$244,573 with annual payments of principal and interest beginning August 1, 2025, over a term of four years at an interest rate of 5.309%. Payments on the borrowing will be made by the police forfeiture fund.

Maturity on lease purchase agreement is as follows:

	Principal	Interest
2025	\$ 56,374	\$ 13,305
2026	59,441	10,238
2027	62,674	7,005
2028	66,084	3,595
	<u>\$ 244,573</u>	<u>\$ 34,143</u>

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 8 - PENSION PLANS

The Township administers and contributes to the East Lampeter Township Police Pension Plan and the East Lampeter Township Nonuniformed Pension Plan. Both plans are single employer defined benefit pension plans. The Plans are governed by the Board of Supervisors which is responsible for the management of plan assets. The Board of Supervisors has delegated the authority to manage certain plan assets to Morgan Stanley. The plans provide retirement, disability, and death benefits to plan members and beneficiaries. The assets of the Plans are invested separately, and each Plan's assets may be used only for the payment of benefits to the members of each Plan, in accordance with the terms of that Plan.

Investment Policy

The Non-Uniformed Pension Plan and Police Pension Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Supervisors. The investment policy of the Plans is to maintain a relatively conservative investment policy so as to avoid large losses and still be able to benefit from the historically higher investment returns from the equity markets. The desired asset allocation is 60% equities, 30% fixed income, and 10% alternatives.

Police Pension Plan Description

All police officers shall participate in the police pension plan if they are employed for not less than 40 hours per week at a definite salary.

Eligibility Requirements

Normal Retirement - attainment of age 50 with 25 years of service for officers hired after January 1, 1994 and attainment of age 50 with 20 years of service for officers hired before January 1, 1994.

Vesting - 100% after twelve years of service.

Retirement Benefit

The Normal Retirement Benefit is calculated as 50% of the average compensation. Officers hired after January 1, 1994 and before January 1, 2009 will receive an additional service increment of \$20 per month for each completed year of benefit service in excess of 25 years, up to a maximum service increment of \$100 per month. For officers hired prior to January 1, 1994, the service increment is \$100 per month if more than 21 years of benefits service are completed. Average compensation is the monthly average of earnings paid by the Township, excluding unused sick and vacation pay paid at termination, over the final 36 months of employment.

EAST LAMPETER TOWNSHIP
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 8 - PENSION PLANS - CONTINUED

Police Pension Plan Description - continued

Survivor Benefit

If death occurs out of or in the course of employment, the monthly payment will be made to an eligible spouse or dependent child. The monthly payment shall be 100% of the participant's salary at the time of death payable from the Commonwealth general fund and not from the pension plan. If death does not arise out of, or in the course of employment, the monthly payment to an eligible spouse or child will be 50% of the benefit the member was receiving at the time of death or would have been receiving had he/she been terminated at the time of death and survived to normal retirement date.

Disability Benefit

Service-Related - 50% of monthly salary on the date of total and permanent disability offset by Social Security benefits payable on account of the same illness or injury.

Post-Retirement Adjustments

Members are eligible for an annual cost of living adjustment effective January 1st each year after retirement based on the Consumer Price Index. A 3% yearly maximum increase with a 30% overall maximum increase will be provided to retirement participants or beneficiaries receiving benefits. The total pension benefit payable may not exceed 75% of the average salary used to determine the initial benefit amount.

Nonuniformed Pension Plan Description

All full-time employees except police officers shall participate in the non-uniformed plan if they have attained age 20 ½, have performed six months of continuous service and are employed on December 31st of the first year of their employment.

Eligibility Requirements

Normal Retirement - first day of the month after member turns age 65 and completes five years of plan membership.

Early Retirement - terminates within ten years of member's normal retirement date.

Vesting - 20% after three years of service, plus 20% per year thereafter, 100% after seven years of service.

Retirement Benefit

1.9% of average compensation (1.5% if hired on or after January 1, 2014) multiplied by accrued service, but no greater than 60% of average compensation. Average compensation is the average of total pay received for the five consecutive years out of the ten latest years which give the highest average.

EAST LAMPETER TOWNSHIP
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 8 - PENSION PLANS - CONTINUED

Nonuniformed Pension Plan Description - continued

Survivor Benefit

If death occurs after a participant becomes partially vested, the amount paid to the surviving spouse or eligible child equals the amount that would have been paid had the participant terminated employment on the date of death, survived to his/her earliest retirement age, and retired with a qualified joint and 50% survivor annuity in effect.

