

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022



SWATARA TOWNSHIP
DAUPHIN COUNTY, PENNSYLVANIA

Prepared by James Fosselman,
Township Manager

SWATARA TOWNSHIP, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

TABLE OF CONTENTS

	<u>Page</u>
Introductory section:	
Letter of transmittal	1-4
Certificate of achievement	5
Organizational chart	6
List of principal officials	7
Financial section:	
Independent auditor's report	8-10
Management's discussion and analysis	11-19
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	20
Statement of activities	21
Fund financial statements and reconciliations:	
Balance sheet - governmental funds	22
Reconciliation of total governmental fund balances to net position of governmental activities	23
Statement of revenues, expenditures, and changes in fund balances - governmental funds	24
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	25
Statement of fiduciary net position - police pension	26
Statement of changes in fiduciary net position - police pension	27
Notes to financial statements	28-62

SWATARA TOWNSHIP, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
Required supplementary information:	
Historical pension information	
Schedule of changes in the net pension liability and related ratios - police pension	64
Schedule of employer contributions - last 10 years - police pension	65
Schedule of investment returns - police pension	66
Schedule of changes in the net pension liability and related ratios - non-uniformed pension	67
Schedule of employer contributions - last 10 years - non-uniformed pension	68
Schedule of changes in the total OPEB liability and related ratios - last 10 years	69
Schedule of revenues, expenditures, and changes in fund balance - budget and actual - general fund	70
Schedule of revenues, expenditures, and changes in fund balance - budget and actual - fire prevention fund	71
Other supplementary information:	
Combining schedules - nonmajor governmental funds	
Description of nonmajor governmental funds	73
Combining balance sheet - nonmajor governmental funds	74
Combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	75
Schedule of revenues, expenditures, and changes in fund balance - budget and actual - liquid fuels fund	76
Schedule of revenues, expenditures, and changes in fund balance - budget and actual - ambulance fund	77
Schedule of revenues, expenditures, and changes in fund balance - budget and actual - debt service fund	78

SWATARA TOWNSHIP, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

TABLE OF CONTENTS (CONTINUED)

Statistical section:	<u>Table No.</u>	<u>Page</u>
Statistical section summary		79
Net assets/net position by component	1	80
Changes in net assets/net position	2	81-82
Fund balances and changes in fund balances	3	83
Assessed and estimated actual value of taxable real property	4	84
Direct and overlapping property taxes	5	85
Principal property taxpayers	6	86
Property levies and collections	7	87
Outstanding debt by type relative to general fund expenditures	8	88
Ratio of general bonded debt	9	89
Direct and overlapping governmental activities debt	10	90
Legal debt margin information	11	91
Demographic and economic information	12	92
Principal Township employers	13	93
Township employees by function	14	94
Operating indicators by function	15	95
Capital asset statistics by function	16	96



SWATARA TOWNSHIP

ADMINISTRATION

June 27, 2023

To the Swatara Township Board of Commissioners and the Residents of Swatara Township.

It is our pleasure to present the Swatara Township, Dauphin County Pennsylvania's Annual Comprehensive Financial Report (ACFR) for the period January 1, 2022 - December 31, 2022. The report is structured in a manner that is designed to fairly and concisely present the financial activity of the various Township funds.

The ACFR consists of management's representations concerning the finances of the Township. Accordingly, management assumes full responsibility for the completeness and accuracy of the information contained within this report. The information presented was prepared by the Finance Director with the assistance of the administrative staff and the Tax Collector. Swatara Township employs internal controls that minimize our exposure to loss, theft, and misuse of Township assets. Therefore, the administrative staff asserts that, to the best of our knowledge, this report is complete and reliable in all material respects.

This letter serves as an introduction to the ACFR and should be read in conjunction with all sections of the ACFR, including management's discussion and analysis, for a full understanding of the Township and its results of operations for the calendar year ending December 31, 2022.

Municipal Reporting Entity and Services Provided

Swatara Township, a political subdivision of the First Class, is a suburb of Harrisburg, the Capital city of the Commonwealth of Pennsylvania. Geographically Swatara Township is in the south-central region of the state.

The Township currently functions under the guidance of a 5-member elected Board of Commissioners starting in January 2018. The Board appoints a Manager who is responsible for the day-to-day operations of the Township and enforcement of all ordinances and resolutions passed by the Board of Commissioners.

Swatara Township provides a full range of municipal services to its residents. This includes public safety (police, four volunteer fire companies, and emergency management), public works (streets, parks), community development (planning and zoning, codes, building inspection) and general administrative services. In addition, the Township contracts with an ambulance service and trash removal company for the benefit of the residents. Citizens contract directly with public utilities for water and electric service.

Sewer Service is provided by the Swatara Township Authority. Storm Water Management Utilities are provided by the Swatara Township Stormwater Authority. The Swatara Township Stormwater Authority is reported as a blended component unit of the Township.

The Township's Employee Retirement Plan for the Police provides retirement, disability, and death benefits to eligible retirees of the Township. The Plan is included as a discretely presented component unit of Swatara Township under the definition of the Governmental Accounting Standards Boards (GASB) Codification. There are no other entities that should have been considered for inclusion within the financial statements based upon the criteria of the GASB Codification.

The Swatara Township Board of Commissioners is authorized to collect a Real Estate, Earned Income, Local Services, Fire and Business Privilege taxes. The monies derived from these sources are used to provide services to roughly 27,900 residents. On a yearly basis, the Board adopts a balanced budget and establishes a tax rate that will support the planned expenditures.

Budgetary Information and Accounting Systems

Annually the Finance Director presents a proposed budget to the Board of Commissioners for the calendar year that begins on January 1st. The budget process commences in August with budget forecasting. This activity allows the Township to identify, with an accuracy rate of 0.5% to 1.0%, the amount of funds that will be available at the close of the calendar year.

During the month of September department heads present their budget requests to the Manager/Finance Director. Priorities are discussed and initial adjustments to the line-item expenses are made. During the months of October and November, the Board of Commissioners holds a series of advertised budget hearings that are conducted in the Swatara Township Hearing Room. During these hearings department heads review and explain their requests to the Commissioners. The public at that time has an opportunity to ask questions and offer up comments on the budget. The Commissioners make additional modifications to the proposed budget before it is tentatively adopted in November and put out for public display. The final budget is adopted on the second Wednesday of December.

Even though the budget is approved on an annual basis the Finance Department works on five (5) year tentative budgets to ensure the financial condition of the Township to be positive into the future years. This need for long term budget considerations is based on plans for building, highway, and other capital needs presently and into the future.

At the request of the administration at any time during the calendar year the Commissioners may authorize budget revisions. The revision allows for the transfer of unused budgeted line-item balances in a fund to other line-items within that fund. The Finance Chairperson initially reviews the need for such action and thereafter issues a recommendation to the full Board.

Budgetary controls are maintained through continuous review by the Finance Director. The Township supports all its financial management systems through its own computer system. The general ledger is interfaced with all other computerized financial functions. The Township also utilizes networked computers in all departments.

