

WHITEHALL TOWNSHIP
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

WHITEHALL TOWNSHIP
FOR THE YEAR ENDED DECEMBER 31, 2023
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Zelenkofske Axlerod LLC

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Whitehall Township
Whitehall, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Whitehall Township (the "Township") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

830 Sir Thomas Court, Suite 100, Harrisburg, PA 17109
3800 McKnight East Drive, Suite 3805, Pittsburgh, PA 15237
34745 Burbage Road, Frankford, DE 19945

2370 York Road, Suite A-5, Jamison, PA 18929
420 Chinquapin Round Road, Suite 2-i, Annapolis, MD 21401
210 Tollgate Hill Road, Greensburg, PA 15601



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In performing an audit in accordance with GAAS, we:

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

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

Adoption of Governmental Accounting Standards Board Pronouncements

As described in Note 1 to the financial statements, in 2023 the Township adopted the provisions of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*. Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4- 8, budgetary comparison information on pages 44 - 45, and historical pension benefit information on pages 46 - 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
September 27, 2024

WHITEHALL TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Our discussion and analysis of Whitehall Township's (the Township) financial performance provides an overview of the Township's financial activities for the year ended December 31, 2023.

Financial Highlights

- The assets and deferred outflows of resources of the Township exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$24,775,837. Of this amount, \$6,762,690 of unrestricted net position may be used to meet the government's on-going obligations to citizens and creditors.
- The Township's net position increased by \$1,199,404 for the year ended December 31, 2023.
- As of the close of fiscal year 2023, the Township's governmental funds reported combined ending fund balances of \$21,127,238. Approximately 79% of this total amount is available for spending at the government's discretion. The remaining 21% is held for specific capital expenditures, transportation needs, property maintenance, recreation purposes, and debt service.

Overview of the Financial Statements

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements and notes to financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the Township:

Government-Wide Financial Statements - The statement of net position - governmental activities presents information on the Township's assets (excluding the retroactive cost of general infrastructure capital assets) and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities - governmental activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

Fund Financial Statements - Fund financial statements focus on the individual parts of the Township's government. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant (major) funds. For governmental activities, these statements tell how these services were financed in the short-term, as well as what remains for future spending.

Notes to Financial Statements - The notes to financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Required Supplementary Information - The management's discussion and analysis, pension funding information, and the budgetary comparison schedules represent financial information required by the GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as the "basic financial statements").

Other Supplementary Information - Combining statements for the nonmajor government funds are presented as other supplementary information.

WHITEHALL TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Reporting the Township as a Whole

The Township's Reporting Entity Presentation

This annual report includes all activities for which the Township is responsible. Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In evaluating how to define the reporting entity, we have considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the significance of their operational or financial relationships with the Township. There are no agencies or entities that should be presented with the Township.

Government-Wide Financial Statements

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$24,775,837 at the close of the fiscal year 2023. Of this amount, \$16,526,211 is accounted for by capital assets (e.g. land, buildings and equipment, construction in progress), net of accumulated depreciation, less any related debt used to acquire those assets that are still outstanding.

The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Net Position - December 31, 2023 and 2022

	<u>Governmental Activities</u>		<u>Total Percentage</u>
	<u>2023</u>	<u>2022</u>	<u>Change</u> <u>2023-2022</u>
Assets			
Cash and Cash Equivalents	\$20,948,548	\$19,706,437	-6.30%
Current and Other Assets	3,457,004	7,092,378	51.26%
Capital Assets, Net	<u>34,950,070</u>	<u>35,299,300</u>	<u>0.99%</u>
Total Assets	<u>59,355,622</u>	<u>62,098,115</u>	<u>4.42%</u>
Deferred Outflows of Resources			
Pension Activity	5,779,951	9,223,827	37.34%
Other Postemployment Benefits	<u>2,990,385</u>	<u>3,554,586</u>	<u>15.87%</u>
Total Deferred Outflows of Resources	<u>8,770,336</u>	<u>12,778,413</u>	<u>31.37%</u>
Liabilities			
Current Liabilities	3,178,057	3,562,308	10.79%
Long-Term Liabilities	<u>36,535,237</u>	<u>40,587,661</u>	<u>9.98%</u>
Total Liabilities	<u>39,713,294</u>	<u>44,149,969</u>	<u>10.05%</u>
Deferred Inflows of Resources			
Pension Activity	238,827	6,759,209	96.47%
Other Postemployment Benefits	<u>3,398,000</u>	<u>1,442,947</u>	<u>-135.49%</u>
Total Deferred Inflows of Resources	<u>3,636,827</u>	<u>8,202,156</u>	<u>55.66%</u>
Net Position			
Net Investment in Capital Assets	16,526,211	16,222,593	-1.87%
Restricted	1,486,936	1,708,922	12.99%
Unrestricted	<u>6,762,690</u>	<u>4,592,888</u>	<u>-47.24%</u>
Total Net Position	<u>\$24,775,837</u>	<u>\$22,524,403</u>	<u>-10.00%</u>

WHITEHALL TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Changes in Net Position – Years Ended December 31, 2023 and 2022

	<u>Governmental Activities</u>		<u>Total Percentage</u>
	<u>2023</u>	<u>2022</u>	<u>Change</u> <u>2023-2022</u>
Revenues			
Program Revenues			
Charges for Services	\$ 4,173,993	\$ 4,321,458	-3.41%
Operating Grants and Contributions	4,768,849	3,421,896	39.36%
Capital Grants and Contributions	-	1,076,484	-100.00%
General Revenues			
Real Estate Taxes	8,279,281	8,606,134	-3.80%
Earned Income Taxes	8,800,366	8,011,123	9.85%
Business Privilege Taxes	1,838,778	2,018,116	-8.89%
Other Taxes Levied	1,271,069	1,452,531	-12.49%
Investment Income and Rents, Net of Expense	604,963	164,782	267.13%
Fines and Forfeits	58,685	182,597	-67.86%
Gain on Sale of Capital Assets	94,575	13,951	577.91%
Refunds of Prior Year Expenses	1,021,098	1,209,428	-15.57%
Total Revenues	<u>30,911,657</u>	<u>30,478,500</u>	<u>1.42%</u>
Expenses			
General Government	2,938,238	1,785,205	64.59%
Public Safety	11,990,352	10,517,195	14.01%
Public Works	7,827,868	10,680,974	-26.71%
Culture and Recreation	1,071,553	1,094,595	-2.11%
Insurance and Employee Benefits	5,366,058	2,514,822	113.38%
Interest on Long-Term Debt	518,184	532,972	-2.77%
Transfers	-	50,000	-100.00%
Total Expenses	<u>29,712,253</u>	<u>27,175,763</u>	<u>9.33%</u>
Change in Net Position	1,199,404	3,302,737	-63.68%
Net Position at Beginning of Year, Restated	<u>23,576,433</u>	<u>19,221,666</u>	<u>22.66%</u>
Net Position at End of Year	<u>\$ 24,775,837</u>	<u>\$ 22,524,403</u>	<u>10.00%</u>

Government-wide revenues for 2023 were primarily derived from property tax collections at 26% and earned income tax collections at 28%.

Total expenses for all programs in 2023 were \$29,712,253. The expenses reflect the delivery of a wide range of services, with the largest being public safety at 40%. The second largest program is public works at 26%.

WHITEHALL TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Net Program Expenses

	<u>2023</u>	<u>2022</u>
General Government	\$ 439,656	\$ 588,958
Public Safety	(11,047,964)	7,400,887
Public Works	(4,209,839)	4,926,049
Culture and Recreation	(1,005,312)	1,012,496
Insurance and Employee Benefits	<u>(4,427,768)</u>	<u>1,680,769</u>
	<u>\$ (20,251,227)</u>	<u>\$ 15,609,159</u>

Net program expenses/revenue indicate the amount of support required from taxes and other general revenues for the year. Public safety required the most general revenues for support, needing approximately \$11 million in 2023. Public works expenses required approximately \$4.2 million in general revenues for support.

Capital Assets and Debt Administration

Capital Assets

The Township's investment in capital assets for its governmental activities as of December 31, 2023 and 2022 totals \$34,950,070 and \$35,299,300 (net of accumulated depreciation), respectively. The Township's investment in capital assets includes land, buildings and improvements, machinery and equipment, traffic signals, and infrastructure acquired after 2003. Infrastructure includes land improvements, roads, bridges, and storm water lines.

Summary of Capital Assets, Net of Depreciation

	<u>2023</u>	<u>2022</u>
Capital assets not being depreciated		
Land	\$ 2,419,613	\$ 2,419,613
Construction in progress	<u>364,753</u>	<u>217,857</u>
	<u>2,784,366</u>	<u>2,637,470</u>
Capital assets being depreciated, net		
Buildings and improvements	21,331,274	21,685,788
Machinery and equipment	3,007,569	3,153,472
Traffic signals	19,844	744,331
Infrastructure	<u>7,807,017</u>	<u>7,078,239</u>
	<u>32,165,704</u>	<u>32,661,830</u>
Total Capital Assets	<u>\$ 34,950,070</u>	<u>\$ 35,299,300</u>

All assets of the primary government are depreciated using the straight-line method.

Additional information on the Township's capital assets can be found in Note 3 of the financial statements.

WHITEHALL TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Long-Term Debt

At December 31, 2023, the Township had \$18,418,860 of general obligation debt outstanding. This was a decrease of \$652,670 from the previous year. The following table details the activity related to the general obligation debt outstanding during 2023:

	<u>2023</u>	<u>2022</u>
General Obligation Note, Series of 2020	\$ 7,490,000	\$ 7,765,000
General Obligation Note, Series of 2017	1,108,860	1,456,530
General Obligation Note, Series of 2019	<u>9,820,000</u>	<u>9,850,000</u>
Total General Obligation Debt	<u>\$18,418,860</u>	<u>\$19,071,530</u>

Additional information on the Township's long-term debt can be found in Note 5 of the financial statements.

Economic Factors and Next Year's Budget and Rates

2023 Economic Factors

Through FY 2023, the Township maintained service levels and a balanced budget. The Township was able to show a surplus for 2023 and maintain a healthy fund balance and forestall any tax increases.