Other Benefit

Single sum death benefit is paid if the death of a participant occurs prior to eligibility for the joint and 50% survivor death benefit. A single sum death benefit equal to the participants transfer value from the prior plan, increased with interest will be payable.

Plan Membership

Pension plan membership as indicated within the January 1, 2023 actuarial valuation consisted of the following:

	<u>Police Pension</u>	<u>Nonuniformed Pension</u>
Active employees	39	27
Deferred retirement program members	3	-
Inactive employees or beneficiaries currently receiving benefits	21	21
Inactive employees entitled to but not yet receiving benefits	<u>1</u>	<u>7</u>
	<u>64</u>	<u>55</u>

Contributions and Funding Requirements

Act 205 (as amended) requires that annual contributions to the non-uniformed and police pension plan be based upon the Minimum Municipal Obligation (MMO), which is based on the plan's biennial actuarial valuation (annual valuation for distressed plans). The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10 percent of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds state and member contributions must be funded by the employer.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 8 - PENSION PLANS - CONTINUED

Contributions and Funding Requirements - continued

For the year ended December 31, 2024, members of the Police and Nonuniformed Pension Plans are required to contribute 5% and 1% of compensation, respectively. The Township is required to contribute at an actuarially determined rate of annual covered payroll for the Police and Nonuniformed Pension Plans. For the year ended December 31, 2024, the rate of Township contributions for the Police Pension Plan and Nonuniformed Pension Plan was 23.7% and 13.1% of covered payroll, respectively.

The contribution requirements of plan members and the Township are established and may be amended by the Board of Supervisors as required based on actuarial computations.

Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to plans and funded through the MMO and/or plan earnings.

The total Township contributions to the Police Pension Plan for the years ended December 31, 2024, 2023, and 2022 were \$498,746, \$602,866, and \$571,053, respectively. The total Township contributions to the Nonuniformed Pension Plan for the years ended December 31, 2024, 2023, and 2022 were \$166,745, \$163,181, and \$162,656, respectively. These contributions are equal to or exceed the required contribution for each plan.

Pension Trust Funds

The two plans are considered part of the Township's financial reporting entity and are included in the Township's financial statements as Pension Trust Funds.

Deferred Retirement Option Plan ("DROP")

Effective January 1, 2020, the Township amended the East Lampeter Township Police Pension Plan to add a deferred retirement option to the pension plan for eligible officers. An eligible officer is any plan member who has reached their normal retirement date and is employed full-time as an officer on or after January 1, 2020. The officer's participation in the DROP must not exceed 36 months. During this participation period, all other aspects of employment shall remain the same as other full-time officers except as it relates to contributions to the plan and to the calculation of retirement benefits. The date an officer enters the DROP is the date the officer's retirement benefit is calculated. From that point until the end of the participation period, the officer's monthly benefit is deposited into an account within the pension plan designated for the DROP participant. The account is in "book entry" form only and is not segregated from the rest of the pension plan assets. During the participation period, the account continues to earn a specified rate of return. As of December 31, 2024, seven officers have become DROP participants.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

Police Plan

Plan Description

The Township administers a single-employer defined benefit healthcare plan (Police Retiree Health Plan). The plan provides hospitalization and health benefits to fully retired police officers and their spouses until the police officer is eligible for Medicare. Postretirement benefits will be for the medical insurance and prescription drug plans with coverage at the same levels provided to active officers. The police officer must notify the Township prior to retirement in order to be eligible. In the event that the retired officer is employed by an employer who provides medical insurance and the retired officer is eligible at any level of benefit, Township provided post-retirement benefits shall become secondary to the employer benefit. The retired officer shall also be required to pay 50% of the Township's premium costs. Spouses are not covered if they have available health coverage through their employer. Spouses are covered in the plan for a maximum of 15 years. Officers hired after October 27, 2015 shall be entitled to officer only coverage for a period of five years from date of retirement. Officers hired after December 31, 2018 are not entitled to any coverage under this plan.

Funding Policy

The contribution requirements are based on the level of coverage provided to active police officers. In 2024 the Township is covering 100% of the cost of medical insurance and prescription drug plans to its eligible, retired police officers. The required contribution is based on projected pay-as-you-go financing requirements.

Contributions

For the year ended December 31, 2024, the Township did not make any contributions to the plan.