All accounting systems are designed to enhance internal accounting controls which are in place to provide reasonable, but not absolute, assurance that all assets are shielded against loss, theft or misuse and may be depended upon to compile sufficient reliable information for the preparation of the Township's financial statements in conformity with generally accepted accounting principles (GAAP). Since the cost of internal controls should not exceed the anticipated benefits, the Township's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of any material misstatements.

Local Economic Conditions and Outlook

Swatara Township is located within the Harrisburg - Carlisle metropolitan statistical area. The area is recognized as a government, health services, and tourist destination area. This fact is confirmed by a review of the 5 largest sectors of employment within the Township:

1. Parcel Shipping and Distribution	40.0%
2. Manufacturing and Wholesale Distribution	26.0%
3. Retail	14.0%
4. Healthcare and Social Assistance	12.0%
5. Government	8.0%

Most of land in the Township is zoned for residential development, which is appropriate as a suburb of Harrisburg, the Capital City of Pennsylvania. The Township is not a homogeneous municipality but rather a collection of distinct neighborhoods, in large part this is since the Township is bisected by Route 322 and 1-83. Several of the neighborhoods originally were developed to serve major employers in the area. Rutherford was affiliated with the Rutherford (now Norfolk Southern) railroad yard while the Oberlin-Enhaut-Bressler area was home to many Bethlehem Steel employees. Lenker Manor, Lawnton and Chambers Hill came about in response to the demand for more suburban housing stock. Starting in 2017 these areas saw an influx of foreign home buyers. Cultural differences have become a challenge for Township staff who act as the liaison between existing citizens and the new, multi- generational occupants. Swatara Township also enjoys a desirable mix of commercial and industrial businesses.

In 2022, the Swatara Business Privilege Tax Collector issued 2,971 Business Privilege Licenses, a decrease of 6 licenses compared to calendar year 2021. Furthermore, 374 building permits were issued during the same time frame for construction within the Township. Eighteen (18) hotels are located near Route 1-83, the Swatara exit off Route 1-283, due to its proximity to the Pennsylvania Turnpike Route 1-76, State Route 322 that travels to Hershey, and its central location for tourists doing day trips to Amish country in Lancaster or to the battlefields in Gettysburg. Swatara Township is also home to the third largest Norfolk Southern multi-modal hub in the United States. Perhaps the presence of the varied business base is the reason that in 2022 Swatara Township had an unemployment rate of 2.2%. By comparison, Dauphin County's rate was 2.9%, Pennsylvania was 4.3% and the unemployment rate in the United States was 3.7%. According to the Harrisburg Area Transportation Study (HATS) Regional Transportation Plan, employment in Central Pennsylvania is expected to increase by 26.4% in the years 2010-2040 for a total of 4,963 new jobs. Census data states that Swatara Township had 22,426 employed citizens in 2010 with an expected increase to 33,502 employed residents by 2022.

Looking forward the foremost project that will impact Swatara Township will be the widening of 1-83. This PennDOT project is underway and being addressed in phases. Currently the piers of overpass bridges are being relocated to accommodate an additional travel lane in each direction; the overpass bridges are being replaced with new structures. Some exit ramps will be permanently closed, and new ones constructed in other locations. PennDOT is in the process of identifying which homes and commercial buildings will need to be acquired along the 1-83 corridor. Financial offers will be made to property owners however PennDOT is prepared to use their power of eminent domain to acquire the property of unwilling sellers, this project will likely have a negative impact on a variety of Township tax receipts. Local officials are closely monitoring the situation and hope to assist affected property owners in relocating to other areas of the Township. The entire project is scheduled for completion in 2035.

Major Initiatives

During the year staff focused on areas of financial concern:

In fairness to all business entities enforcement of the Business Privilege Tax will be continued to ensure that all are complying with this tax. The number of Licenses issued remains steady, and tax collection enforcement continues.

The Township plans to continue with the smoothing the annual cost of the purchase of major equipment. In prior years, the township would budget monies to fund the acquisition of long-lived apparatus such as fire trucks, dump trucks, street sweepers and other municipal equipment. The graph depicting the fund used for such a purchase reflected incremental increases from year to year and then the fund balance drops to zero when the purchases took place. In 2022 the Finance Director recommended that all major equipment be leased so that the payment schedule reflects the year in which the equipment is being used.

After 5 years, each piece of equipment can be purchased for \$1. In the meantime, fund balances continue to earn interest on significantly higher balances on deposit.

Independent Reviews

The independent auditor's opinion, which is a significant component of the report, is included in the financial section of the ACFR. Zelenkofske Axelrod LLC, Certified Public Accountants, express the opinion that the financial statements present, in all material respects, the financial position of Swatara Township as of December 31, 2022, and the results of its operations and financial controls for the year then ended. All information conforms with generally accepted accounting principles.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Swatara Township, Dauphin County Pennsylvania, for its 2021 calendar year Annual Comprehensive Financial Report. That award marked the twenty-seventh consecutive year (1995 - 2021) that Swatara Township was so honored. To be awarded a Certificate of Achievement the government entity must publish an easily readable and efficiently organized comprehensive annual financial report that conforms to generally accepted accounting principles and legal requirements. The Certificate of Achievement is only valid for a period of one year. Swatara Township management staff believe that the 2022 report that is being submitted to the GFOA will also meet the Certificate of Achievement requirements and therefore make Swatara Township eligible for another certificate.

Acknowledgments

Swatara Township staff, elected officials and Authority staff invested countless hours of time gathering the facts and figures needed to formulate the 2022 Swatara Township Consolidated Annual Financial Report, the Administration thanks each one of them for the timely and professional work that was produced.

Respectfully

A handwritten signature in black ink, appearing to read "James R. Fosselman", with a stylized, flowing script.

