

**2025 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

630965 HOPEWELL TWP, WASHINGTON COUNTY



To the Board of Supervisors
Hopewell Township
Washington County, PA

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying Commonwealth of Pennsylvania Annual Audit and Financial Report (Form DCED-CLGS-30) of Hopewell Township which comprise the balance sheet as of December 31, 2025 and the related statements of revenues and expenditures, debt, and capital expenditures for the year then ended.

In our opinion, Form DCED-CLGS-30 referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Hopewell Township as of December 31, 2025, and the revenues it received and expenditures it paid for the year then ended, in accordance with the financial reporting provisions of the Commonwealth of Pennsylvania Department of Community and Economic Development.

Basis for Opinion

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

Emphasis of Matter—Basis of Accounting

Form DCED-CLGS-30 is prepared on the regulatory basis of accounting in accordance with the financial reporting provisions of the Commonwealth of Pennsylvania Department of Community and Economic Development, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Commonwealth of Pennsylvania Department of Community and Economic Development. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to that matter.

Emphasis of Matter Regarding the Fiduciary Funds Assets and Activity

As described in Note 4 of Form DCED-CLGS-30, Hopewell Township maintains a single-employer defined contribution pension plan for all participating full-time employees. The plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employee public employee retirement system. The Pension Plan information was not available as of and for the year ended December 31, 2025. Therefore, the statement of fiduciary net assets reflects the balance as of December 31, 2024. The statement of changes in fiduciary net assets presents the activity for the year ended December 31, 2024.

Responsibilities of Management for Form DCED-CLGS-30

Management is responsible for the preparation and fair presentation of Form DCED-CLGS-30 in accordance with the financial reporting provisions of the Commonwealth of Pennsylvania Department of Community and Economic Development. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Form DCED-CLGS-30 that is free from material misstatement, whether due to error or fraud.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hopewell 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 Hopewell 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.

Restriction on Use

This report is intended solely for the information and use of management, the Township's Board of Supervisors, others within the organization, and the Commonwealth of Pennsylvania Department of Community and Economic Development and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Palermo/Kissinger & Assoc., P.C.

Palermo/Kissinger & Associates, P.C.
Washington, Pennsylvania

May 26, 2026



BALANCE SHEET

HOPEWELL TWP, WASHINGTON County
BALANCE SHEET
 December 31, 2025

	Governmental Funds						Fid. Fund	Account Groups		Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		Trust and Agency	General Fixed Assets	
Assets and Other Debits										
100-120 Cash and Investments	3,059,810	173,015				380,228				3,613,053
140-144 Tax Receivable										
121-129, 145-149 Accounts Receivable (excluding taxes)										
130-00 Due From Other Funds										
131-139, 150-159 Other Current Assets										
160-169 Fixed Assets								2,070,980		2,070,980
180-189 Other Debits										
Total Assets and Other Debits	3,059,810	173,015				380,228		2,070,980		5,684,033

Liabilities and Other Credits					
210-229 Payroll Taxes and Other Payroll Withholdings	364				364
200-209, 231-239 All Other Current Liabilities	20,909				20,909
230-00 Due To Other Funds					

HOPEWELL TWP, WASHINGTON County

BALANCE SHEET

December 31, 2025

	Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		Trust and Agency	General Fixed Assets	
Liabilities and Other Credits										
260-269 Long-Term-Liabilities										
240-259 Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits	21,273									21,273
Fund and Account Group Equity										
281-284 Contributed Capital										
290.00 Investment in General Fixed Assets								2,070,980		2,070,980
270-289 Fund Balance / Retained Earnings on 12/31	3,038,537	173,015				380,228				3,591,780
291-299 Other Equity										
Total Fund and Account Group Equity	3,038,537	173,015				380,228		2,070,980		5,662,760

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY										5,684,033
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HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

	Governmental Funds					Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise		
	79,463						79,463
	2,250						2,250
	17,447						17,447
	138,959						138,959
	2,887						2,887
	241,006						241,006

REVENUES

Taxes	
301.00	Real Estate Taxes
305.00	Occupation Taxes (levied under municipal code)
308.00	Residence Taxes (levied by cities of the 3rd Class)
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)
310.00	Per Capita Taxes
310.10	Real Estate Transfer Taxes
310.20	Earned Income Taxes / Wage Taxes
310.30	Business Gross Receipts Taxes
310.40	Occupation Taxes (levied under Act 511)
310.50	Local Services Tax **
	Total Taxes

Licenses and Permits	
320-322	All Other Licenses and Permits
321.80	Cable Television Franchise Fees
	Total Licenses and Permits