Nonuniformed Plan

Plan Description

The Township administers a single-employer defined benefit healthcare plan (Nonuniformed Retiree Health Plan). The plan provides hospitalization and health benefits to fully retired non-uniformed employees and their spouses until the employee is eligible for Medicare. Post-retirement benefits are provided for employees hired before January 1, 2007 and retired after January 1, 2001 with a monthly pension benefit, are at least 55 years of age, and have served the Township at least 20 years. Post-retirement benefits are provided for employees hired on or after January 1, 2007, retired with a monthly pension benefit, are at least 55 years of age, and have served the Township at least 25 years. Postretirement benefits will be for the medical insurance and prescription drug plans with coverage at the same levels provided to active employees. The employee must notify the Township prior to retirement in order to be eligible. In the event that the retired employee is employed by an employer who provides medical insurance and the retired employee is eligible at any level of benefit, Township provided post-retirement benefits shall cease and the retired employee cannot be reinstated. Spouses are not covered if they have available health coverage through their employer. Spouses are covered under the plan for a maximum of 10 years. Nonuniformed employees hired after December 31, 2020 are not entitled to any coverage under this plan.

EAST LAMPETER TOWNSHIP
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS - CONTINUED

Nonuniformed Plan - continued

Funding Policy

The contribution requirements are based on the level of coverage provided to active nonuniformed employees. In 2024, the Township is covering 100% of the cost of medical insurance and prescription drug plans to its eligible, retired employees. The required contribution is based on projected pay-as-you-go financing requirements.

Contributions

For the year ended December 31, 2024, the Township did not make any contributions to the plan.

NOTE 10 - DEFERRED COMPENSATION PLAN

The Township maintains a deferred compensation plan that is available to all full-time employees in accordance with Internal Revenue Code Section 457. The contribution levels are determined by the employees. Funds are invested by ICMA Retirement Corporation as directed by each employee. Funds are due to the employee upon retirement or termination of employment. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries. The Township does not maintain a fiduciary responsibility in the maintenance of these assets.

NOTE 11 - INTER-MUNICIPAL WASTEWATER TREATMENT AGREEMENT

The Township has entered into an inter-municipal wastewater treatment agreement with the City of Lancaster and the Lancaster Area Sewer Authority. Both agreements provide that the Township will pay quarterly sewage treatment charges based on their actual usage. Total payments to the City of Lancaster and Lancaster Area Sewer Authority under the agreements for the year ended December 31, 2024 were \$2,174,478 and \$118,915, respectively. Due to timing, the Township made 6 quarterly payments to the City of Lancaster during the year ended December 31, 2024.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 12 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, 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. There were no reductions in insurance coverages for the 2024 year and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The Township entered into an inter-governmental cooperation agreement with other municipalities, in order to provide life, health, hospitalization, medical, surgical, or accidental insurance for Township employees and their dependents. Under this agreement, the Township is entering into a partially self-funded arrangement with a local insurance carrier. This arrangement requires monthly deposits be placed in an account from which the insurance carrier can draw for claims made. Specific individual losses for claims are limited to \$50,000 per incident per fiscal year. In total, the Township's liability is limited for each fiscal year to the amount that the Township is required to deposit based on individual rates established at the beginning of the year. Depending on the claims incurred by other participating municipalities, the Township may be responsible for a portion of excess claims incurred by the other participants (but not to exceed the Township's overall limited liability). After adjusting for any claims by Township employees or other participating municipalities, the excess deposits are refunded to the Township during the next calendar year. There were no excess deposits for the 2024 year to be received in 2025.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Fire Apparatus Replacement

The Township has agreed to assist the four Township fire companies in the purchase of fire apparatus through 2025. On a rotating basis, the Township has agreed to reimburse the fire companies 60% of the cost of approved apparatus. During the year ended December 31, 2023, the Township approved the purchase of a fire truck under this agreement at an estimated share amount of \$848,482. Funds will not be required until 2027 based upon the manufacturer's estimated delivery. During the year ended December 31, 2024, the Township approved the purchase of a ladder truck under this agreement at an estimated net share amount of \$996,000. Funds will not be required until 2028 based upon the manufacturer's estimated delivery.

Fees from Developers

Developers are required to remit various fees to the Township to obtain final plan approval. These fees may include fees in lieu of parkland, traffic study fees and similar charges. Some of these fees may be refundable if not expended within a certain period of time.