James R. Fosselman, Manager Swatara Township



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

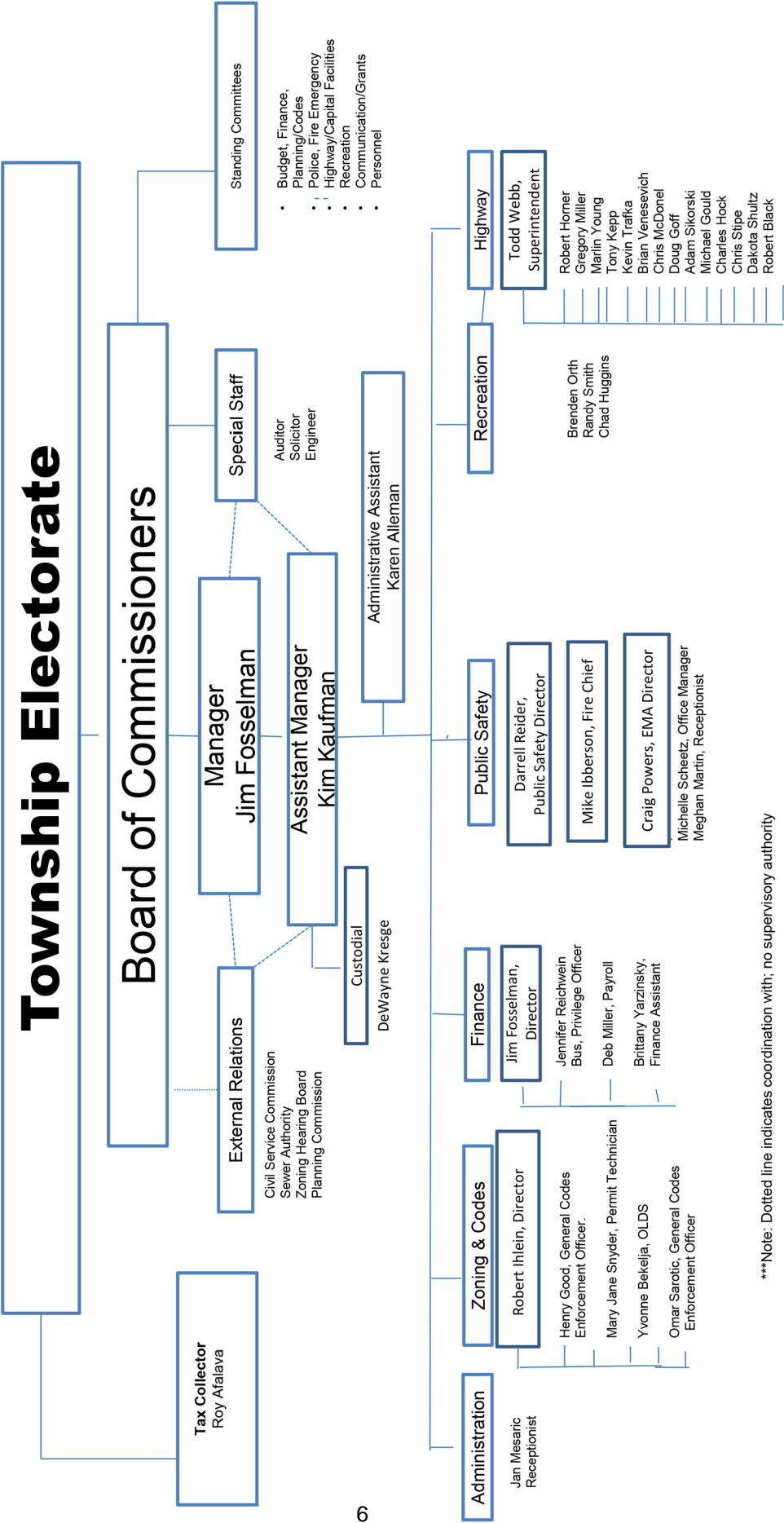
**Swatara Township
Pennsylvania**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrell

Executive Director/CEO



***Note: Dotted line indicates coordination with; no supervisory authority

**SWATARA TOWNSHIP, DAUPHIN COUNTY, PENNSYLVANIA
2022 PRINCIPAL OFFICIALS**

Elected Officials

President	Christine Zubeck
Vice President	Jeff Varner
Commissioner	Richard Boudier
Commissioner	Michael Tuckey
Commissioner	Shaela Ellis
Tax Collector	Roy Afalava

Appointed Officials

Township Manager	James Fosselman
Secretary	Karen Alleman
Auditor	Zelenkofske Axelrod LLC
Engineer	Dawood Engineering Inc.
Solicitor	Tucker Arensburg

Department Directors

Director of Public Safety	Darrell Reider
Director of Finance	James Fosselman
Director of Planning and Zoning	Robert Ihlein
Director of Public Works	Todd Webb
Fire Chief	Mike Ibberson
Business Privilege Officer	Jennifer Reichwein



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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Swatara Township
Harrisburg, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Swatara Township (the "Township"), as of and for the year ended December 31, 2022, 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, discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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



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Swatara Township
Harrisburg, Pennsylvania

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

In performing an audit in accordance with GAAS, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability and related ratios - police pension, schedule of employer contributions - police pension, schedule of investment returns - police pension, schedule of changes in the net pension liability and related ratios - non-uniformed pension, schedule of employer contributions - non-uniformed pension, schedule of changes in the total OPEB liability and related ratios last ten years, schedule of revenues, expenditures, and changes in fund balance - budget and actual - general fund, and schedule of revenues, expenditures, and changes in fund balance - budget and actual - fire prevention fund on pages 11-19 and 64-71 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board is the responsibility of management and, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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Harrisburg, Pennsylvania

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, nonmajor governmental funds budget and actual schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and nonmajor governmental funds budget and actual schedules on pages 73-78 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and nonmajor governmental funds budget and actual schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the introductory and statistical sections included in the annual report. The other information comprises the Required Supplementary Information, Other Supplementary Information, and Statistical Section, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Zelenkofske Axlerod LLC

ZELENKOFSCHE AXELROD LLC

Harrisburg, Pennsylvania
June 27, 2023

SWATARA TOWNSHIP, PENNSYLVANIA
Management's Discussion and Analysis

Swatara Township provides this Management's Discussion and Analysis as part of the Annual Comprehensive Financial Report (ACFR) for the readers of its financial statements. This narrative overview and analysis of financial activities is for the period ended December 31, 2022. We encourage readers to consider this information in conjunction with the additional information that is furnished in the letter of transmittal, which can be found preceding this narrative, along with the Township's financial statements which follow.

Financial Highlights-Primary Government

The assets and deferred outflows of resources of Swatara Township exceeded liabilities and deferred inflows of resources at December 31, 2022, by \$10,784,761. Of this amount, there was a deficit unrestricted net position of \$8,561,853.

The Township's net position increased by \$1,883,408 during the year 2022.

The Township's capital assets, net of depreciation, decreased \$392,247 as a result of current year capital asset depreciation of \$1,458,864 exceeding additions of \$1,066,617. The Township's total liabilities and deferred inflows of resources increased by \$4,233,759 primarily due to the liabilities related to Pensions and OPEB totaling \$8,436,438 and \$13,486,037, respectively.

At December 31, 2022, the governmental funds reported combined fund balances of \$28,580,990, an increase of \$414,668 from 2021. Of this figure, \$21,615,961 was restricted; \$4,381,610 was assigned and \$2,583,419 was unassigned.

Overview of the Financial Statements

The management's discussion and analysis is intended to serve as an introduction to Swatara Township's basic financial statements. The Township's basic financial statements include three components: 1) government-wide statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) and other supplementary information (combining financial statements) in addition to the basic schedules themselves. These components are described below.

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the Township the **Government-Wide Financial Statements** and the **Fund Financial Statements**. These financial statements also include the **Notes to the Financial Statements** that explain some of the information in the financial statements and provide more detail.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Township's operations in a manner similar to a private sector business. The statements provide both short-term and long-term information about the Township's financial position, which assists in assessing the Township's economic condition at the end of the fiscal year. These are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This basically means that they follow methods that are similar to those used by most businesses. They take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The government-wide financial statements include two statements:

The *statement of net position* presents all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as "net position". Over time, increases or decreases in the Township's net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

SWATARA TOWNSHIP, PENNSYLVANIA
Management's Discussion and Analysis (Continued)

Government-Wide Financial Statements (continued)

The *statement of activities* presents information showing how the government'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 change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement that will not result in cash flows until future fiscal periods (such as uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the Township.

Both of the above financial statements have separate sections for the two different types of Township programs or activities. These two types of activities are:

Government activities- The activities in this section are mostly supported by taxes and intergovernmental revenues. Most services normally associated with the Township government fall into this category, including general government, health and welfare, public safety, highway and streets and culture and recreation.