2024 Budget

The 2024 Budget was adopted by the Township with total General Fund expenditures totaling approximately \$30,917,028 and revenues equaling \$26,807,542. While the disparity was significant, the Township believed it necessary to retain taxes at their current levels. Major increases in expenditures were Police Pension Fund costs, salaries, and health insurance.

2024 Rates

The Real Estate Tax rate was held at its 3.80 mill level. Earned Income Tax was kept at the statutory maximum of 1.00%.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the Township.

WHITEHALL TOWNSHIP
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 20,948,548
Accounts Receivable	132,901
Garbage Receivable	606,305
Taxes Receivable	1,901,217
Grants Receivable	74,073
Due from Fiduciary Fund	490,436
Total Current Assets	24,153,480
 Noncurrent Assets	
Net Pension Asset	252,072
<u>Capital Assets</u>	
Land	2,419,613
Construction in Progress	364,753
Buildings and Improvements, net	21,331,274
Machinery, Equipment, and Vehicles, net	3,007,569
Roads, Bridges, and Lights, net	7,807,017
Traffic Signals	19,844
Total Capital Assets	34,950,070
Total Noncurrent Assets	35,202,142
TOTAL ASSETS	59,355,622
 DEFERRED OUTFLOWS OF RESOURCES	
Pensions	5,779,951
Other Postemployment Benefits	2,990,385
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 8,770,336
 <u>LIABILITIES</u>	
<u>Current Liabilities</u>	
Accounts Payable and other liabilities	\$ 1,069,153
Unearned Revenue Grants	993,554
Accrued salaries and withholdings	397,383
Accrued Interest	43,997
Current Portion of long-term debt	673,970
Total Current Liabilities	3,178,057
 Noncurrent Liabilities	
Net Pension Liability	4,596,490
Other postemployment benefits	13,629,582
Compensated Absences	559,276
Notes Payable	17,749,889
Total Noncurrent Liabilities	36,535,237
TOTAL LIABILITIES	39,713,294
 DEFERRED INFLOWS OF RESOURCES	
Pensions	238,827
Other Postemployment Benefits	3,398,000
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 3,636,827
 <u>NET POSITION</u>	
Invested in Capital Assets, Net of Related Debt	16,526,211
Restricted for Future Projects	1,466,716
Restricted for Public Works	20,220
Unrestricted	6,762,690
TOTAL NET POSITION	\$ 24,775,837

The accompanying notes are an integral part of these financial statements.

WHITEHALL TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
General Government	\$ 2,938,238	\$ 481,982	\$ 2,895,912	\$ -	\$ 439,656
Public Safety	11,990,352	846,676	95,712	-	(11,047,964)
Public Works	7,827,868	2,779,094	838,935	-	(4,209,839)
Culture and Recreation	1,071,553	66,241	-	-	(1,005,312)
Insurance and Employee Benefits	5,366,058	-	938,290	-	(4,427,768)
Interest and Debt Related Expenses	518,184	-	-	-	(518,184)
TOTAL GOVERNMENTAL ACTIVITIES	29,712,253	4,173,993	4,768,849	-	(20,769,411)
					8,279,281
					571,477
					8,800,366
					597,973
					1,838,778
					83,888
					17,731
					604,963
					58,685
					94,575
					1,021,098
					<u>21,968,815</u>
					1,199,404
					<u>23,576,433</u>
					<u>\$ 24,775,837</u>

The accompanying notes are an integral part of these financial statements.

WHITEHALL TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Fund	State Highway Aid Fund	Traffic Impact Fund	Capital Reserve Fund	Lafarge Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 16,495,971	\$ 55,070	\$ 1,466,716	\$ 1,700,434	\$ 830,894	\$ 17,949	\$ 381,514	\$ 20,948,548
Receivables								
Accounts	132,901	-	-	-	-	-	-	132,901
Garbage	606,305	-	-	-	-	-	-	606,305
Taxes, Net	1,901,217	-	-	-	-	-	-	1,901,217
Grants	74,073	-	-	-	-	-	-	74,073
Due from Fiduciary Fund	490,436	-	-	-	-	-	-	490,436
TOTAL ASSETS	\$ 19,700,903	\$ 55,070	\$ 1,466,716	\$ 1,700,434	\$ 830,894	\$ 17,949	\$ 381,514	\$ 24,153,480
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities								
Accounts Payable	\$ 583,726	\$ 34,850	\$ -	\$ 620	\$ -	\$ -	\$ -	\$ 619,196
Accrued Expenses	397,383	-	-	-	-	-	-	397,383
Returnable Deposits	6,001	-	-	-	-	-	-	6,001
Unearned Revenue	993,554	-	-	-	-	-	-	993,554
Other Liabilities	443,956	-	-	-	-	-	-	443,956
TOTAL LIABILITIES	2,424,620	34,850	-	620	-	-	-	2,460,090
Deferred Inflows of Resources, Taxes and Garbage	566,152	-	-	-	-	-	-	566,152
FUND BALANCES								
Restricted for								
Future projects	-	-	1,466,716	-	-	-	-	1,466,716
Public Works	-	20,220	-	-	-	-	-	20,220
Committed	-	-	-	1,699,814	-	17,949	363,459	2,081,222
Assigned	-	-	-	-	830,894	-	18,055	848,949
Unassigned	16,710,131	-	-	-	-	-	-	16,710,131
TOTAL FUND BALANCE	16,710,131	20,220	1,466,716	1,699,814	830,894	17,949	381,514	21,127,238
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 19,700,903	\$ 55,070	\$ 1,466,716	\$ 1,700,434	\$ 830,894	\$ 17,949	\$ 381,514	\$ 24,153,480

WHITEHALL TOWNSHIP
 RECONCILIATION OF THE BALANCE SHEET OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
 DECEMBER 31, 2023

Total Fund Balances - Governmental Funds \$ 21,127,238

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

Capital assets used in governmental activities are not financial resources and, therefore, not reported as assets in the governmental funds. The cost of the capital assets is \$68,273,831 and the accumulated depreciation is \$33,323,761. 34,950,070

Taxes receivable will be collected next year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred inflows in the funds 566,152

Certain liabilities, including general obligation debt, compensated absences, accrued interest payable, net pension liability, are not reported as liabilities in governmental funds, but are reported on the Statement of Net Position

Those items consist of:

Compensated absences	(559,276)	
Bonds payable	(18,418,860)	
Unamortized discounts and premiums on bonds payable	(4,999)	
Accrued interest payable on general obligation debt	(43,997)	
OPEB liability, net of related deferred inflows and outflows of resources	(14,037,197)	
Net pension liability, net of related deferred inflows and outflows of resources and net pension asset	1,196,706	<u>(31,867,623)</u>

Total Net Position - Governmental Activities \$ 24,775,837

WHITEHALL TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General Fund	State Highway Aid Fund	Traffic Impact Fund	Capital Reserve Fund	Lafarge Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Taxes	\$ 20,400,772	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,400,772
Licenses and Permits	1,040,611	-	-	-	-	-	-	1,040,611
Fines and Forfeits	209,477	-	-	-	-	-	-	209,477
Interest and Rents	497,777	18,233	34,009	22,476	21,908	398	10,162	604,963
Intergovernmental Revenues	2,243,785	838,935	-	1,695,479	-	-	-	4,778,199
Charges for Services	2,904,002	-	10,553	-	-	-	-	2,914,555
Miscellaneous Revenues	1,064,804	14,979	-	-	-	-	-	1,079,783
TOTAL REVENUES	28,361,228	872,147	44,562	1,717,955	21,908	398	10,162	31,028,360
EXPENDITURES								
Current								
General Government	2,010,120	-	-	-	-	-	-	2,010,120
Public Safety	9,770,894	-	-	529,472	-	-	-	10,300,366
Public Works	6,303,820	325,088	-	1,440,513	-	-	-	8,069,421
Culture and Recreation	885,726	-	-	185,827	-	-	-	1,071,553
Insurance and Employee Benefits	5,366,058	-	-	-	-	-	-	5,366,058
Debt Service Principal	-	-	-	-	-	652,670	-	652,670
Debt Service Interest	-	-	-	-	-	517,479	-	517,479
Capital Outlay	-	-	21,436	197,307	375,000	-	113,974	707,717
TOTAL EXPENDITURES	24,336,618	325,088	21,436	2,353,119	375,000	1,170,149	113,974	28,695,384
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,024,610	547,059	23,126	(635,164)	(353,092)	(1,169,751)	(103,812)	2,332,976
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of capital assets	53,276	-	-	41,299	-	-	-	94,575
Operating Transfers In	-	-	-	1,792,171	684,319	1,169,619	-	3,646,109
Operating Transfers (Out)	(2,353,938)	(792,171)	-	(500,000)	-	-	-	(3,646,109)
TOTAL OTHER FINANCING SOURCES (USES)	(2,300,662)	(792,171)	-	1,333,470	684,319	1,169,619	-	94,575
Net Change in Fund Balances	1,723,948	(245,112)	23,126	698,306	331,227	(132)	(103,812)	2,427,551
Fund Balance, Beginning of Year, Restated	14,986,183	265,332	1,443,590	1,001,508	499,667	18,081	485,326	18,699,687
Fund Balance, End of Year	\$ 16,710,131	\$ 20,220	\$ 1,466,716	\$ 1,699,814	\$ 830,894	\$ 17,949	\$ 381,514	\$ 21,127,238

The accompanying notes are an integral part of these financial statements.