EAST LAMPETER TOWNSHIP

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

NOTE 13 - COMMITMENTS AND CONTINGENCIES - CONTINUED

Letters of Credit

Developers and others are periodically required to issue an irrevocable letter of credit to secure the completion of public improvements in accordance with Township ordinances and regulations. These letters of credit are released upon completion of the improvements. Developer may deposit the amount of the required letter of credit into an interest-bearing escrow account maintained by the Township. These funds are refunded plus interest earned upon completion of the improvements.

Litigation

The Township currently has a dispute with a contractor regarding work performed on a roadway project. The contractor has billed the Township \$61,491. The Township does not believe it owes this amount. However, the Township has offered a reduced amount to settle the dispute. No resolution to this dispute has been reached.

NOTE 14 - FUND BALANCE

Details of the Township's governmental fund balance policy can be found in Note 1, Summary of Significant Accounting Policies.

Fund balance classifications for the year ended December 31, 2024, are as follows:

Major Governmental Funds

General Fund: The general fund has assigned funds of \$3,351,575 consisting of \$2,303,674 to fund future other postemployment benefit liabilities and \$1,047,901 in appropriations of fund balance for the 2025 budget, and unassigned fund balance of \$5,599,881.

Highway Aid Fund: The highway aid fund has restricted funds of \$593,499, consisting of unspent state highway and grant funds restricted by law.

Capital Reserve Fund: The capital reserve fund has restricted funds of \$1,936,419 consisting of \$1,814,508 in unspent bond and note proceeds restricted for capital projects and \$121,911 from private contributors for land improvements and assigned funds of \$80,568 consisting primarily of transfers from other funds to be used for future capital purchases.

Fire Apparatus Capital Fund: The fire apparatus fund has assigned funds of \$1,661,518, consisting primarily of transfers from other funds to be used for future reimbursements to local fire companies for fire apparatus purchases.

EAST LAMPETER TOWNSHIP
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 14 - FUND BALANCE - CONTINUED

Nonmajor Governmental Funds

Police Forfeiture Fund: The police forfeiture fund has restricted funds of \$128,846, consisting primarily of unspent asset forfeitures received to be used for police costs.

Street Light Fund: The street light fund has restricted funds of \$85,084, consisting primarily of unspent special assessments for street lighting.

Tax Increment Financing Fund: The tax increment financing fund has restricted funds of \$522,555, consisting of unspent tax increment financing receipts.

Parkland Capital Fund: The parkland capital fund has restricted funds of \$166,035, consisting of unspent developer fees to be used for park development and improvement.

Debt Service Fund: The debt service fund has restricted funds of \$2,370, consisting of unspent contributions received for debt service obligations.

SUPPLEMENTARY INFORMATION

EAST LAMPETER TOWNSHIP

**COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2024

	Police Forfeiture	Street Light	Tax Increment Financing	Parkland Capital	Debt Service	Totals
ASSETS						
Cash	\$ 128,846	\$ 84,493	\$ 522,555	\$ 166,035	\$ 2,370	\$ 904,299
Interfund receivables	-	591	-	-	-	591
TOTAL ASSETS	<u>\$ 128,846</u>	<u>\$ 85,084</u>	<u>\$ 522,555</u>	<u>\$ 166,035</u>	<u>\$ 2,370</u>	<u>\$ 904,890</u>
FUND BALANCES						
Restricted for:						
Public safety - police	\$ 128,846	\$ -	\$ -	\$ -	\$ -	\$ 128,846
Street light costs	-	85,084	-	-	-	85,084
Industrial and commercial development	-	-	522,555	-	-	522,555
Parks development and improvement	-	-	-	166,035	-	166,035
Debt service	-	-	-	-	2,370	2,370
TOTAL FUND BALANCES	<u>\$ 128,846</u>	<u>\$ 85,084</u>	<u>\$ 522,555</u>	<u>\$ 166,035</u>	<u>\$ 2,370</u>	<u>\$ 904,890</u>