Business-Type activities- These functions are intended to cover all or a significant portion of their costs through user fees and charges to external users of goods and services. The business-type activities of the Township include the operations of the Swatara Township Stormwater Authority, a discretely presented component unit.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives or activities. The Township, like other state or local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the township government, reporting the Township's operations in more detail for each fund. These funds are accounted for in the same manner, although separated by fund type and restrictions.

Swatara Township has 4 major funds reported in the governmental fund financial statements.

General Fund: This fund is used to finance the operational demands of Swatara Township including Administration, Police, Highway, Business Taxes, Recreation and Building and Health Codes. The fund is used to account for and report all financial resources not accounted for and reported in another fund. The deficiency of revenues under expenditures for 2022 was \$2,187,721 and the net decrease in fund balance was \$826,764. The net decrease in fund balance can be mainly attributed to higher than anticipated debt service, capital outlay, public safety, and highway and street expenses offset by transfers in during the year. The ending fund balance was \$2,583,419 of which \$2,583,419 was unassigned.

Capital Reserve Fund: The use of this fund is assigned by the Township Board of Commissioners. These funds may be utilized for any purpose the board deems appropriate with a two-thirds approval by the board. The excess of revenues over expenditures for 2022 was \$60,490, and the net increase in fund balance was \$60,490. The increase in fund balance is attributable to the fund earning \$60,490 in interest during the year. Fund balance as of December 31, 2022 was \$4,379,400. This fund receives no tax revenue, only interest income, intergovernmental revenue, and the transfer of general fund monies assigned for capital projects.

Bond Fund: This fund maintains the restricted proceeds of the Township's bonds. These funds are restricted for specific capital projects outlined in the Bond Indentures. The excess of revenues over expenditures and change in fund balance for 2022 was \$195,831. The fund expenditures during the year were primarily spent on capital improvements of the Township's infrastructure. Going forward, the fund balance will decrease, as funds are spent by the Township on various capital projects. The ending 2022 fund balance was \$19,527,952.

SWATARA TOWNSHIP, PENNSYLVANIA
Management's Discussion and Analysis (Continued)

Fund Financial Statements (Continued)

Fire Prevention Fund: This fund has been established to assist the Township's volunteer fire companies with their financial requirements. The Township has enacted a real estate tax for this purpose. Payments to the fire companies are made on a reimbursement basis. The deficiency of revenues under expenditures and decrease in fund balance in this fund for 2022 was \$60,351. The decrease in fund balance is primarily due to higher than anticipated capital expenditures of \$174,001 offset by total revenues of \$1,592,968 during the year. The fund has a fund balance of \$530,564 as of December 31, 2022.

Non-major Funds

Liquid Fuels Fund: This fund is comprised of funds received from the State via fuel (gasoline) taxes. The Township receives an allocation annually based upon population and the number of lane miles it has to maintain within its geographic borders. The monies in this account are legally restricted in that they may only be expended on road related equipment, maintenance or construction. The excess of revenues over expenditures and increase in fund balance for 2022 was \$47,889. The fund has a fund balance of \$522,829 as of December 31, 2022.

Capital Projects Fund: This fund is comprised of funds drawn down from an infrastructure loan to pay for water sediment removal. The monies in this account are restricted for the capital project. The deficiency of revenues under expenditures for 2022 was \$13,806 and net increase in fund balance was \$1,009,194. The fund has a fund balance of \$1,009,194 as of December 31, 2022.

Ambulance Fund: This fund has been established to assist the Township's ambulance company with its financial requirements. The Township has enacted a real estate tax for this purpose. Payments are made on a monthly basis to fulfill the contract with the emergency service provider. The deficiency of revenues under expenditures and change in fund balance for 2022 was \$958. Fund balance as of December 31, 2022 was \$6,435.

Debt Service Fund: This fund is used to finance the debt service of Swatara Township. The Township has enacted a real estate tax for this purpose. These restricted funds may only be used for debt service payments. The deficiency of revenues under expenditures and change in fund balance for 2022 was \$12,776. Fund balance as of December 31, 2022 was \$18,987.

ARPA Fund: This fund is used to account for the federal coronavirus rescue package designed to facilitate the recovery from the devastating economic and health effects of the COVID-19 pandemic. The excess of revenues over expenditures for 2022 was \$1,352,372 and the net increase in fund balance was \$2,113. Fund balance as December 31, 2022 was \$2,210.

Fiduciary Fund

Fiduciary funds represent assets held in trust for pension benefits of the police pension plan administered by the Township.

Component Unit

Discretely Presented: The Swatara Stormwater Authority is a component unit of Swatara Township. The government wide statements present the component unit information in a single column in the statement of net position and the statement of activities.

Fiduciary Component Unit - Police Pension Plan: This fund represents the assets held in trust for pension benefits of the police pension plan of Swatara Township. The balance in this plan as of December 31, 2022 was \$24,885,737. This represents a decrease in plan assets of \$4,547,505 from the prior year. Please refer to required supplementary information for detail on the pension plan.

Notes to Financial Statements

The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found immediately following the fiduciary funds' financial statements.

SWATARA TOWNSHIP, PENNSYLVANIA
Management's Discussion and Analysis (Continued)

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes the historical information for the pensions and postemployment benefits plan and budgetary comparison schedules.

Government Wide Financial Analysis

Net position

Net position may serve over time as a useful indicator of a government's financial position. The Township's net position totaled \$10,784,761 at the end of 2022 and \$8,901,353 at the end of 2021. The largest portion of net position \$15,915,263 reflects the net capital investment in land, buildings, infrastructure, and equipment. The Township uses these capital assets to provide services to its citizens. The remaining portion of net position \$3,461,351 and (\$8,561,853) were reported as "restricted" and "unrestricted", respectively. The primary reason for the increase in net position from 2021 to 2022 was the Township saw an increase in revenues greater than the increase in their expenses. Revenues increased \$902,383 as a result of increases in operating grants, earned income, business privilege, investment earnings, and gain on disposal of capital assets totaling \$1,586,307 offset by decreases in charges for services, real estate taxes, real estate transfer, local service, and miscellaneous revenue totaling \$683,924. Expenditures decreased \$76,299 due to decrease in general government, highway and street, and culture and recreation expenses of \$2,337,785 offset by increases in public safety and interest expenses of \$2,261,486. The Township has set a goal of reducing the other postemployment benefit costs through negotiation of new employment agreements as a means to increase the Township's unrestricted net position.