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

Net Change in Fund Balances - Governmental Funds	\$	2,427,551
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities - governmental activities, the costs of those assets are allocated over their estimated lives and reported as depreciation expense. This is the difference between capital outlay expense and depreciation expense:</p>		(349,230)
<p>Revenues related to real estate taxes are revenue in the statement of activities. Those that do not provide current financial resources are not reported as revenues in the funds.</p>		(211,278)
<p>Compensated absence expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		75,553
<p>The net pension liability is recorded as a liability in the government-wide financial statements, but not in the fund financial statements. This amount represents the change in the net pension liability, net of related deferred inflows and outflows of resources.</p>		(639,262)
<p>The OPEB liability is recorded as a liability in the government-wide financial statements, but not in the fund financial statements. This amount represents the change in the OPEB liability, net of related deferred inflows and outflows of resources.</p>		(755,895)
<p>The repayment of the principal of long-term debts consumes the current financial resources of governmental funds. Governmental funds report the effect of bond issuance premiums, whereas these amounts are amortized in the statement of activities. Accrued interest expense on long-term debt is reported in the statement of activities, but not not require the use of current financial resources.</p>		
Bond Principal Repayment	652,670	
Accrued interest	(883)	
Bond amortization	178	
	651,965	651,965
Change in Net Position of Governmental Activities	\$	1,199,404

The accompanying notes are an integral part of these financial statements.

WHITEHALL TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2023

	<u>Component Unit</u> <u>Police Pension</u> <u>Trust Fund</u>	<u>Custodial</u> <u>Funds</u>	<u>Total</u> <u>Fiduciary</u> <u>Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 732,390	\$ 2,411,669	\$ 3,144,059
Investments, at Fair Value			
Money Market	1,900,626	-	1,900,626
Equities	11,403,653	-	11,403,653
Bonds & Notes	727,280	-	727,280
Mutual Fund	26,193,814	-	26,193,814
Receivables	-	283,165	283,165
Total Assets	<u>40,957,763</u>	<u>2,694,834</u>	<u>43,652,597</u>
LIABILITIES			
Developer liabilities	-	77,568	77,568
Due to general fund	-	501,163	501,163
Total Liabilities	<u>-</u>	<u>578,731</u>	<u>578,731</u>
NET POSITION			
Restricted for future developer expenses	-	2,116,103	2,116,103
Restricted for Pension Benefits	40,957,763	-	40,957,763
Total Net Position	<u>\$ 40,957,763</u>	<u>\$ 2,116,103</u>	<u>\$ 43,073,866</u>

The accompanying notes are an integral part of these financial statements.

WHITEHALL TOWNSHIP
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	<u>Component Unit</u> <u>Police Pension</u> <u>Trust Fund</u>	<u>Custodial</u> <u>Funds</u>	<u>Total</u> <u>Fiduciary</u> <u>Funds</u>
ADDITIONS TO NET POSITION			
Contributions			
Employer	\$ 1,291,867	50,000	\$ 1,341,867
Employee	286,545	-	286,545
Tax escrow deposits	-	13,433,984	13,433,984
Developer Deposits	-	423,954	423,954
Total Contributions	<u>1,578,412</u>	<u>13,907,938</u>	<u>15,486,350</u>
Interest Income	883,540	8,898	892,438
Net appreciation in Fair Value of Investments	5,119,996	-	5,119,996
Net Investment Income	<u>6,003,536</u>	<u>8,898</u>	<u>6,012,434</u>
TOTAL ADDITIONS TO NET POSITION	<u>7,581,948</u>	<u>13,916,836</u>	<u>21,498,784</u>
DEDUCTIONS FROM NET POSITION			
Benefit payments	2,685,566	58,440	2,744,006
Administrative Expenses	158,374	-	158,374
Professional Expenses	-	661,053	661,053
Tax escrow payments	-	13,433,984	13,433,984
TOTAL DEDUCTIONS FROM NET POSITION	<u>2,843,940</u>	<u>14,153,477</u>	<u>16,997,417</u>
Change in Net Position	4,738,008	(236,641)	4,501,367
Net Position Restricted for Pension Benefits			
Beginning of Year, Restated	<u>36,219,755</u>	<u>2,352,744</u>	<u>38,572,499</u>
End of Year	<u>\$ 40,957,763</u>	<u>\$ 2,116,103</u>	<u>\$ 43,073,866</u>

The accompanying notes are an integral part of these financial statements.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Government

Whitehall Township (the Township), Lehigh County, Pennsylvania, operates under a Home Rule Charter approved by voter referendum in 1974. The Township has an approximate population of 28,900, based on a 2020 census report, living within an area of 12.8 square miles. The Township is in the southeastern portion of the Commonwealth of Pennsylvania and is located in Lehigh County.

Except for not recording the retroactive cost of general infrastructure capital assets and related depreciation, the Township follows the practice of presenting its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Accounting principles generally accepted in the United States of America include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Reporting Entity

The Township is a Pennsylvania First Class Township, which operates under a Board of Commissioners-Mayor form of government. Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In addition, the primary government may determine through the exercise of management's professional judgment that the inclusion of an organization 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 organization 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 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. The decision to include a potential component unit in the reporting entity was made based upon the above criteria.

Based on the criteria set forth by GASB, the Township has determined that there are no organizations or agencies which qualify as component units which should be included in these financial statements with the exception of Forks Township Police Pension Plan. The Board of the Plan is appointed by the Township and the Township is financially responsible to the Plan.

Fiduciary Component Units

The Township's Employee Retirement Trust Fund (the "Plan") was established to provide retirement, disability, and death benefits to eligible retirees of the Township. The Plan is included in the financial reporting entity as a fiduciary fund because the Plan is (1) considered to be a separate legal entity, (2) the Retirement Board functions as the governing board of the Plan, and (3) the Plan imposes a financial burden on the Township as it is legally obligated to make contributions to the Plan.

Related Organization

The Township's Board of Commissioners is responsible for appointing the members of the governing board of the Whitehall Township Authority and the Whitehall Township Industrial and Commercial Development Authority, but the Township's accountability for these organizations does not extend beyond making the appointments.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Jointly Governed Organization

Coplay Whitehall Sewer Authority

The Township, in conjunction with the Borough of Coplay, has created the Coplay Whitehall Sewer Authority. The Coplay Whitehall Sewer Authority Board is composed of four members appointed by the Whitehall Township Commissioners and three members appointed by the Coplay Borough Council. The primary purpose of the Authority is to provide sewage service to the entire areas of Coplay and Whitehall.

Basis of Accounting

The accounting methods and procedures adopted by the Township conform to accounting principles generally accepted in the United States of America, as applied to governmental entities. The following notes to financial statements are an integral part of the Township's financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the pension trust funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property and other taxes are recognized as revenues in the year for which they are levied or the underlying transaction has taken place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service, pension, other postemployment benefits, and compensated absences expenditures are recorded only when payment is due.

Property and other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period to the extent that they meet the available criteria. All other revenue items are considered to be measurable and available only when cash is received by the government.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the rule are payments to the internal service fund for risk management activities where the amounts charged are reasonably equivalent in value to services provided. Elimination of these charges would distort the direct costs of various functions.

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

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

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

The Township reports the following major governmental fund types:

General Fund - is the primary operating fund of the Township and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

State Highway Aid 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 the Department of Transportation regulations. County liquid fuels tax payments to the local government are not accounted for in this Fund.

Traffic Impact Fund - is used to account for fees collected by the Township, thus ensuring that new development bears a proportionate share of the cost of capital expenditures necessary to meet the transportation needs of the Township.

Capital Reserve Fund - is used to account for resources to be used to construct or acquire capital assets from resources derived from budgetary transfers, investment earnings, and the sale of fixed assets.

Lafarge Fund - is used to account for funds received from a settlement for relocation of a road. The funds are used to purchase equipment.

Debt Service Fund - is used for the payment of debt related to the Township's General Obligation Bonds and Notes.

The Township reports the following nonmajor governmental funds:

Recreation Escrow Fund - is used to account for money received from developers of residential subdivisions required to be expended for recreation capital improvements.

Perpetual Maintenance Fund - is used to account for fees collected by the Township for future maintenance of dedicated development property.

The Township also reports the following fiduciary fund types:

Fiduciary Funds are used to report assets held in a trustee capacity for others, and therefore are not available to support Township programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The Police Pension Plan, a Component Unit of the Township, is used to account for fiduciary resources legally held in trust for the receipt, investment, and distribution of retirement benefits.

Developers Escrow Fund, a Custodial Fund - is used to record receipt of developer escrow deposits to be used as expense reimbursement for legal and engineering fees.

Flex 125 Plan and Worker's Compensation Funds, Custodial Funds - are used to record receipt of money appropriated for nonrisk associated worker's compensation claims and insurance premiums and employee benefits.

Treasurer's Accounts Fund, a Custodial Fund - is used for the collection of various taxes from residents and employers in the Township and disbursement to the Township and to local governments.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors, or laws or other regulations of other governments.

Fund Balance Reporting

The Township has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the Township's fund balances more transparent.

The following classifications describe the relative strength of the spending constraints:

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

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

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

Other Significant Accounting Policies

Budgets and Budgetary Accounting

The Township annually adopts its general fund operating budget in December prior to the start of the new year. The Township manager presents a budget to the Board and it is approved.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

Statutes allow the Township to invest in obligations of the US. Treasury, U.S. Agencies, and the Commonwealth of Pennsylvania and its agencies, savings accounts or time deposits of institutions insured by the Federal Depository Insurance Corporation (FDIC) and deposits in excess of FDIC amounts if collateralized by the depository.

Investments

The Board of Commissioners is authorized by statutes to invest its funds as defined in the Township Code. Authorized types of investments include the following:

1. U.S. Treasury Bills.
2. Short-term obligations of the U.S. Government or its agencies or instrumentalities.
3. Insured savings and checking accounts and certificates of deposit in banks, savings and loan associations, and credit unions.
4. General obligation bonds of the federal government, the Commonwealth of Pennsylvania or any state agency, or of any Pennsylvania political subdivision.
5. Bills of exchange or time drafts and accepted by a commercial bank not to exceed 180 days.
6. Short-term, unsecured obligations of corporations or other business entities organized in accordance with federal or state law.
7. Shares of mutual funds whose investments are restricted to the above categories.

Investments are carried at fair value.

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

Capital Assets

Capital assets, which include building and improvements, machinery and equipment, traffic signals, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at the estimated fair value on the date of donation.