EAST LAMPETER TOWNSHIP

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2024

	Police Forfeiture	Street Light	Tax Increment Financing	Fire Apparatus Capital	Parkland Capital	Debt Service	Totals
REVENUES							
Licenses, permits, fines and forfeitures	\$ 37,719	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,719
Interest and rent	8,401	4,993	9,826	-	6,369	9	29,598
Charges for services	-	-	-	-	29,396	-	29,396
Special assessments	-	91,625	-	-	-	-	91,625
Other and contributions	-	-	-	-	-	34,174	34,174
TOTAL REVENUES	46,120	96,618	9,826	-	35,765	34,183	222,512
EXPENDITURES							
Current:							
General government	-	544	2,776	-	-	-	3,320
Public safety - police	59,785	-	-	-	-	-	59,785
Public works - highways and streets	-	90,777	-	-	-	-	90,777
Culture and recreation	-	-	-	-	16,926	-	16,926
Community development	-	-	5,000	-	-	-	5,000
Debt service - interest, fiscal agent fees	-	-	-	-	-	34,480	34,480
TOTAL EXPENDITURES	59,785	91,321	7,776	-	16,926	34,480	210,288
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(13,665)	5,297	2,050	-	18,839	(297)	12,224
OTHER FINANCING USES							
Transfers out	-	(2,259)	-	-	-	-	(2,259)
NET CHANGES IN FUND BALANCES	(13,665)	3,038	2,050	-	18,839	(297)	9,965
FUND BALANCES - BEGINNING OF YEAR, as previously reported	142,511	82,046	520,505	1,250,943	147,196	2,667	2,145,868
Change within financial reporting entity (nonmajor to major fund)	-	-	-	(1,250,943)	-	-	(1,250,943)
FUND BALANCES - BEGINNING OF YEAR, as adjusted	142,511	82,046	520,505	-	147,196	2,667	894,925
FUND BALANCES - END OF YEAR	\$ 128,846	\$ 85,084	\$ 522,555	\$ -	\$ 166,035	\$ 2,370	\$ 904,890

EAST LAMPETER TOWNSHIP

**COMBINING SCHEDULE OF NET POSITION - MODIFIED CASH BASIS -
SEWER FUND**

December 31, 2024

	<u>Sewer Fund</u>	<u>Sewer Authority</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 4,167,674	\$ 3,283	\$ 4,170,957
Restricted cash and investments - trust indenture	-	5,485,126	5,485,126
Restricted assets - escrow funds held by by City of Lancaster	-	961,491	961,491
Interfund receivables	<u>10,489</u>	<u>-</u>	<u>10,489</u>
TOTAL ASSETS	4,178,163	6,449,900	10,628,063
LIABILITIES			
Interfund payables	<u>70,534</u>	<u>-</u>	<u>70,534</u>
NET POSITION			
Restricted for:			
Administrative expenses	-	38,232	38,232
Debt service	-	324	324
Capital projects	-	6,411,344	6,411,344
Unrestricted	<u>4,107,629</u>	<u>-</u>	<u>4,107,629</u>
TOTAL NET POSITION	<u><u>\$ 4,107,629</u></u>	<u><u>\$ 6,449,900</u></u>	<u><u>\$ 10,557,529</u></u>

EAST LAMPETER TOWNSHIP

**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
MODIFIED CASH BASIS - SEWER FUND**

For the Year Ended December 31, 2024

	Sewer Fund	Sewer Authority	Total
OPERATING REVENUES			
Wastewater charges	\$ 4,378,383	\$ -	\$ 4,378,383
Other operating revenues	15,856	-	15,856
TOTAL OPERATING REVENUES	4,394,239	-	4,394,239
OPERATING EXPENSES			
Personnel services	621,909	1,275	623,184
Wastewater collection and treatment	2,299,225	-	2,299,225
Professional fees	29,618	61,971	91,589
Other operating goods and services	709,156	12,683	721,839
Project costs	-	973,169	973,169
TOTAL OPERATING EXPENSES	3,659,908	1,049,098	4,709,006
NET OPERATING INCOME (LOSS)	734,331	(1,049,098)	(314,767)
NONOPERATING REVENUES (EXPENSES)			
Interest income	181,138	376,704	557,842
State sources	33,019	-	33,019
Grant revenue	-	317,460	317,460
Tapping fees	893,825	-	893,825
Sale of capital assets	9,000	-	9,000
Other revenue	6,342	952	7,294
Interfund transfers	(1,887,610)	1,887,610	-
Principal payments on long-term debt	-	(1,445,000)	(1,445,000)
Interest expense	-	(384,114)	(384,114)
TOTAL NONOPERATING REVENUES (EXPENSES)	(764,286)	753,612	(10,674)
INCOME (LOSS) BEFORE TRANSFERS	(29,955)	(295,486)	(325,441)
TRANSFERS OUT	(234,533)	-	(234,533)
CHANGES IN NET POSITION	(264,488)	(295,486)	(559,974)
NET POSITION - BEGINNING OF YEAR	4,372,117	6,745,386	11,117,503
NET POSITION - END OF YEAR	\$ 4,107,629	\$ 6,449,900	\$ 10,557,529