Assets and liabilities

Other assets totaled \$31,963,501 or 56.5% of total assets, and exceeded current liabilities for year ended December 31, 2022, by \$29,177,466. Other assets are comprised of cash and equivalents \$6,625,007, taxes receivable \$2,089,053, other receivables \$836,297, due from stormwater authority of \$290,648, restricted cash of \$19,769,960, and pension asset of \$2,352,536. The Township saw an increase in other assets from 2021 to 2022 totaling \$1,368,314 which is mainly attributed to an increase in pension asset totaling \$1,090,045 as well as increases in cash and cash equivalents, taxes receivable, and restricted cash and cash equivalents totaling \$702,204 due to the Township receiving federal grant money. This increase was offset by decreases in other receivables and Due from stormwater authority totaling \$423,935. The Township's capital assets include land, buildings, infrastructure and equipment. The net depreciable portion of capital assets is \$17,640,622 and land and construction in progress is \$6,974,183. Deferred outflows of \$12,509,603 at December 31, 2022 were comprised of the refunding loss, pension outflows, and OPEB outflows. Total liabilities and deferred inflows of resources increased from 2021 to 2022 by \$4,233,759. This increase is primarily attributed to increases in the Township's net pension liability which totaled \$6,516,959. Current portion of liabilities are comprised of accounts payable \$523,695, accrued payroll \$71,775, escrow deposits \$90,760, the current portion of long-term debt \$835,000, the current portion of compensated absences \$333,742, the current portion of loans payable \$244,615, current portion of leases payable \$428,272, unearned revenue \$27,363, and accrued interest payable \$230,813. Noncurrent liabilities due in more than one year are comprised of bonds and notes payable \$25,014,426, loans payable \$244,615, leases payable \$1,451,868, compensated absences \$1,891,206, net pension liability \$8,436,438 and total OPEB liability \$13,486,037.

SWATARA TOWNSHIP, PENNSYLVANIA
Management's Discussion and Analysis (Continued)

Government Wide Financial Analysis (continued)

Assets and liabilities (continued)

Governmental activities Net position Years ended December 31, 2022 and 2021		
	2022	2021
Other assets	\$ 31,963,501	\$ 30,595,187
Capital assets	24,587,805	24,980,052
Total assets	<u>56,551,306</u>	<u>55,575,239</u>
Deferred outflows of resources	12,509,603	7,368,503
Current portion of liabilities	2,786,035	2,656,075
Noncurrent portion of liabilities	51,515,482	45,131,541
Total liabilities	<u>54,301,517</u>	<u>47,787,616</u>
Deferred inflows of resources	\$ 3,974,631	\$ 6,254,773
Net position:		
Net investment in capital assets	\$ 15,915,263	\$ 14,533,792
Restricted	3,431,351	2,367,502
Unrestricted	(8,561,853)	(7,999,941)
Total net position	<u>\$ 10,784,761</u>	<u>\$ 8,901,353</u>

SWATARA TOWNSHIP, PENNSYLVANIA
Management's Discussion and Analysis (Continued)

Government Wide Financial Analysis (continued)

Change in net position

The change in net position for 2022 was \$1,883,408.

Following is a comparative statement of changes in net position.

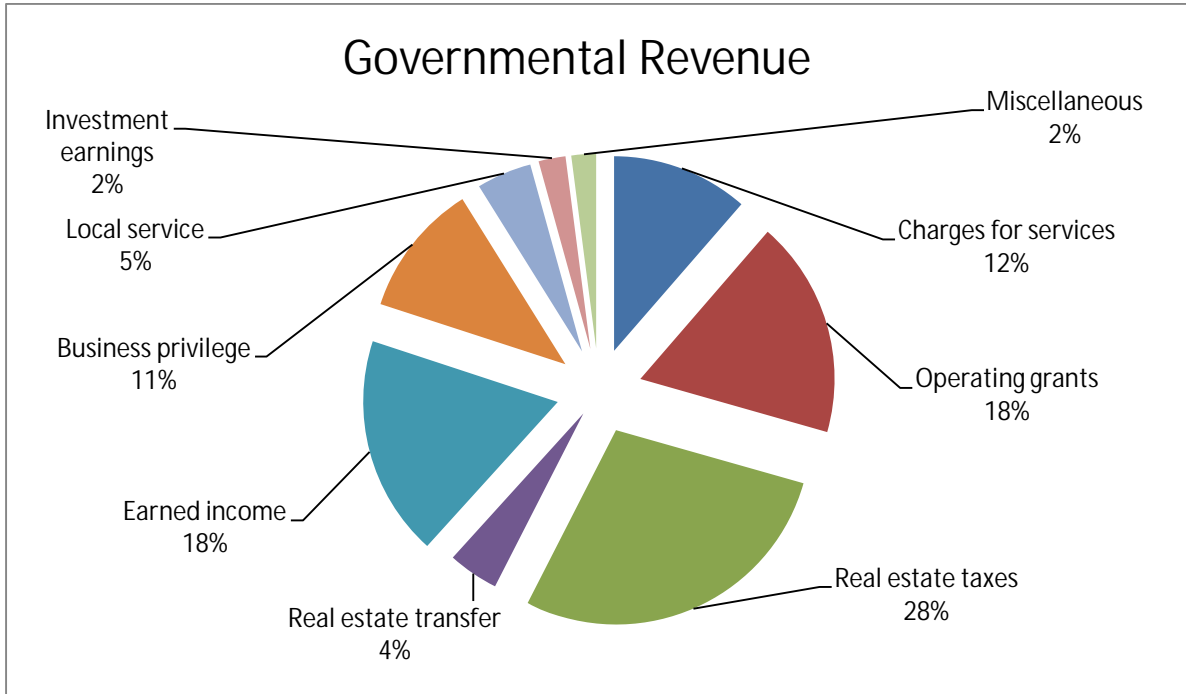
Governmental activities Changes in net position Years ended December 31, 2022 and 2021		
	2022	2021
Revenues:		
Program revenues:		
Charges for services	\$ 2,293,006	\$ 2,507,350
Operating grants	3,621,403	2,945,907
General revenues:		
Real estate taxes	5,657,911	5,678,080
Real estate transfer	841,160	843,891
Earned income	3,685,614	3,376,932
Business privilege	2,235,694	2,060,251
Local service	917,262	922,755
Investment earnings	448,800	32,812
Miscellaneous	414,075	844,564
Total revenues	<u>20,114,925</u>	<u>19,212,542</u>
Expenses		
General government	960,403	1,345,048
Public safety	13,880,460	11,843,270
Highways and streets	2,355,184	3,650,578
Culture and recreation	211,297	869,043
Interest expenses	824,173	599,877
Total expenses	<u>18,231,517</u>	<u>18,307,816</u>
Change in net position	<u>1,883,408</u>	<u>904,726</u>
Net position, beginning	<u>8,901,353</u>	<u>7,996,627</u>
Net position, ending	<u><u>\$ 10,784,761</u></u>	<u><u>\$ 8,901,353</u></u>

SWATARA TOWNSHIP, PENNSYLVANIA
Management's Discussion and Analysis (Continued)