The cost of normal maintenance and repairs that does not add to the value of the asset, or materially extend its useful life, is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in the financial statements.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Buildings and improvements	31½ to 39 years
Machinery and equipment	5 years
Traffic signals	7 years
Infrastructure	15 years

GASB Statement No. 34 requires the Township to report and depreciate new infrastructure assets effective beginning 2003. Infrastructure assets include roads, bridges, traffic signals, etc. Except for traffic signals, neither the historical cost, nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure was subject to an extended implementation period and was first effective for fiscal years ending 2007. Management has not recorded the retroactive reporting of general infrastructure assets and the depreciation on those assets.

Accounts Receivable

All accounts receivable are shown net of an allowance for uncollectibles, as applicable. Accounts receivable in excess of 90 days are evaluated for collectibility and an allowance is established, as deemed necessary, based on the best information available and in an amount that management believes is adequate. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. There was no allowance at December 31, 2023.

Due To and From Other Funds

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

Escrow and Returnable Deposits

The Township requires deposits from developers for site development. Unexpended deposits are returned to developers.

Deferred Outflows of Resources and Deferred Inflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period not recognized as an outflow of resources until that future period. A deferred inflow of resources represents an acquisition of net position that applies to a future period not recognized as an inflow of resources until that future period.

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position - governmental activities. Bonds and notes payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

Compensated Absences

The Township accrues accumulated compensation and sick pay benefits when earned, or estimated to be earned, by the employee. Accrued vacation must be used during the calendar year without carryover to future years, except with advance approval of the Township Executive.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Expenditures

Program Revenues

All revenues are recognized when received.

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

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

Intergovernmental Revenues

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

Property Taxes

The Township is permitted by its Home Rule Charter to levy real estate taxes up to 20 mills of assessed valuation for general purposes. The millage rate levied by the Township for 2023 was 3.8 mills as established by the Board of Commissioners. Current tax collections for the Township were approximately 98% of the total tax levy.

The Township's real estate taxes are based on assessed value established by the County's Board of Assessments. The real estate taxes are collected by an elected tax collector. Real estate taxes attach an enforceable lien on property when levied on March 1. A discount of 2% is applied to payments made prior to April 30. A penalty of 10% is added to the face amount of taxes paid after July 1.

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

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

Internal and Interfund Balances and Activities

Fund Financial Statements

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

Interfund Services

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

Interfund Reimbursements

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

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transfers

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

Use of Estimates

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

Adoption of Governmental Accounting Standards Board (GASB) Statements

The Township adopted the provisions of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The adoption of this Statement has no effect on previously reported amounts.

The Township adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The adoption of this Statement has no effect on previously reported amounts.

The Township adopted the provisions of GASB Statement No. 99, *Omnibus 2022*. Sections of this Statement are required to be adopted in two phases by the Township for the years ending December 31, 2023 and 2024. The adoption of this Statement has no effect on previously reported amounts.

Pending Changes in Accounting Principles

The Governmental Accounting Standards Board has issued GASB Statement No. 99, *Omnibus 2022*. Sections of this Statement are required to be adopted in two phases by the Township for the years ending December 31, 2023 and 2024.

The Governmental Accounting Standards Board has issued GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB State No. 62*. This Statement is required to be adopted by the Township for the year ending December 31, 2024.

The Governmental Accounting Standards Board has issued GASB Statement No. 101, *Compensated Absences*. This Statement is required to be adopted by the Township for the year ending December 31, 2024.

The Governmental Accounting Standards Board has issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement is required to be adopted by the Township for the year ending December 31, 2025.

The Governmental Accounting Standards Board has issued GASB Statement No. 103, *Financial Reporting Model Improvements*. This Statement is required to be adopted by the Township for the year ending December 31, 2026.

The effect of implementation of these Statements has not yet been determined.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. Deposits are insured under Act 72 of the 1971 Session of the Pennsylvania General Assembly, whereby financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined in the Act, to cover all public funds deposited in excess of FDIC limits. The Township has no formal policy in regards to custodial credit risk. As of December 31, 2023, \$24,188,138 of the Township's bank balance of \$24,488,138 was exposed to custodial credit risk. The carrying value of these deposits is \$24,092,607.

Investments

Credit Risk - Pennsylvania statutes authorize the Township to invest in U.S. Treasury bills, short-term obligations of the U.S. Government, obligations of the U.S. Government or Commonwealth of Pennsylvania, or political subdivisions of the Commonwealth that are backed by the full faith and credit of the issuing government and shares of authorized investment companies provided that all of the company investments are authorized investments for a Township.

In addition, the Township may invest in time deposits, savings accounts, or share accounts of institutions insured by the FDIC, FSLIC, or NCUSIF to the extent that such investments are insured and, where amounts exceed the insured maximums, that the depository pledge collateral as provided by Pennsylvania law.

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

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

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

<u>Investment Type</u>	<u>Fair Value</u>
Pension Activities	
Money Market Funds	\$ 1,900,626
Equity Securities	11,403,653
Bond Funds	727,280
Mutual Funds	26,193,814
	<u>\$ 40,225,373</u>

Interest Rate Risk - The Township's investment policy does limit investment maturities to remain sufficiently liquid to meet all operating requirements that are reasonably anticipated as a means of managing its exposure to fair value losses arising from increasing interest rates. For the General Fund and other operating funds, maturities will not exceed one year.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy sets out a fair value hierarchy with the highest priority being quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurement). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurements will be classified and disclosed in one of the following three categories:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Unobservable inputs that are not corroborated by market data.

The following table presents the balances of fair value measurements on a recurring basis by level within the hierarchy as of December 31, 2023:

	12/31/2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Money Market Funds	\$ 1,900,626	\$ 1,900,626	\$ -	\$ -
Equity Securities	11,403,653	11,403,653	-	-
Bond Funds	727,280	727,280	-	-
Fixed Income Mutual Funds	26,193,814	26,193,814	-	-
Total investments at fair value	<u>\$40,225,373</u>	<u>\$ 40,225,373</u>	<u>\$ -</u>	<u>\$ -</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CAPITAL ASSETS

Capital asset activity was as follows for the year ended December 31, 2023:

	<u>Balance 1/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2023</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,419,613	\$ -	\$ -	\$ 2,419,613
Construction in progress	217,857	146,896	-	364,753
Total capital assets not being depreciated	<u>2,637,470</u>	<u>146,896</u>	<u>-</u>	<u>2,784,366</u>
Capital assets being depreciated:				
Building and improvements	31,796,954	297,633	-	32,094,587
Machinery and equipment	13,635,240	889,691	(686,757)	13,838,174
Traffic Signals	3,905,976	-	-	3,905,976
Infrastructure	14,858,391	792,337	-	15,650,728
Total capital assets being depreciated	<u>64,196,561</u>	<u>1,979,661</u>	<u>(686,757)</u>	<u>65,489,465</u>
Accumulated depreciation for:				
Building and improvements	(10,111,166)	(652,147)	-	(10,763,313)
Machinery and equipment	(10,481,768)	(1,035,594)	686,757	(10,830,605)
Traffic Signals	(3,161,645)	(724,487)	-	(3,886,132)
Infrastructure	(7,780,152)	(63,559)	-	(7,843,711)
Total accumulated depreciation	<u>(31,534,731)</u>	<u>(2,475,787)</u>	<u>686,757</u>	<u>(33,323,761)</u>
Total capital assets being depreciated, net	<u>32,661,830</u>	<u>(496,126)</u>	<u>-</u>	<u>32,165,704</u>
Total Governmental Type Activities Capital Assets, Net	<u>\$ 35,299,300</u>	<u>\$ (349,230)</u>	<u>\$ -</u>	<u>\$ 34,950,070</u>

Depreciation expense charged to governmental activities was \$2,475,787 for the year ended December 31, 2023.

NOTE 4 INTERFUND TRANSFERS AND BALANCES

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

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 2,353,938
State Highway Aid Fund	-	792,171
Capital Reserve	1,792,171	500,000
Lafarge Fund	684,319	-
Debt Service Fund	1,169,619	-
	<u>\$ 3,646,109</u>	<u>\$ 3,646,109</u>

In general, transfers are used to allocate revenues collected in one fund to finance capital expenditures and debt service accounted for in other funds.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 INTERFUND TRANSFERS AND BALANCES

The composition of interfund balances is as follows as of December 31, 2023:

	Due to Other Fund	Due from Other Fund	
General Fund	\$ -	\$ 490,436	
Custodial Fund	490,436	-	
	\$ 490,436	\$ 490,436	

Outstanding balances between funds may result from the time lag between the dates (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

NOTE 5 LONG-TERM DEBT

Long-term debt consists of the following at December 31, 2023:

	Balance Outstanding <u>December 31, 2023</u>
General Obligation Note, Series of 2017, two year draw note with a maximum principal amount of \$3,037,000 due in annual installments of principal plus semiannual installments interest fixed at 1.98% through 2027	\$ 1,108,860
General Obligation Note, Series of 2019, with maximum principal advances of \$9,930,000 due in annual installments of principal plus semiannual installments interest fixed at 4.00% through 3.50%	9,820,000
General Obligation Note, Series of 2020, with maximum principal advances of \$8,280,000 due in annual installments of principal plus semiannual installments interest fixed at 5.00% through 2.35%	7,490,000
	\$ 18,418,860

The Township's outstanding debt from direct borrowings and direct placements are secured by pledge of the taxing power of the Township. The Township is required to annually budget all debt service requirements under the loan agreement.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM DEBT (CONTINUED)

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

Year Ending December 31,	Direct Borrowings		
	Principal	Interest	Total
2024	\$ 673,970	\$ 536,758	\$ 1,210,728
2025	699,830	514,200	1,214,030
2026	720,590	490,600	1,211,190
2027	734,470	476,352	1,210,822
2028	750,000	420,098	1,170,098
2029-2033	4,000,000	1,840,305	5,840,305
2034-2038	4,510,000	1,328,728	5,838,728
2039-2043	5,195,000	652,770	5,847,770
2044	1,135,000	347,870	1,482,870
	<u>\$ 18,418,860</u>	<u>\$ 6,607,681</u>	<u>\$25,026,541</u>

The Township's outstanding debt from direct borrowings and direct placements are secured by pledge of the taxing power of the Township. The Township is required to annually budget all debt service requirements under the loan agreement.