Fines and Forfeits	
330-332	Fines and Forfeits
	Total Fines and Forfeits

HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2025

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

REVENUES

Interest, Rents and Royalties								
341.00	Interest Earnings	146,797	7,886				34,297	188,980
342.00	Rents and Royalties	10,547						10,547
	Total Interest, Rents and Royalties	157,344	7,886				34,297	199,527

Federal

351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants							
	Total Federal							

State

354.03	Highways and Streets	31,441						31,441
354.09	Community Development							
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)							
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		99,640					99,640
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	5,502						5,502
355.07	Foreign Fire Insurance Tax Distribution	6,827						6,827
355.08	Local Share Assessment/Gaming Proceeds	48,191						48,191
355.09	Marcellus Shale Impact Fee Distribution	296,093						296,093

HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2025

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
REVENUES								
Charges for Service								
369.00								
370.00								
372.00								
373.00								
374.00								
375.00								
	3,697							3,697
Total Charges for Service								

Unclassified Operating Revenues								
383.00								
386.00								
387.00								
388.00						29,077		29,077
389.00	210							210
	210							29,287
Total Unclassified Operating Revenues								

Other Financing Sources								
391.00	2,602							2,602
392.00								
393.00								
394.00								

HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2025

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

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures							816
	Total Other Financing Sources							3,418

	TOTAL REVENUES	807,669	107,526				63,374	978,569
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	12,655						12,655
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	8,800						8,800
403.00	Tax Collection	6,641						6,641
404.00	Solicitor / Legal Services	22,256						22,256
405.00	Secretary / Clerk	38,863						38,863
406.00	Other General Government Administration	17,413				1,130		18,543
408.00	Engineering Services	23,407						23,407
409.00	General Government Buildings and Plant	932,028						932,028
	Total General Government	1,062,063				1,130		1,063,193

Public Safety								
410.00	Police							
411.00	Fire	33,302						33,302
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	1,674						1,674

HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2025

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
	7,139							7,139
	8,500							8,500
Total Public Safety	50,615							50,615

EXPENDITURES

Public Safety	
414.00	Planning and Zoning
415.00	Emergency Management and Communications
416.00	Militia and Armories
419.00	Other Public Safety
	Total Public Safety

Health and Human Services	
420.00-425.00	Health and Human Services
	Total Health and Human Services

Public Works - Sanitation	
426.00	Recycling Collection and Disposal
427.00	Solid Waste Collection and Disposal (garbage)
428.00	Weed Control
	Total Public Works - Sanitation

Public Works - Highways and Streets	
430.00	General Services - Administration
431.00	Cleaning of Streets and Gutters
432.00	Winter Maintenance - Snow Removal
433.00	Traffic Control Devices
434.00	Street Lighting
	Total Public Works - Highways and Streets

HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2025

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
	31,429							31,429
	16,611	33,184						49,795
	172,935	66,171						239,106

EXPENDITURES

Public Works - Highways and Streets	
435.00	Sidewalks and Crosswalks
436.00	Storm Sewers and Drains
437.00	Repairs of Tools and Machinery
438.00	Maintenance and Repairs of Roads and Bridges
439.00	Highway Construction and Rebuilding Projects
Total Public Works - Highways and Streets	

Other Public Works Enterprises	
440.00	Airports
441.00	Cemeteries
442.00	Electric System
443.00	Gas System
444.00	Markets
445.00	Parking
446.00	Storm Water and Flood Control
Total Other Public Works Enterprises	

Culture and Recreation	
451.00	Culture-Recreation Administration
452.00	Participant Recreation
453.00	Spectator Recreation
454.00	Parks

HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2025

	Governmental Funds			Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise		
	5,000						5,000
	5,000						5,000

EXPENDITURES

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

Community Development	
461.00	Conservation of Natural Resources
462.00	Community Development and Housing
463.00	Economic Development
	Total Community Development

Debt Service	
471.00	Debt Principal (short-term and long-term)
472.00	Debt Interest (short-term and long-term)
	Total Debt Service

Employer Paid Benefits and Withholding Items	
481.00	Employer Paid Withholding Taxes and Unemployment Compensation
482.00	Judgments and Losses
483.00	Pension / Retirement Fund Contributions
	Total

HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2025

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

EXPENDITURES

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance	5,091						5,091
487.00	Other Group Insurance Benefits	38,610						38,610
Total Employer Paid Benefits and Withholding Items		74,706						74,706

Insurance								
486.00	Insurance, Casualty, and Surety	19,029						19,029
Total Insurance		19,029						19,029