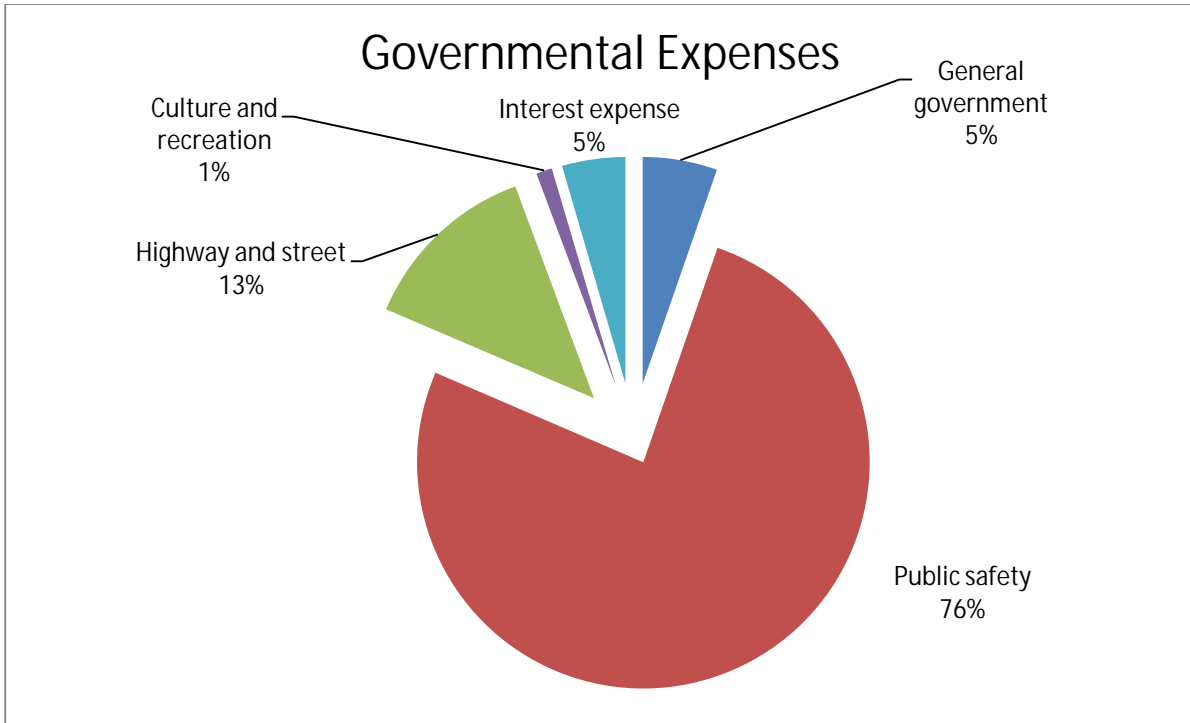
Government Wide Financial Analysis (continued)

Change in net position (continued)

Total Governmental Revenues by major source is \$20,114,925.



Total Governmental Program Expenses by source is \$18,231,517.



SWATARA TOWNSHIP, PENNSYLVANIA
Management's Discussion and Analysis (Continued)

Government Wide Financial Analysis (continued)

Change in net position (continued)

Net position increased by \$1,883,408 in 2022 and increased by \$904,726 in 2021. Total 2022 revenues increased by \$902,383 or 4.7% over last year, as previously discussed primarily, due to increases in operating grants and investment earnings offset by decreases in miscellaneous revenues. Total 2022 expenses decreased by \$76,299 or 0.4% as previously discussed primarily due to decrease in general government, highway and street, and culture and recreation, and increases in public safety and interest expense.

2022 Budget Overview

2022 General Fund actual revenue exceeded the budgeted revenue by \$2,001,029. The main reason for this was greater than anticipated tax revenue, license, fees and permits, and intergovernmental revenues then budgeted.

2022 General Fund actual expenditures were higher than the budgeted expenditures by \$1,412,341. The main reason for this was higher than anticipated public safety, highway maintenance, and capital outlay expenditures during the year.

2022 General Fund net other financing sources/(uses) were higher than the budget figures by \$1,350,857. This was primarily due to transfers to the general fund totaling \$1,350,259 that was not included within the budget.

Capital Asset Administration

Swatara Township purchased \$1,066,617 of capital assets in 2022. The major asset additions include equipment totaling \$233,585, building and improvements totaling \$162,382, construction in progress totaling \$133,516 and land totaling \$537,134.

Governmental activities
Capital assets
Years ended December 31, 2022 and 2021

	2022	2021
Non-depreciable Assets:		
Land	\$ 3,403,314	\$ 2,866,180
Construction in progress	3,543,869	3,410,353
Total Capital Assets Not Being Depreciated	6,947,183	6,276,533
Depreciable Assets:		
Automotive equipment - leased	3,242,719	3,242,719
Machinery and equipment - leased	1,725,127	1,725,127
Buildings and improvements	10,981,279	10,818,897
Automotive equipment	6,764,439	6,410,517
Machinery and equipment	5,223,594	5,193,799
Bridges	6,253,335	6,253,335
Roads and street light	52,363,251	52,363,251
Less Accumulated Depreciation	(68,913,122)	(67,304,126)
Total Capital Assets Being Depreciated Net	17,640,622	18,703,519
Total Net Capital Assets	<u>\$ 24,587,805</u>	<u>\$ 24,980,052</u>

Additional information on capital assets can be found in Note 5 of the financial statements.

SWATARA TOWNSHIP, PENNSYLVANIA
Management's Discussion and Analysis (Continued)

Debt Administration

Governmental activities
Debt
Years ended December 31, 2022 and 2021

	2022	2021
Compensated absences	\$ 2,224,948	\$ 1,281,260
Loans	1,480,122	607,982
General obligation notes, and bonds	25,849,426	26,873,743
Total	<u>\$ 29,554,496</u>	<u>\$ 28,762,985</u>

During 2022, compensated absences increased by \$943,688, loans increased by \$872,140 and General Obligation Notes and Bonds decreased by \$1,024,317.

2015 Bonds

The Township issued the Series of 2015 General Obligation Bonds to finance a variety of capital projects and capital outlays for over the next several years. The proceeds were also used to currently refund the General Obligation Bonds, Series of 2010 and to fund the termination payment associated with the cancellation of the Township's Swap. The balance of the outstanding bonds as of December 31, 2022 is \$5,335,000.

2020 Bonds

The Township issued the Series of 2020 General Obligation Bonds to finance capital improvements to various Township facilities including, without limitation, streets, roads, governmental buildings, parks, and recreational facilities. The balance of the outstanding bonds as of December 31, 2022 is \$17,690,000.

Infrastructure Loan

The Township entered into an infrastructure loan with the County of Dauphin in the amount of \$1,500,000 for renovations and repairs on the 63rd Street Bridge. The outstanding balances of the loan as of December 31, 2022 is \$457,122.

Infrastructure Loan 2022

The Township entered into an infrastructure loan with the County of Dauphin in the amount of \$1,023,000 for water sediment removal. The outstanding balances of the loan as of December 31, 2022 is \$1,023,000.

Additional information on long-term debt obligations can be found in Note 8 of the financial statements.

Economic Factors And Next Year's Budget

The following economic factors will affect Swatara Township and will be considered in developing the 2023 budget. The Township continues to experience an upturn in construction of commercial and residential property. As a result, we anticipate a slight increase in the overall assessed value and thus an increase in real estate tax revenue. Also, the Township continued to see improved collections of the Business Privilege Licenses and related tax revenue as we continue throughout the pandemic. The Township plans to undertake multiple capital projects to address stormwater runoff utilizing the funds collected from the stormwater fees assessed.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, business residents, customers, investors and creditors with a general overview of the Township's Finances and to demonstrate the Township's accountability for the money it receives. If you have any questions regarding this report or need financial information, please contact the Township Manager at 599 Eisenhower Blvd., Harrisburg, Pennsylvania 17111.