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

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due Within One Year
Governmental Activities					
General Obligation Notes	\$ 19,071,530	\$ -	\$ (652,670)	\$ 18,418,860	\$ 673,970
Unamortized premium	240,390	-	(11,032)	229,358	-
Unamortized discount	(235,213)	-	10,854	(224,359)	-
Net Pension Liability	6,135,854	-	(1,539,364)	4,596,490	-
Compensated Absences	634,829	-	(75,553)	559,276	-
Other postemployment benefits	15,392,941	-	(1,763,359)	13,629,582	-
Total Long-Term Liabilities	<u>\$ 41,240,331</u>	<u>\$ -</u>	<u>\$(4,031,124)</u>	<u>\$ 37,209,207</u>	<u>\$ 673,970</u>

Compensated absences have been liquidated in the General Fund in prior years.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 FUND BALANCES

Fund balances of the Township's governmental funds consist of the following at December 31, 2023:

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total Fund Balance</u>
General Fund	\$ -	\$ -	\$ -	\$16,710,131	\$16,710,131
State Highway Aid Fund	20,220	-	-	-	20,220
Traffic Impact Fund	1,466,716	-	-	-	1,466,716
Capital Reserve Fund	-	1,699,814	-	-	1,699,814
Lafarge Fund	-	-	830,894	-	830,894
Debt Service Fund	-	17,949	-	-	17,949
Recreation Escrow Fund	-	363,459	-	-	363,459
Perpetual Maintenance Fund	-	-	18,055	-	18,055
	<u>\$1,486,936</u>	<u>\$2,081,222</u>	<u>\$848,949</u>	<u>\$16,710,131</u>	<u>\$21,127,238</u>

Fund Balance Policy

The Township establishes fund balance in the Township's General Fund and all governmental funds. Fund balance is composed of nonspendable, restricted, committed, assigned, and unassigned amounts.

Fund balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing programs, or enhance the financial position of the Township in accordance with policies established by the Board of Commissioners.

Spending Policy

The Township's policy is to first use restricted fund balance when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

NOTE 7 POLICE PENSION PLAN

Plan Description

The Whitehall Township Police Pension Plan (the Police Plan) is a single-employer defined benefit pension plan that covers all full-time uniform employees of the police force. The Police Plan provides pension benefits for normal retirement date at the age 50 with 25 years of credited service. Separately issued financial statements are not available.

Benefits Provided

Benefits are equal to 50% of the participant's average monthly compensation based upon the last 36 months of employment plus a service increment of \$100 per month for each completed year of benefit service in excess of 25, not to exceed \$500 per month. The Police Plan also provides death and disability benefits. The authority for benefit provisions under the Police Plan rests with the Township's Board of Commissioners. The Police Plan does not issue stand-alone financial statements.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 POLICE PENSION PLAN (CONTINUED)

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

Active plan members	49
Inactive plan members or beneficiaries currently receiving benefits	51
Inactive plan members entitled but not yet receiving benefits	<u>1</u>
Total	<u><u>101</u></u>

Contributions

Pennsylvania Act 205 requires that annual contributions to the Police Plan be based upon the Police Plan's Minimum Municipal Obligation (MMO), which is based on the Police Plan's biennial actuarial valuation. Investment expenses, including investment manager and custodial services, are funded through investment earnings. Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions. Participants are required to contribute 5% of total compensation. The Township is required to contribute amounts necessary to fund the Police Plan using the actuarial basis specified by statute.

Net Pension Liability

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

Actuarial Assumptions

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

Inflation	3.00%
Salary increases	5.00%, average, including inflation
Investment rate of return	7.75%, including inflation
Postretirement cost of living increase	3.00%

Mortality rates were based on the PubS-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	55.00%	5.50% - 7.50%
International Equity	20.00%	4.50% - 6.50%
Fixed Income	15.00%	1.00% - 3.00%
Cash	10.00%	0.00% - 1.00%
	<u>100.00%</u>	

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 POLICE PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that municipal contributions will be made each year as required under Pennsylvania Act 205. Based on this assumption, the Police Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Police Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2022	\$42,385,291	\$36,249,437	\$ 6,135,854
Changes for the Year:			
Service Cost	902,203	-	902,203
Interest	3,375,436	-	3,375,436
Change in Benefit Terms	-	-	-
Differences between Expected & Actual Experience	422,745	-	422,745
Changes of Assumptions	1,186,785	-	1,186,785
Contributions			
Employer	-	1,291,867	(1,291,867)
Member	-	286,544	(286,544)
Net Investment Income	-	5,848,122	(5,848,122)
Benefit Payments & Refunds of Employee Contributions	(2,686,035)	(2,686,035)	-
Administrative Expense	-	-	-
Net Changes	<u>3,201,134</u>	<u>4,740,498</u>	<u>(1,539,364)</u>
Balance at December 31, 2023	<u>\$45,586,425</u>	<u>\$40,989,935</u>	<u>\$ 4,596,490</u>

Net Pension Liability (Asset) Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 7.75% as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Net Pension Liability (Asset)	<u>\$ 10,120,853</u>	<u>\$ 4,596,490</u>	<u>\$ (11,116)</u>

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 POLICE PENSION PLAN (CONTINUED)

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

For the year ended December 31, 2023, the Township recognized pension expense of \$363,291. The Township reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources at December 31, 2023:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 480,128	\$ -
Changes in Assumptions	1,183,935	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,169,750	-
Total	\$ 3,833,813	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the year ended December 31:

Year Ending December 31,	
2024	\$ 961,051
2025	1,270,068
2026	1,624,423
2027	(322,986)
2028	301,257
Total	\$ 3,833,813

NOTE 8 NONUNIFORMED PENSION PLAN

Summary of Significant Accounting Policies

Financial information of the Township's Non-Uniformed Pension Plan (the "Plan") is presented on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due as required by Act 205 of the Commonwealth of Pennsylvania. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Investments are reported at fair value. The plan's assets with Pennsylvania Municipal Retirement System (PMRS) are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by GASB for aggregate PMRS investments are included in PMRS's separately issued Comprehensive Annual Financial Report which may be obtained by writing to the Pennsylvania Municipal Retirement System, P.O. Box 1165, Harrisburg, PA 17108-1165 or by calling 1-800-622-7968.

WHITEHALL TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 8 NONUNIFORMED PENSION PLAN (CONTINUED)

Plan Description

The Township participates in a defined benefit pension plan administered by the Pennsylvania Municipal Retirement System (PMRS). The full-time non-uniformed Township employees hired after June 8, 1976 are eligible to participate in the PMRS Plan. PMRS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report, which may be obtained by writing to the Pennsylvania Municipal Retirement System, P.O. Box 1165, Harrisburg, PA 17108-1165 or by calling 1-800-622-7968.

Plan Membership

Membership of the plan consisted of the following at December 31, 2022:

Inactive employees or beneficiaries current receiving benefits	52	
Inactive employees entitled to but not yet receiving benefits	3	
Active employees	28	
	Total	83

Benefits Provided - The PMRS Pension Plan provides retirement, survivor and disability benefits. Benefits vest at 100% after 12 years of service. Employees are eligible for normal retirement benefits at age 60. Employees terminating voluntarily after 20 years of service or involuntarily after eight years of service are eligible for early retirement. Annual retirement benefits are based on an employee's average annual salary during the last three years of employment, multiplied by years of service based on 1.25% times service if employed before January 1, 1990, 1.75% times service if employed between January 1, 1990 and December 31, 1995, and 2.10% times service if employed on or after January 1, 1996. The maximum benefit is 80% of the final average salary. Benefits are payable monthly for life with no Social Security offset. If a member is eligible to retire at time of death, the member's beneficiary receives the present value of accrued benefits. At retirement, a member may elect a survivor benefit. The plan disability benefit is provided for service-related disabilities, regardless of age or years of service. Disability benefits are offset by available workers' compensation benefits.

A 30% disability benefit is provided for nonservice-related disabilities for members with at least 10 years of service.

Funding Policy and Contribution Information

Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the plan's Minimum Municipal Obligation (MMO). The MMO is based upon the plan's biennial actuarial valuation. The MMO includes normal costs, estimated administrative expenses and amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability.

In accordance with the plan's governing ordinance, members are required to contribute 3% of compensation to the plan.

The plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program, which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205.

In 2023, the MMO for the Non-uniform Pension Plan was \$194,792. Employee contributions in 2023 were \$80,220. Township and Commonwealth contributions in 2022 were \$160,439.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 NONUNIFORMED PENSION PLAN (CONTINUED)

Administrative costs, including the investment manager, custodial trustee and actuarial services, are charged to the plan and funded through investment earnings.

Investments

Investment Policy - The plan policy in regard to the allocation of invested assets is established and may be amended by the PMRS. It is the policy of the PMRS to pursue an investment strategy that (1) maintains a fully funded status with regard to accumulated retirement benefits obligations, (2) maximizes return within reasonable and prudent levels of risk in order to minimize municipal and employee contributions, (3) maintains flexibility in determining the future level of contributions and (4) provides the ability to pay all benefit and expense obligations when due. The plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the plan's adopted asset allocation policy as of December 31, 2022:

Asset Class	Target Allocation	Nominal Net Rate of Return	Long-Term Expected Real Rate of Return
Domestic Equities (large-capitalized firms)	24.5%	7.50%	5.00%
Domestic Equities (small-capitalized firms)	8.0%	8.20%	5.70%
International Developed Markets Equities	14.5%	7.60%	5.10%
International Emerging Markets Equities	3.0%	8.01%	5.51%
Global Equities	5.0%	7.03%	4.53%
Real Estate	10.0%	7.42%	4.92%
Timber	5.0%	6.50%	4.00%
Fixed Income (Core Investment Grade)	24.0%	4.60%	2.10%
Fixed Income (Opportunistic Credit)	5.0%	8.00%	5.50%
Cash	1.0%	2.20%	-0.30%
Total Portfolio	<u>100.00%</u>	<u>7.43%</u>	<u>4.93%</u>

Concentrations - At December 31, 2022, none of the plan's individual investments exceeded 5% of the total portfolio.