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid					3,685		3,685
489.00	All Other Unclassified Expenditures							
Total Unclassified Operating Expenditures						3,685		3,685

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

TOTAL EXPENDITURES	1,384,348	66,171				4,815		1,455,334
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-576,679	41,355				58,599		-476,765
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DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

Capitalized lease obligations

Net debt

0

0

0

HOPEWELL TWP, WASHINGTON County
STATEMENT OF CAPITAL EXPENDITURES
 December 31, 2025

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways	911,695		911,695
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	911,695		911,695

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials) 171,648

**HOPEWELL TOWNSHIP
NOTES TO THE COMMONWEALTH OF PENNSYLVANIA
ANNUAL AUDIT AND FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2025**

NOTE 1 – Summary of Significant Accounting Policies

The financial statements of Hopewell Township are prepared using the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has issued Statement #34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. However, the Township has elected not to adopt GASB Statement #34. Adopting GASB #34 would require the Township to; a) present the financial statements on an accrual basis of accounting rather than the cash basis of accounting, b) capitalize the Township's fixed assets, including infrastructure acquired subsequent to 2003, and c) prepare and present a Management's Discussion and Analysis.

The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

Hopewell Township is a Second Class Township incorporated under the laws of the Commonwealth of Pennsylvania and Washington County. The Township is governed by a three-member Board of Supervisors elected by the residents of Hopewell Township. The board is organized with a chairman and vice-chairman selected at the annual meeting in January of each year.

The Township provides such services as are authorized by its charter to advance the welfare, comfort, safety, and convenience of the Township and its inhabitants.

The financial reporting entity includes organizations, functions and activities over which elected officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Included within the reporting entity:

The following funds are under direct control of the Township's Governing Body: General Fund, State Highway Fund, Act 13 Impact Fee Fund, Local Shares Assessment Fund, Public Works Fund and Pension Trust.

There are no component units as defined in the Governmental Accounting Standards Board (GASB) pronouncements which are included in the Township's reporting entity.

**HOPEWELL TOWNSHIP
NOTES TO THE COMMONWEALTH OF PENNSYLVANIA
ANNUAL AUDIT AND FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2025**

NOTE 1 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting

The accounts of the Township are organized on a basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and categories as follows:

GOVERNMENTAL FUNDS

General Fund – The General Fund is the operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – The Special Revenue Funds are used to account for revenues derived from special sources. Such revenues are restricted for specified purposes. The Special Revenue Funds presented in the Commonwealth of Pennsylvania Annual Audit and Financial Report are made up of the following self-balancing funds maintained by the Township:

- A) State Highway Aid Fund

FIDUCIARY FUNDS

Pension Fund – The Pension Fund is used to account for assets held by the Township in a trustee capacity for the employees of the Township.

ACCOUNT GROUPS

General Long-Term Debt Account Group – The Township's Long-Term Debt is presented in the Annual Audit and Financial Report under the General Long-Term Debt Account Group.

**HOPEWELL TOWNSHIP
NOTES TO THE COMMONWEALTH OF PENNSYLVANIA
ANNUAL AUDIT AND FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2025**

NOTE 1 – Summary of Significant Accounting Policies (continued)

C. Budget and Budgetary Accounting

Formal budgetary integration is employed as a management control device for all governmental fund types as a group.

During the year no amendments were made to the budgetary information contained in the accompanying financial statements.

A formal budget was adopted for the General Fund (including the Municipal Impact Fee Account) and the individual Special Revenue Fund (State Liquid Fuels Fund).

General Fund budgeted revenues and other financing sources were greater than actual revenues and other financing sources by \$615,418 for 2025. General Fund budgeted expenditures and other financing uses were greater than actual expenditures and other financing uses by \$258,262 for 2025.

State Liquid Fuels Fund actual revenues exceeded budgeted revenues by \$2,123 for 2025. State Liquid Fuels Fund budgeted expenditures exceeded actual expenditures by \$58,829 for 2025.

D. Subsequent Events

In accordance with Accounting Standards Codification (ASC) 855-10, *Subsequent Events*, the Township has evaluated subsequent events through May 26, 2026, the date financial statements were available to be issued.

NOTE 2 – Cash Deposits

Hopewell Township considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

At December 31, 2025, the carrying amount of the Township's deposits was \$3,232,825. The bank balance was \$3,233,038. The Township maintains checking and money market accounts with Washington Financial.

Deposits with financial institutions are insured by FDIC insurance for the first \$250,000 of deposits. Therefore, total FDIC insurance was \$250,000 at December 31, 2025. Amounts above FDIC insurance limits are collateralized with securities held in the Township's name at each financial institution.