SWATARA TOWNSHIP, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Primary	Component
	Governmental	Swatara Township Stormwater Authority
Activities		
Assets:		
Cash and cash equivalents	\$ 6,625,007	\$ 87,053
Taxes receivable	2,089,053	-
Other receivables	836,297	685,262
Restricted assets:		
Cash and cash equivalents	19,769,960	-
Pension asset	2,352,536	-
Due from stormwater authority	290,648	-
Capital assets:		
Nondepreciable	6,947,183	2,782
Depreciable, net	17,640,622	801,830
Total assets	<u>56,551,306</u>	<u>1,576,927</u>
Deferred outflows of resources:		
Loss on refunding	250,754	-
Pensions	9,138,081	-
OPEB	3,120,768	-
Total deferred outflows of resources	<u>12,509,603</u>	<u>-</u>
Liabilities:		
Accounts payable	523,695	-
Accrued payroll and expenses	71,775	-
Escrow deposits payable	90,760	-
Accrued interest payable	230,813	-
Due to Township	-	290,648
Unearned revenue	27,363	278,559
Noncurrent liabilities due within one year:		
Current portion of loan payable	244,615	-
Current portion of lease payable	428,272	-
Current portion of bonds and notes payable	835,000	-
Compensated absences	333,742	-
Noncurrent liabilities due in more than one year:		
OPEB Liability	13,486,037	-
Loan payable	1,235,507	-
Lease payable	1,451,868	-
Bonds and notes payable	25,014,426	-
Net Pension Liability	8,436,438	-
Compensated absences	1,891,206	-
Total liabilities	<u>54,301,517</u>	<u>569,207</u>
Deferred inflows of resources:		
Pensions	2,114,773	-
OPEB	1,859,858	-
Total deferred inflows of resources	<u>3,974,631</u>	<u>-</u>
Net position:		
Net investment in capital assets	15,915,263	804,612
Restricted for:		
Liquid fuels	522,829	-
Fire prevention	530,564	-
Ambulance	6,435	-
Debt Service	18,987	-
Pension asset	2,352,536	-
Unrestricted	(8,561,853)	203,108
Total net position	<u>\$ 10,784,761</u>	<u>\$ 1,007,720</u>

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

SWATARA TOWNSHIP, PENNSYLVANIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
Primary government:						
Government activities:						
General government	\$ 960,403	\$ 653,897	\$ 1,381,867	\$ -	\$ 1,075,361	\$ -
Public safety	13,880,460	1,312,741	1,035,609	-	(11,532,110)	-
Highway and street	2,355,184	323,724	1,191,502	-	(839,958)	-
Culture and recreation	211,297	2,644	12,425	-	(196,228)	-
Interest expense	824,173	-	-	-	(824,173)	-
Total primary government	<u>\$ 18,231,517</u>	<u>\$ 2,293,006</u>	<u>\$ 3,621,403</u>	<u>\$ -</u>	<u>(12,317,108)</u>	<u>-</u>
Component Unit, Swatara Township Stormwater Authority	<u>\$ 1,513,230</u>	<u>\$ 1,780,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>267,709</u>
General revenues:						
Taxes:						
Real estate					5,657,911	-
Real estate transfer					841,160	-
Earned income					3,685,614	-
Business privilege					2,235,694	-
Local service					917,262	-
Investment income:						
Interest income					448,800	407
Gain on disposal of capital assets					10,698	-
Miscellaneous					403,377	215
Total general revenues					<u>14,200,516</u>	<u>622</u>
Change in net position					1,883,408	268,331
Net position - beginning					<u>8,901,353</u>	<u>739,389</u>
Net position - ending					<u>\$ 10,784,761</u>	<u>\$ 1,007,720</u>

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

SWATARA TOWNSHIP, PENNSYLVANIA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General Fund	Fire Prevention Fund	Capital Reserve Fund	Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 405,231	\$ 484,451	\$ 4,094,520	\$ -	\$ 1,640,805	\$ 6,625,007
Taxes receivable	1,921,610	83,436	-	-	84,007	2,089,053
Due from stormwater authority	290,648	-	-	-	-	290,648
Other receivables	478,905	72,512	284,880	-	-	836,297
Restricted cash and cash equivalents	90,760	-	-	19,679,200	-	19,769,960
Total assets	\$ 3,187,154	\$ 640,399	\$ 4,379,400	\$ 19,679,200	\$ 1,724,812	\$ 29,610,965
Liabilities:						
Accounts payable	\$ 262,346	\$ 28,660	\$ -	\$ 151,248	\$ 81,441	\$ 523,695
Accrued payroll	71,775	-	-	-	-	71,775
Escrow deposits payable	90,760	-	-	-	-	90,760
Unearned revenue	25,377	-	-	-	1,986	27,363
Total liabilities	450,258	28,660	-	151,248	83,427	713,593
Deferred Inflows of Resources:						
Unavailable Revenue - Property Taxes	153,477	81,175	-	-	81,730	316,382
Total Deferred Inflows of Resources	153,477	81,175	-	-	81,730	316,382
Fund balances:						
Restricted:						
Capital projects	-	-	-	19,527,952	1,009,194	20,537,146
Liquid fuels	-	-	-	-	522,829	522,829
Fire prevention	-	530,564	-	-	-	530,564
Ambulance	-	-	-	-	6,435	6,435
Debt Service	-	-	-	-	18,987	18,987
Assigned:						
Capital projects	-	-	4,379,400	-	-	4,379,400
COVID-19	-	-	-	-	2,210	2,210
Unassigned	2,583,419	-	-	-	-	2,583,419
Total fund balances	2,583,419	530,564	4,379,400	19,527,952	1,559,655	28,580,990
Total liabilities and fund balances	\$ 3,187,154	\$ 640,399	\$ 4,379,400	\$ 19,679,200	\$ 1,724,812	\$ 29,610,965

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

SWATARA TOWNSHIP, PENNSYLVANIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022

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

Total fund balances - governmental funds	\$ 28,580,990
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds:	
Capital assets	24,587,805
Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:	
Unavailable Revenue - Property Taxes	316,382
Pension assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds:	2,352,536
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the Statement of Net Position. Long-term liabilities at year-end consist of:	
Accrued interest payable	(230,813)
Compensated absences	(2,224,948)
Total OPEB liability	(13,486,037)
Loan payable	(1,480,122)
Capital lease	(1,880,140)
General obligation debt	(23,025,000)
Unamortized premium	(2,824,426)
Net pension liability	(8,436,438)
Deferred outflows of resources	12,509,603
Deferred inflows of resources	(3,974,631)
Net position of governmental activities	<u>\$ 10,784,761</u>