Net Pension Liability (Asset) of the Township

The Plan Net Pension Liability (Asset) is based on an actuarial valuation as of January 1, 2022 rolled forward to a measurement date of December 31, 2022.

Total Pension Liability	\$25,854,040
Plan Fiduciary Net Position	<u>26,106,112</u>
Net Pension Liability (Asset)	<u>\$ (252,072)</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	<u>-100.97%</u>
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WHITEHALL TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 8 NONUNIFORMED PENSION PLAN (CONTINUED)

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of January 1, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method:	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	5.25%
Projected salary increases	Age related scale with merit and inflation component
Cost-of-living adjustments/Inflation	2.8%

Actuarial assumptions based on PMRS Experience Study for the period January 1, 2014 to December 31, 2018

- Pre-retirement Mortality:
 Males: PUB-2010 General Employees male table
 Females: PUB-2010 General Employees female table
- Post-retirement mortality:
 Males: RP-2006 annuitant male table
 Females: RP-2006 annuitant female table

PMRS Long-Term Expected Rate of Return

The PMRS System's long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future nominal rates of return (net of investment expenses) are developed for each asset class. These returns are combined to produce the System's Long-Term Expected Rate of Return by calculating the weighted average return for each asset class using each respective target asset allocation percentage and multiplying by the expected future nominal rate of return, while also factoring in covariance across asset classes, then deducting expected inflation (2.5%). Best estimates of geometric real rates of return for each utilized asset class are included in the pension plan's target asset allocation as of December 31, 2022.

Based on the aforementioned methodology, the Board has established the System's Long-Term Expected Rate of Return at 7.43%.

In addition to determining the System's Long-Term Nominal Expected Rate of Return, the PMRS Board, under the laws of the Commonwealth of Pennsylvania (Act 15 of 1974), is obligated to develop and apply the Regular Interest Rate to each of the individual participating municipalities' actuarial asset accounts held by PMRS. The rationale for the difference between the System's Long-Term Nominal Expected Rate of Return and the individual participating municipalities' Regular Interest Rate is described in the following section "Discount Rate." As of December 31, 2022, this rate is equal to 5.25%.

Discount Rate - While it is often common practice to establish an actuarial discount rate that is equal to the Long-Term Expected Nominal Rate of Return, PMRS is required by law (Act 15 of 1974) to establish a discount rate equal to the Regular Interest Rate (Regular Interest Rate/Discount Rate). The PMRS Board establishes the Regular Interest Rate/Discount Rate on the basis of expected stable and consistent earnings on investments to be applied to the accounts of the individual participating municipalities and includes the accounts of plan participants, municipalities, and plan retirees each year. As a starting point, the Board considers the following five quantitative factors in reviewing the Regular Interest Rate/Discount Rate:

1. Retiree Plan liability as a percentage of total Plan liability,
2. Active Plan participant liability as a percentage of total Plan liability,

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 NONUNIFORMED PENSION PLAN (CONTINUED)

3. Smoothed annuity purchase rates (Pension Benefit Guarantee Corporation (PBGC) annuity rates have been used as a proxy for this)
4. PMRS System Long-Term Expected Nominal Rate of Return, and
5. PMRS investment expenses

A formula using these factors is as follows:

Regular Interest Rate/Discount Rate = (Retiree Liability Percentage x Smoothed PBGC Annuity Rates) + (Active Employee Liability Percentage x System Long-Term Expected Rate of Return) – (Investment Expenses as a percentage of assets)

The PMRS Board then considers the Regular Interest Rate/Discount Rate derived from the above formula against a variety of qualitative factors such as the desire to minimize Regular Interest Rate/Discount Rate volatility, probability of achieving the Regular Interest Rate, varying levels of asset allocation and liquidity, trending of annuity rates, total PMRS actuarial and fair value funding ratios, feedback from existing PMRS municipalities, and recommendations from the System's investment and actuarial consultants. The Regular Interest Rate/Discount Rate adopted by the PMRS Board and used to measure the individual participating municipalities' total pension liability was 5.25% as of December 31, 2022.

The Regular Interest Rate/Discount Rate will likely be less than the System Long-Term Expected Rate of Return. Should the System experience a prolonged period of investment returns in excess of the Regular Interest Rate/Discount Rate, the Board is authorized to allocate any applicable portion of any such excess in accordance with Board policies in the form of Excess Interest as provided for in the law.

The projection of cash flows for each underlying municipal plan, used to determine if any adjustment to the Regular Interest Rate/Discount Rate was required ("depletion testing"), used the following assumptions: 1) member contributions will be made at the current contribution rate, 2) participating plan sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate, and 3) the System's Long-Term Expected Rate of Return will be used in the depletion testing of the projected cash flows. Based on those assumptions, the PMRS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 NON-UNIFORMED PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance at December 31, 2021	\$25,986,092	\$31,493,296	\$ (5,507,204)
Changes for the Year:			
Service Cost	216,182		216,182
Interest	1,335,751		1,335,751
Differences between Expected & Actual Experience	(145,494)		(145,494)
Changes of Assumptions	-		-
Contributions			
Employer	-	278,052	(278,052)
PMRS Assessment		1,740	(1,740)
Member	-	31,170	(31,170)
Net Investment Income	-	1,342,521	(1,342,521)
Market Value Investment Income		(5,429,501)	5,429,501
Benefit Payments & Refunds of Employee Contributions	(1,538,491)	(1,538,491)	-
Administrative Expense	-	(72,675)	72,675
	<u> </u>	<u> </u>	<u> </u>
Net Changes	(132,052)	(5,387,184)	5,255,132
Balance at December 31, 2022	<u>\$25,854,040</u>	<u>\$26,106,112</u>	<u>\$ (252,072)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Borough, calculated using the discount rate of 5.25%, as well as what the Borough's net pension would be if it were calculated using a discount rate that is one percentage point lower (4.25%) or one percentage point higher (6.25%) than the current rate:

	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Net Pension Liability (Asset)	<u>\$2,367,685</u>	<u>\$ (252,072)</u>	<u>\$(2,511,811)</u>

Pension Expense Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2023, the Township recognized pension expense of \$275,971 for the Non-uniform Pension Plan. At December 31, 2022 measurement date, the Township reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 NON-UNIFORMED PENSION PLAN (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 238,827
Changes in Assumptions	203,194	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,511,722	-
Contributions Subsequent to the Measurement Date	231,222	-
Total	\$ 1,946,138	\$ 238,827

\$231,222 reported as deferred outflows of resources related to pensions resulting from Township contributions made subsequent to the measurement date will be recognized as a reduction of the pension liability in the calendar year ended December 31, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in the pension expense as follows:

Year Ending December 31,	
2024	(399,543)
2025	161,076
2026	628,655
2027	1,085,901
2028	-
Thereafter	-
Total	\$ 1,476,089

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Township provides medical, prescription drug, dental, and vision insurance benefits to eligible retired police officers and spouses through a single-employer defined benefit plan. For officers hired on or before January 1, 2014 and not retiring under service-related disability, the Township will pay 100% of the cost of benefits for the retiree and spouse. For officers hired after January 1, 2014 or retiring under service-related disability, the Township will pay 100% of the cost of benefits for the officer only. The officer will pay 100% of the cost to cover any dependents not paid for by the Township. Coverage discontinues upon the earlier of the officer attaining Medicare eligibility and the officer's death. For spouses, coverage discontinues upon the spouse attaining Medicare eligibility, if earlier.

Retiree Contributions

The retiree contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate.

Funding Policy

The Township currently funds OPEB costs as they occur.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Retired participants	14
Vested former participants	0
Active participants	<u>46</u>
Total	<u><u>60</u></u>

Postemployment Benefits Liability, Postemployment Benefit Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Postemployment Benefits.

At December 31, 2023, the Township reported a liability of \$13,629,582 for its postemployment benefit liability. The net postemployment benefit liability was measured as of December 31, 2023 and the total postemployment benefit liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023. For the year ended December 31, 2023, the Township recognized postemployment benefit expense of \$755,895 related to this plan. At December 31, 2023, the Township reported deferred outflows and inflows of resources related to the Whitehall Township Police Postemployment Benefits Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 887,352	\$ 746,966
Changes in Assumptions	1,473,843	2,651,034
Net Difference between Projected and Actual Contributions Subsequent to the Measurement Date	<u>629,190</u>	<u>-</u>
Total	<u><u>\$ 2,990,385</u></u>	<u><u>\$ 3,398,000</u></u>

\$629,190 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the calendar year ended December 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to postemployment benefits will be recognized in postemployment benefit expense as follows for the year ended December 31 and thereafter:

Year Ending December 31,	
2024	154,603
2025	154,603
2026	154,603
2027	(211,394)
2028	(157,690)
Thereafter	<u>(1,131,530)</u>
Total	<u><u>\$ (1,036,805)</u></u>

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Township and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions are as follows:

Actuarial Valuation Date	January 1, 2022
Actuarial Cost Method	Entry age normal
Asset Valuation Method	Market value
Interest Rate	2.25% per annum based on S&P Municipal Bond 20 year high grade rate index at January 1, 2022
Healthcare Inflation Rate	6.00% in 2023, and 5.50% in 2024 and 2025. Rates gradually decrease from 5.40% in 2026 to 3.90% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model
Salary	Assumptions for salary increases is used only for spreading contributions over future pay under entry age normal cost method. For this purpose salary increases are assumed to be 5.00%
Mortality	PubS-2010 mortality table, including rates for disabled retirees and contingent survivors
Retirement	Latest of age 50 and at the completion of 25 years of service, or upon service-related disability

Changes in the Postemployment Benefit Liability

	Total Postemployment Benefit Liability (a)	Plan Fiduciary Net Position (b)	Net Postemployment Benefit Liability (a)-(b)
Balance at December 31, 2022	\$ 15,392,941	\$ -	\$ 15,392,941
Changes for the Year:			
Service Cost	862,054	-	862,054
Interest	358,428	-	358,428
Changes of Assumptions	(2,384,160)	-	(2,384,160)
Benefit Payments & Refunds of Employee Contributions	(599,681)	-	(599,681)
Net Changes	<u>(1,763,359)</u>	<u>-</u>	<u>(1,763,359)</u>
Balance at December 31, 2023	<u>\$ 13,629,582</u>	<u>\$ -</u>	<u>\$ 13,629,582</u>

Changes in assumptions included the discount rate changed from 2.25% to 4.31%. The trend assumption was updated and the mortality assumption was updated.