EAST LAMPETER TOWNSHIP

**COMBINING STATEMENT OF NET POSITION - MODIFIED CASH BASIS -
FIDUCIARY FUNDS**

December 31, 2024

	<u>Police Pension Fund</u>	<u>Nonuniformed Pension Fund</u>	<u>Total Pension Trust Funds</u>
ASSETS			
Cash and investments	\$ 30,873,061	\$ 5,563,719	\$ 36,436,780
LIABILITIES			
Interfund payables	<u>1,230</u>	<u>903</u>	<u>2,133</u>
NET POSITION			
Net position held in trust for pension benefits	<u>\$ 30,871,831</u>	<u>\$ 5,562,816</u>	<u>\$ 36,434,647</u>

Note: Cash and investments of the pension funds are reported at cost. The fair market value of the police pension and nonuniformed pension plan assets at December 31, 2024 are \$35,577,783 and \$6,398,690, respectively.

EAST LAMPETER TOWNSHIP

**COMBINING STATEMENT OF CHANGES IN NET POSITION -
MODIFIED CASH BASIS - FIDUCIARY FUNDS**

For the Year Ended December 31, 2024

	Police Pension Fund	Nonuniformed Pension Fund	Total Pension Trust Funds
ADDITIONS			
Contributions:			
State pension aid	\$ 498,746	\$ 166,745	\$ 665,491
Employees	205,443	20,088	225,531
Investment income:			
Interest and dividends	814,649	147,132	961,781
Realized gain	2,633,249	468,783	3,102,032
Miscellaneous distributions	23,880	4,299	28,179
TOTAL ADDITIONS	4,175,967	807,047	4,983,014
DEDUCTIONS			
Benefit payments	1,176,846	204,974	1,381,820
Administrative expenses	214,497	47,803	262,300
TOTAL DEDUCTIONS	1,391,343	252,777	1,644,120
CHANGES IN NET POSITION	2,784,624	554,270	3,338,894
NET POSITION - BEGINNING OF YEAR	28,087,207	5,008,546	33,095,753
NET POSITION - END OF YEAR	<u>\$ 30,871,831</u>	<u>\$ 5,562,816</u>	<u>\$ 36,434,647</u>

OTHER INFORMATION

EAST LAMPETER TOWNSHIP

BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND - MODIFIED CASH BASIS

(UNAUDITED)

For the Year Ended December 31, 2024

	* Budget	Actual	Variance
REVENUES			
Real estate taxes	\$ 3,648,463	\$ 3,665,046	\$ 16,583
Earned income taxes	3,269,900	3,270,035	135
Other taxes	1,852,885	1,850,580	(2,305)
Licenses, permits, fines, and forfeitures	349,000	369,359	20,359
Interest and rent	368,850	487,358	118,508
Intergovernmental	893,242	884,598	(8,644)
Charges for services	2,153,375	1,950,812	(202,563)
Other revenue	1,500	1,500	-
TOTAL REVENUES	12,537,215	12,479,288	(57,927)
EXPENDITURES			
Current:			
General government	1,901,027	1,771,161	129,866
Public safety:			
Police	8,541,245	8,011,700	529,545
Fire, ambulance, and rescue	570,708	580,854	(10,146)
Other (planning, zoning, etc.)	494,886	330,588	164,298
Health and human services	10,000	3,569	6,431
Public works - highways and streets	1,213,518	1,034,088	179,430
Culture and recreation	1,032,184	858,889	173,295
Community development	52,000	-	52,000
Insurance and other	77,300	76,448	852
Debt service - principal	560,000	560,000	-
Debt service - interest, fiscal agent fees	133,035	131,475	1,560
TOTAL EXPENDITURES	14,585,903	13,358,772	1,227,131
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,048,688)	(879,484)	1,169,204
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	8,500	18,444	9,944
Refund of prior year expenditures	53,000	92,701	39,701
Transfers in	380,800	318,343	(62,457)
Transfers out	(613,996)	(613,996)	-
TOTAL OTHER FINANCING SOURCES (USES)	(171,696)	(184,508)	(12,812)
NET CHANGE IN FUND BALANCE	\$ (2,220,384)	(1,063,992)	\$ 1,156,392
FUND BALANCE - BEGINNING OR YEAR		10,015,448	
FUND BALANCE - END OF YEAR		\$ 8,951,456	

*Original and Final Budget are the same.