**HOPEWELL TOWNSHIP
NOTES TO THE COMMONWEALTH OF PENNSYLVANIA
ANNUAL AUDIT AND FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2025**

NOTE 3 – Property Taxes

The Township's property tax is levied each March 15 on the assessed value of all real property located in the Township. The assessed value of the roll for 2025 was \$80,946,400. The Township's tax rate for 2025 was 1.0 mills for a total levy of \$80,946 and was payable as follows:

- At discount of 2% until May 15, 2025
- At face until July 15, 2025
- At penalty of 10% after July 15, 2025
- Unpaid property taxes for 2025 were liened on January 15, 2026

NOTE 4 – Township's Pension Plan

The Hopewell Township Pension Plan is a single-employer defined benefit pension plan. The Plan is governed by the provisions of Act 205 of 1984. The Township's Pension Plan is funded by State Pension Aid and covers substantially all full-time employees. The plan participates in the Pennsylvania Municipal Retirement System (PMRS), which 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 (CAFR). The CAFR is available on the PMRS website. A copy can be obtained by contacting the PMRS accounting office.

Annually Hopewell Township reports PMRS pension information one year delayed based on the availability of the PMRS GASB 68 report. The pension plan information from PMRS including the activity for the year ended December 31, 2025 and the fund assets at December 31, 2025 were not available at December 31, 2025. Therefore, the statements of fiduciary net assets and the changes in fiduciary net assets in the 2025 audited financial statements reflect information as of and for the year ended December 31, 2024.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. The Township contributes 5% annually for each eligible member to the plan. In addition to the Township's contributions made to the members' accounts, members may contribute up to, but no more than, ten percent (10%) of their compensation. For the year ended December 31, 2024, the employees of the Township contributed \$14,296 to the plan. In addition, the Township contributed \$14,781 to the Pension Plan for 2024.

Members become fully vested in the Township's contributions upon completion of five (5) year of service. The normal retirement is attained at age 63. Early retirement is available upon attainment of 20 years of service.

**HOPEWELL TOWNSHIP
NOTES TO THE COMMONWEALTH OF PENNSYLVANIA
ANNUAL AUDIT AND FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2025**

NOTE 5 – Fair Value of Financial Statements

At December 31, 2025, the Township's financial instruments included cash and cash equivalents. At December 31, 2025, fair value of cash and cash equivalents approximated carrying values because of short-term nature of these instruments. The estimated fair values of long-term borrowings subject to fair value disclosures approximates carrying value, because of the nature of the borrowings there is no market for them.

NOTE 6 – Gaming Fund Revenue

The Township received \$48,191 in gaming revenue during the year ended December 31, 2025. The proceeds from this revenue are designated by the Board of Supervisors for capital construction and capital purchases.

NOTE 7 – Municipality Act 13 Impact Fee Distribution

The Township received \$296,093 in Municipality Act 13 Impact fee revenue during the year ended December 31, 2025. Proceeds from this revenue were set aside for future capital improvements.

NOTE 8 – Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures to include an overview of certain information concerning individual funds including:

- A. There was no outstanding long-term debt to be disclosed.
- B. Deficit fund balances of individual funds. There are no deficit fund balances of any individual funds as of December 31, 2025.
- C. Individual Fund interfund receivable (Due From) and payable (Due To) balances. There are no individual fund interfund receivables or payables as of December 31, 2025.

NOTE 9 – Contingent Liabilities

Hopewell Township participates in grant programs sponsored by other governments. The programs are subject to program audits by the grantor agencies or their representatives. The audits of some of these programs for and including the year ended December 31, 2025 have not yet been conducted. Accordingly, the Township's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. However, the Township expects such amounts to be immaterial.

**HOPEWELL TOWNSHIP
NOTES TO THE COMMONWEALTH OF PENNSYLVANIA
ANNUAL AUDIT AND FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2025**

NOTE 10 – Risk Management and Litigation

The Township is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township manages risk through the General Fund with the purchase of commercial insurance coverage.

The Township is not involved in any pending litigation. The potential liability to the Township related to legal matters cannot be determined due to the uncertainty of each and any case and the potential for insurance coverage.

NOTE 11 – Municipal Building Construction

In 2025, the Township completed a construction project at its Municipal Building. Including design and construction costs the total cost of the project was \$925,115. Of this total \$911,695 was paid for in 2025 and is included in the 2025 audit as capital construction for General Government Buildings and Plant. This capital expenditure in 2025 is a contributing factor in the Deficit of Revenues Over Expenditures of \$(576,679) for the year.