Sensitivity of the Township's Net Postemployment Benefit Liability to Changes in the Discount Rate

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The following is a sensitivity analysis of the net postemployment benefit liability to changes in the discount rate. The table below presents the net postemployment benefit liability calculated using the discount rate of 4.31%, as well as what the net postemployment benefit liability would be if it were calculated using a discount rate that is one percentage point lower (3.31%) or one percentage point higher (5.31%) than the current rate:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Postemployment Benefit Liability	<u>\$ 14,799,028</u>	<u>\$13,629,582</u>	<u>\$12,569,612</u>

Sensitivity of the Township's Net Postemployment Benefit Liability to Changes in the Healthcare Cost Trend Rate

The following is a sensitivity analysis of the net postemployment benefit liability to changes in the healthcare cost trend rate. The table below presents the net postemployment benefit liability calculated using the healthcare cost trend rate of 6.50%, as well as what the net postemployment benefit liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	Decrease	Trend Rate	Increase
Postemployment Benefit Liability	<u>\$ 12,233,754</u>	<u>\$13,629,582</u>	<u>\$15,249,067</u>

NOTE 10 DEFERRED COMPENSATION

The Township offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to those employees who meet the eligibility requirements set forth in the plan, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, disability, or unforeseeable emergency.

The Township has no liability for losses under the plan arising from expense charges of any kind, or from depreciation or shrinkage in the value of assets of the plan, but does have the duty of due care that would be required of an ordinary prudent investor.

NOTE 11 NONUNIFORMED EMPLOYEES DEFINED CONTRIBUTION PLAN

The Township provides pension benefits for its nonuniformed employees through a defined contribution money purchase plan. In a defined contribution money purchase plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees who were hired after April 1, 2013 are eligible to participate. The Township contributes an amount equal to 3% of each covered employee's annual compensation plus 1.5% for each percent of optional contributions submitted by the employee, not to exceed a total of 6.0% of the employee's compensation. Employees who are active members may make voluntary contributions within the legal limits. The Township's contributions for each employee (and interest allocated to the employee's account) are vested upon the completion of 12 years of service.

WHITEHALL TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Township purchases commercial insurance as protection against those losses.

The Township also participates in a self-funded minimum premium plan with several other municipalities to cover workers' compensation claims. The plan is administered by a third-party administrator and requires the payment of quarterly premiums based on the Township's payroll. Costs related to claims are expensed as incurred. For the years ended December 31, 2023, 2022, and 2021, claims settled were not in excess of insurance coverage.

For the year ended December 31, 2023, there has been no significant reduction in insurance coverage from coverage in the prior year.

NOTE 13 CONTINGENCIES

Litigation

The Township is a defendant in several lawsuits that have been referred to the Township's insurance carrier. While it is not feasible to determine the outcome of these matters, in the opinion of management, any total ultimate liability would not have a material effect on the Township's financial position.

Concentration of Labor

The Township entered into a collective bargaining agreement with the Whitehall Township Police Bargaining Unit Association through December 31, 2023. Of the Township's total workforce, approximately 43% is covered by the agreement.

The Township entered into a collective bargaining agreement with the Whitehall Township Teamsters Local Unit #773 through December 31, 2023. Of the Township's total workforce, approximately 39% is covered by the agreement.

NOTE 14 RESTATEMENT

General Fund fund balance was restated as of 1/1/2023 to properly include taxes receivable. Fund balance was restated from \$13,934,153 to \$14,986,183, a restatement amount of \$1,052,030.

Custodial fund net position was restated as of 1/1/2023 to remove old cash accounts. Net position decreased by \$448,711 to a beginning net position of \$2,352,744.

NOTE 15 SUBSEQUENT EVENTS

The Township has evaluated subsequent events through September 27, 2024. This date is the date the financial statements were available to be issued. No material events subsequent to December 31, 2023 were noted.

REQUIRED
SUPPLEMENTARY
INFORMATION

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 18,288,000	\$ 18,288,000	\$ 20,400,772	\$ 2,112,772
Licenses and Permits	682,750	682,750	1,040,611	357,861
Fines and Forfeits	170,000	170,000	209,477	39,477
Interest and Rents	98,000	98,000	497,777	399,777
Intergovernmental Revenues	1,945,760	1,945,760	2,243,785	298,025
Charges for Services	3,227,000	3,227,000	2,904,002	(322,998)
Miscellaneous Revenues	312,000	312,000	1,064,804	752,804
TOTAL REVENUES	24,723,510	24,723,510	28,361,228	3,637,718
EXPENDITURES				
Current				
General Government	4,138,267	4,138,267	2,010,120	2,128,147
Public Safety	8,583,703	8,583,703	9,770,894	(1,187,191)
Public Works	7,067,141	7,067,141	6,303,820	763,321
Culture and Recreation	2,366,183	2,366,183	885,726	1,480,457
Insurance and Employee Benefits	5,709,199	5,709,199	5,366,058	343,141
TOTAL EXPENDITURES	27,864,493	27,864,493	24,336,618	3,527,875
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,140,983)	(3,140,983)	4,024,610	109,843
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	53,276	53,276
Operating Transfers (Out)	(1,400,000)	(1,400,000)	(2,353,938)	(953,938)
TOTAL OTHER FINANCING SOURCES (USES)	(1,400,000)	(1,400,000)	(2,300,662)	(900,662)
Net Change in Fund Balances	(4,540,983)	(4,540,983)	1,723,948	(790,819)
Fund Balance, Beginning of Year, Restated	11,866,469	11,866,469	14,986,183	14,986,183
Fund Balance, End of Year	\$ 7,325,486	\$ 7,325,486	\$ 16,710,131	\$ 14,195,364

WHITEHALL TOWNSHIP
 NOTES TO THE BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED DECEMBER 31, 2023

NOTE 1 BUDGET POLICY

The Board of Commissioners annually adopt the budget of the General Fund of the Township. The Township's legal level of budgetary control is at the line-item level. Budgets are prepared at the department level. Departments for budgetary purposes include general government, public safety, public works-highways and streets, and culture and recreation. The Township Home Rule Charter provides for the modification of budgets and supplemental appropriations and transfers. All changes to the budgets must be approved by the Board of Commissions. Appropriations, except open project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The budgets are prepared on the modified accrual basis of accounting. There were no supplemental appropriations to the 2023 budget.

NOTE 2 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

	<u>Appropriation</u>	<u>Expenditures</u>	<u>Percentage Over Appropriation</u>
Public Safety	\$ 8,583,703	\$9,770,894	12.15%

Funds sufficient to provider for the excess expenditures were made available form other functions within the fund and other financing sources.

WHITEHALL TOWNSHIP
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
NONUNFORMED PENSION PLAN

Measurement Date	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Total Pension Liability									
Service Cost (Beginning of Year)	\$ 390,209	\$ 368,707	\$ 317,087	\$ 312,916	\$ 286,673	\$ 257,924	\$ 244,862	\$ 256,517	\$ 216,182
Interest (Includes Interest on Service Cost)	1,095,566	1,130,642	1,187,189	1,191,449	1,230,156	1,244,109	1,276,959	1,321,230	1,335,751
Differences between Expected and Actual Experience	(442,058)	194,687	(166,947)	-	-	-	(567,330)	-	(145,494)
Change in benefits	-	-	-	-	165,040	-	-	-	-
Changes of Assumptions	-	-	555,265	-	(601,261)	-	812,779	-	-
Benefit Payments, including Refunds of Member Contributions	(341,897)	(428,207)	(805,410)	(752,275)	(729,122)	(844,515)	(882,507)	(990,187)	(1,538,491)
Net Change in Total Pension Liability	701,820	1,265,829	1,087,184	752,090	351,486	657,518	884,763	587,560	(132,052)
Total Pension Liability - Beginning	19,697,842	20,399,662	21,665,491	22,752,675	23,504,765	23,856,251	24,513,769	25,398,532	25,986,092
Total Pension Liability - Ending	\$ 20,399,662	\$ 21,665,491	\$ 22,752,675	\$ 23,504,765	\$ 23,856,251	\$ 24,513,769	\$ 25,398,532	\$ 25,986,092	\$ 25,854,040
Plan Fiduciary Net Position									
Contributions - Employer	\$ 262,072	\$ 347,426	\$ 357,435	\$ 346,539	\$ 316,106	\$ 336,375	\$ 330,397	\$ 280,916	\$ 279,792
Contributions - Member	54,131	53,915	53,491	51,050	45,018	40,512	38,460	36,986	31,170
Net Investment Income (loss)	968,734	(43,044)	1,335,602	3,599,450	(1,480,769)	4,324,130	3,350,678	3,607,485	(4,086,980)
Benefit Payments, Including Refunds of Member Contributions	(341,897)	(428,207)	(805,410)	(752,275)	(729,122)	(844,515)	(882,507)	(990,187)	(1,538,491)
Administrative Expense	(42,960)	(47,897)	(59,645)	(53,829)	(53,898)	(43,791)	(56,471)	(76,594)	(72,675)
Net Change in Plan Fiduciary Net Position	900,080	(117,807)	881,473	3,190,935	(1,902,665)	3,812,711	2,780,557	2,858,606	(5,387,184)
Plan Fiduciary Net Position - Beginning	19,089,406	19,989,486	19,871,679	20,753,152	23,944,087	22,041,422	25,854,133	28,634,690	31,493,296
Plan Fiduciary Net Position - Ending	\$ 19,989,486	\$ 19,871,679	\$ 20,753,152	\$ 23,944,087	\$ 22,041,422	\$ 25,854,133	\$ 28,634,690	\$ 31,493,296	\$ 26,106,112
Net Position Liability (Asset) - Ending	\$ 410,176	\$ 1,793,812	\$ 1,999,523	\$ (439,322)	\$ 1,814,829	\$ (1,340,364)	\$ (3,236,158)	\$ (5,507,204)	\$ (252,072)
Covered Payroll	\$ 3,848,721	\$ 3,594,369	\$ 3,566,015	\$ 3,275,916	\$ 2,985,554	\$ 2,700,732	\$ 2,563,962	\$ 2,465,700	\$ 2,077,989
Net Pension Liability as a Percentage of its Covered Payroll	10.66%	49.91%	56.07%	-13.41%	60.79%	-49.63%	-126.22%	-223.35%	-12.13%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	97.99%	91.72%	91.21%	101.87%	92.39%	105.47%	112.74%	121.19%	100.97%