EAST LAMPETER TOWNSHIP

BUDGETARY COMPARISON SCHEDULE FOR THE HIGHWAY AID FUND - MODIFIED CASH BASIS

(UNAUDITED)

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Final to Actual
REVENUES				
Interest and rent	\$ 37,500	\$ 37,500	\$ 42,442	\$ 4,942
Intergovernmental	543,507	543,507	548,839	5,332
TOTAL REVENUES	581,007	581,007	591,281	10,274
EXPENDITURES				
Current:				
Public works - highways and streets	764,985	798,179	594,871	203,308
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(183,978)	(217,172)	(3,590)	213,582
OTHER FINANCING SOURCES				
Sale of capital assets	-	-	9,000	9,000
Refund of prior year expenditures	-	-	31,491	31,491
TOTAL OTHER FINANCING SOURCES	-	-	40,491	40,491
NET CHANGE IN FUND BALANCE	<u>\$ (183,978)</u>	<u>\$ (217,172)</u>	36,901	<u>\$ 254,073</u>
FUND BALANCE - BEGINNING OF YEAR			556,598	
FUND BALANCE - END OF YEAR			<u>\$ 593,499</u>	

EAST LAMPETER TOWNSHIP

**POLICE AND NONUNIFORMED PENSION PLANS
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
(In Accordance with Act 205)**

(UNAUDITED)

SCHEDULES OF FUNDING PROGRESS*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)(b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
POLICE PENSION PLAN						
01/01/23	\$ 32,874,481	\$ 29,883,151	\$ (2,991,330)	110.0%	\$ 3,897,492	(76.8%)
01/01/21	27,750,330	26,803,888	(946,442)	103.5%	3,763,215	(25.1%)
01/01/19	23,563,314	23,740,252	176,938	99.3%	3,243,241	5.5%
NONUNIFORMED PENSION PLAN						
01/01/23	\$ 5,895,123	\$ 5,269,911	\$ (625,212)	111.9%	\$ 1,621,565	(38.6%)
01/01/21	4,959,506	4,804,314	(155,192)	103.2%	1,596,361	(9.7%)
01/01/19	4,266,970	4,147,639	(119,331)	102.9%	1,311,877	(9.1%)

SCHEDULES OF EMPLOYER CONTRIBUTIONS*

Fiscal Year	Annual Required Contribution	Percentage Contributed
POLICE PENSION PLAN		
2024	\$ 482,900	103%
2023	602,866	100%
2022	571,053	100%
2021	740,988	100%
2020	571,699	100%
2019	517,429	100%
NONUNIFORMED PENSION PLAN		
2024	\$ 148,578	112%
2023	160,002	102%
2022	162,656	100%
2021	189,820	100%
2020	116,270	110%
2019	112,810	123%

The annual required contributions listed above do not include amounts due from member contributions.

* Schedules prepared in accordance with actuarial valuations performed under PA Act 205. These valuations are utilized to determine funding requirements for the plans.

EAST LAMPETER TOWNSHIP

**OTHER POSTEMPLOYMENT BENEFITS PLANS
SCHEDULE OF FUNDING PROGRESS**

(UNAUDITED)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)(b)	Unfunded AAL (UAAL) (Overfunded) AAL (OAAL) (b-a)	Funded Ratio (a/b)	Covered Employee Payroll (c)	(OAAL) UAAL as a Percentage of Covered Employee Payroll ((b-a)/c)
POLICE						
01/01/22	\$ 2,011,716 *	\$ 1,435,613	\$ (576,103)	140.1%	\$ 3,763,215	(15.3%)
NONUNIFORMED						
01/01/22	\$ -	\$ 469,210	\$ 469,210	0.0%	\$ 1,650,680	28.4%

The actuarial accrued liability at January 1, 2022 was prepared using the same actuarial assumptions and methods that would be used to determine the plan's Total OPEB Liability under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Prior to the 1/1/22 actuarial valuation, the Township performed calculations under the specified alternative measurement method under GASB 75.

* The actuarial value of assets represents the value of a cash account reported as assigned fund balance in the general fund. This is not held in a restricted trust fund for police other postemployment benefits.