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

WHITEHALL TOWNSHIP
SCHEDULE OF NON-UNIFORM PENSION PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS*

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Actuarially determined contribution	\$ 259,036	\$ 347,426	\$ 357,435	\$ 348,459	\$ 316,106	\$ 336,375	\$ 330,397	\$ 280,916	\$ 279,792
Contribution in relation to the actuarially determined contribution	(262,072)	(347,426)	(357,435)	(348,459)	(316,106)	(336,375)	(330,397)	(280,916)	(279,792)
Contribution Excess	(3,036)	-	-	-	-	-	-	-	-
Covered payroll	3,848,721	3,594,369	3,566,015	3,275,916	2,985,554	2,700,732	2,563,962	2,465,700	2,077,989
Contributions as a Percentage of Covered Payroll	6.81%	9.67%	10.02%	10.64%	10.59%	12.45%	12.89%	11.39%	13.46%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

WHITEHALL TOWNSHIP
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
UNIFORMED PENSION PLAN

Measurement Date	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Total Pension Liability									
Service Cost (Beginning of Year)	\$ 564,362	\$ 592,580	\$ 588,828	\$ 618,269	\$ 734,741	\$ 771,478	\$ 790,735	\$ 830,272	\$ 902,203
Interest (Includes Interest on Service Cost)	2,119,366	2,242,784	2,446,280	2,567,779	2,766,151	2,910,071	3,068,148	3,217,727	3,375,436
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-
Differences between Expected and Actual Experience	(352,033)	-	188,858	-	96,015	-	175,709	-	422,745
Changes of Assumptions	(324,022)	-	947,323	-	682,313	-	-	-	1,186,785
Benefit Payments, including Refunds of Member Contributions	(1,004,933)	(1,333,515)	(1,514,677)	(1,576,942)	(1,625,451)	(1,851,803)	(1,949,307)	(2,108,054)	(2,686,035)
Net Change in Total Pension Liability	1,002,740	1,501,849	2,656,612	1,609,106	2,653,769	1,829,746	2,085,285	1,939,945	3,201,134
Total Pension Liability - Beginning	27,106,239	28,108,979	29,610,828	32,267,440	33,876,546	36,530,315	38,360,061	40,445,346	42,385,291
Total Pension Liability - Ending	\$ 28,108,979	\$ 29,610,828	\$ 32,267,440	\$ 33,876,546	\$ 36,530,315	\$ 38,360,061	\$ 40,445,346	\$ 42,385,291	\$ 45,586,425
Plan Fiduciary Net Position									
Contributions - Employer	\$ 1,092,439	\$ 753,888	\$ 763,966	\$ 766,310	\$ 1,319,057	\$ 1,347,694	\$ 1,772,377	\$ 1,264,359	\$ 1,291,867
Contributions - Member	216,509	224,900	219,028	233,934	238,922	266,277	275,586	284,315	286,544
Net Investment Income	(783,252)	1,842,426	4,392,674	(1,863,403)	5,706,023	4,395,417	5,193,569	(6,309,696)	5,848,122
Benefit Payments, Including Refunds of Member Contributions	(1,004,933)	(1,333,515)	(1,514,677)	(1,576,942)	(1,625,451)	(1,851,803)	(1,949,307)	(2,108,054)	(2,686,035)
Administrative Expense	(8,300)	(8,500)	(7,900)	(6,200)	(7,700)	(5,700)	(8,000)	(6,000)	-
Net Change in Plan Fiduciary Net Position	(487,537)	1,479,199	3,853,091	(2,446,301)	5,630,851	4,151,885	5,284,225	(6,875,076)	4,740,498
Plan Fiduciary Net Position - Beginning	25,659,100	25,171,563	26,650,762	30,503,853	28,057,552	33,688,403	37,840,288	43,124,513	36,249,437
Plan Fiduciary Net Position - Ending	\$ 25,171,563	\$ 26,650,762	\$ 30,503,853	\$ 28,057,552	\$ 33,688,403	\$ 37,840,288	\$ 43,124,513	\$ 36,249,437	\$ 40,989,935
Net Position Liability - Ending	\$ 2,937,416	\$ 2,960,066	\$ 1,763,587	\$ 5,818,994	\$ 2,841,912	\$ 519,773	\$ (2,679,167)	\$ 6,135,854	\$ 4,596,490
Covered Payroll	\$ 4,214,084	\$ 3,940,604	\$ 4,312,153	\$ 4,724,702	\$ 5,156,312	\$ 5,306,927	\$ 5,374,350	\$ 5,662,900	\$ 5,645,573
Net Pension Liability as a Percentage of its Covered Payroll	69.70%	75.12%	40.90%	123.16%	55.12%	9.79%	-49.85%	108.35%	81.42%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	89.55%	90.00%	94.53%	82.82%	92.22%	98.65%	106.62%	85.52%	89.92%

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

WHITEHALL TOWNSHIP
 SCHEDULE OF POLICE PENSION PLAN CONTRIBUTIONS
 LAST TEN FISCAL YEARS*

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Actuarially determined contribution	\$ 966,663	\$ 1,092,439	\$ 753,888	\$ 763,966	\$ 766,310	\$ 1,319,057	\$ 1,347,694	\$ 1,772,377	\$ 1,264,359	\$ 1,291,867
Contributions in relation to the Contractually Required Contribution	(966,663)	(1,092,439)	(753,888)	(763,966)	(766,310)	(1,319,057)	(1,347,694)	(1,772,377)	(1,264,359)	(1,291,867)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered Payroll	\$ 4,309,341	\$ 4,214,084	\$ 3,940,604	\$ 4,312,153	\$ 4,724,702	\$ 5,156,312	\$ 5,306,927	\$ 5,374,350	\$ 5,662,900	\$ 5,645,573
Contributions as a Percentage of Covered Payroll	22.43%	25.92%	19.13%	17.72%	16.22%	25.58%	25.39%	32.98%	22.33%	22.88%

WHITEHALL TOWNSHIP
SCHEDULE OF CHANGES IN OTHER POSTEMPLOYMENT BENEFITS

Measurement Date	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Total OPEB Liability						
Service Cost (Beginning of Year)	\$ 451,626	\$ 641,811	\$ 612,286	\$ 699,503	\$ 919,649	\$ 862,054
Interest (Includes Interest on Service Cost)	354,489	422,515	485,160	461,436	318,999	358,428
Differences between Expected and Actual Experience	2,662,056	-	(175,379)	-	(811,919)	-
Changes of Assumptions	631,890	(483,312)	387,680	1,571,757	(363,105)	(2,384,160)
Benefit Payments, including Refunds of Member Contributions	(349,581)	(580,094)	(605,149)	(542,215)	(609,851)	(599,681)
Net Change in Total Pension Liability	3,750,480	920	704,598	2,190,481	(546,227)	(1,763,359)
Total OPEB Liability - Beginning	9,292,689	13,043,169	13,044,089	13,748,687	15,939,168	15,392,941
Total OPEB Liability - Ending	\$ 13,043,169	\$ 13,044,089	\$ 13,748,687	\$ 15,939,168	\$ 15,392,941	\$ 13,629,582
Plan Fiduciary Net Position						
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Member	-	-	-	-	-	-
Contributions - State Aid	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-	-
Administrative Expense	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Position Liability - Ending	\$ 13,043,169	\$ 13,044,089	\$ 13,748,687	\$ 15,939,168	\$ 15,392,941	\$ 13,629,582
Covered Payroll	\$ 4,341,055	\$ 4,341,055	\$ 5,156,352	\$ 5,156,352	\$ 5,374,350	\$ 5,037,990
Net Pension Liability as a Percentage of its Covered Payroll	300.46%	300.48%	266.64%	309.12%	286.41%	270.54%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

OTHER
SUPPLEMENTARY
INFORMATION

WHITEHALL TOWNSHIP
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2023

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Recreation Escrow	Perpetual Maintenance	
ASSETS			
Cash and Cash Equivalents	\$ 363,459	\$ 18,055	\$ 381,514
TOTAL ASSETS	\$ 363,459	\$ 18,055	\$ 381,514
FUND BALANCES			
Committed	\$ 363,459	\$ -	\$ 363,459
Assigned	-	18,055	18,055
TOTAL FUND BALANCE	\$ 363,459	\$ 18,055	\$ 381,514

WHITEHALL TOWNSHIP
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Recreation Escrow	Perpetual Maintenance	
REVENUES			
Interest and Rents	\$ 9,314	\$ 848	\$ 10,162
TOTAL REVENUES	<u>9,314</u>	<u>848</u>	<u>10,162</u>
EXPENDITURES			
Current			
Capital Outlay	<u>65,875</u>	<u>48,099</u>	<u>113,974</u>
TOTAL EXPENDITURES	<u>65,875</u>	<u>48,099</u>	<u>113,974</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,561)	(47,251)	(103,812)
Net Change in Fund Balances	(56,561)	(47,251)	(103,812)
Fund Balance, Beginning of Year	<u>420,020</u>	<u>65,306</u>	<u>485,326</u>
Fund Balance, End of Year	<u>\$ 363,459</u>	<u>\$ 18,055</u>	<u>\$ 381,514</u>