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

SWATARA TOWNSHIP, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Fire Prevention Fund	Capital Reserve Fund	Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 10,424,678	\$ 1,450,317	\$ -	\$ -	\$ 1,456,904	\$ 13,331,899
License, fees, and permits	1,319,841	-	-	-	-	1,319,841
Fines and forfeits	93,672	-	-	-	-	93,672
Interest and rents	20,022	14,003	60,490	334,245	20,040	448,800
Intergovernmental	1,470,731	1,000	-	-	2,149,672	3,621,403
Department earnings	868,310	11,183	-	-	-	879,493
Miscellaneous	286,845	116,465	-	-	67	403,377
Total revenues	14,484,099	1,592,968	60,490	334,245	3,626,683	20,098,485
Expenditures:						
Current operations:						
General government	1,862,084	-	-	4,898	27,569	1,894,551
Public safety	10,753,448	938,305	-	-	82,554	11,774,307
Highway and street	2,590,905	-	-	-	526,710	3,117,615
Culture and recreation	469,941	-	-	-	-	469,941
Debt service:						
Principal	216,705	449,432	-	-	701,239	1,367,376
Interest	19,637	91,581	-	-	915,890	1,027,108
Capital Outlay	759,100	174,001	-	133,516	-	1,066,617
Total expenditures	16,671,820	1,653,319	-	138,414	2,253,962	20,717,515
Excess (Deficiency) of Revenues over (under) expenditures	(2,187,721)	(60,351)	60,490	195,831	1,372,721	(619,030)
Other financing sources (uses):						
Issuance of loans	-	-	-	-	1,023,000	1,023,000
Proceeds of capital asset sales	10,698	-	-	-	-	10,698
Transfers in	1,350,259	-	-	-	-	1,350,259
Transfers out	-	-	-	-	(1,350,259)	(1,350,259)
Total other financing sources (uses)	1,360,957	-	-	-	(327,259)	1,033,698
Net changes in fund balances	(826,764)	(60,351)	60,490	195,831	1,045,462	414,668
Fund balances:						
Beginning of year	3,410,183	590,915	4,318,910	19,332,121	514,193	28,166,322
End of year	\$ 2,583,419	\$ 530,564	\$ 4,379,400	\$ 19,527,952	\$ 1,559,655	\$ 28,580,990

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

SWATARA TOWNSHIP, PENNSYLVANIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Net change in fund balances - total governmental funds	\$ 414,668
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlays	1,066,617
Depreciation expense	(1,458,864)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount is the net change in revenues accrued between the prior and current year:

Real estate tax revenues	5,742
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The issuance of long-term liabilities provide financial resources to governmental funds and contribute to the change in fund balance. However, the issuance of debt does not affect the Statement of Activities since it increases long-term liabilities in the Statement of Net Position. Accordingly, the repayment of principal and the proceeds of bond issuance are reported as an expenditure and revenue in the governmental funds, respectively, but reduce/increase the liability in the Statement of Net Position. The amounts related to the above items that make up differences are:

Proceeds from loans	(1,023,000)
Principal payments on loans	150,860
Principal payments on long-term debt	800,000
Principal payments on capital lease	416,516

Pursuant to the modified accrual basis of accounting, governmental funds do not recognize expenditures for transactions that are not normally paid with expendable available financial resources. Pursuant to the accrual basis of accounting, the Statement of Activities reports expenses and liabilities regardless of when financial resources are available. In addition, interest on long-term debt is not recognized in the governmental funds until due, while it is accrued in the Statement of Activities. The net differences for the items discussed above are:

Change in deferred loss on refunding	(31,344)
OPEB expense	(1,039,967)
Change in accrued interest payable	9,962
Change in bond premium	224,317
Pension Expense	3,291,589
Change in accrued compensated absences	(943,688)

Change in net position of governmental activities	<u><u>\$ 1,883,408</u></u>
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The accompanying notes are an integral part of the financial statements.

SWATARA TOWNSHIP, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION - POLICE PENSION
DECEMBER 31, 2022

	<u>Component Unit</u> <u>Police Pension</u>
Assets:	
Cash and cash equivalents	\$ 1,791,045
Investments:	
Fixed income mutual funds	5,653,404
Equities - stocks	6,287,606
Other mutual funds	11,095,234
Accrued Income	<u>58,448</u>
Total assets	<u>24,885,737</u>
Net position:	
Net position restricted for pensions	<u><u>\$ 24,885,737</u></u>

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

SWATARA TOWNSHIP, PENNSYLVANIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - POLICE PENSION
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Component Unit</u> <u>Police Pension</u>
Additions:	
Contributions:	
Employer - state aid	\$ 483,959
Employer - other	469,361
Employees	290,909
Other	<u>12,436</u>
Total contributions	<u>1,256,665</u>
Investment income:	
Interest and dividends	801,079
Net appreciation in fair value of investments	<u>(5,130,340)</u>
Total investment income/(loss)	(4,329,261)
Less investment expenses	<u>99,992</u>
Net investment income/(loss)	<u>(4,429,253)</u>
Total additions	<u>(3,172,588)</u>
Deductions:	
Benefit payments	1,373,667
Administrative expenses	<u>1,250</u>
Total deductions	<u>1,374,917</u>
Changes in net position	(4,547,505)
Net position restricted for pension:	
Beginning of year	<u>29,433,242</u>
End of year	<u><u>\$ 24,885,737</u></u>

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

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

The financial statements of Swatara Township have been prepared in conformity with accounting principles generally accepted in the United States of America 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. The significant accounting policies of Swatara Township are described below.

1. Summary of significant accounting policies:

Reporting entity:

Swatara Township is a Township of the first class and operates under an elected five-member Board of Commissioners. As required by accounting principles generally accepted in the United States of America, these financial statements present Swatara Township and its component unit. The Township includes in its reporting entity organizations for which they are financially accountable and other organizations for which the nature and significance of their relationship with the Township are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of reporting entity is based primarily on the notion of financial accountability. The Township is financially accountable to an organization if they appoint a voting majority of an organization's governing body *and* either *it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Township.*

Based upon the application of these criteria, the financial statements include the following discretely presented component units:

Swatara Township Stormwater Authority - The Township appoints a voting majority of the Authority's Board and the Stormwater Authority is not fiscally independent. Thus, there is a potential for the Authority to impose a specific financial burden on the Township. The Stormwater Authority provides stormwater system planning, management and implementation for the Township. The Authority issues separate financial statements annually which can be obtained from the Stormwater Authority office located at 599 Eisenhower Boulevard, Harrisburg, Pennsylvania. The Authority is presented as a discretely presented component unit in the Township's financial statements. All disclosures related to the Authority are presented in Note 20.

Fiduciary Component Unit - The Township's Employee Retirement Plan for the Police (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 Township's Board of Commissioners 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. The Plan does not issue a separate report and is presented as a fiduciary component fund in the Township's financial statements.

Basis of presentation:

Government-wide financial statements - The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. The interfund services provided and used have been eliminated from the government-wide financial statements in the process of consolidation.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given functional category (public safety, general government, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Expenses reported for functional activities do not include allocated indirect expenses. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given functional category and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular functional category. Taxes and other items are properly excluded from program revenues and reported instead as general revenues.

Major and nonmajor funds

The funds are further classified as major or nonmajor as follows:

Major funds:

General - The principal fund of the Township which accounts for all financial transactions not accounted for in other funds.

Capital project funds:

Capital reserve fund - Accounts for resources assigned by the Board for capital expenditures of the Township. All expenditures require approval by two-thirds of the Board of Commissioners.

Special revenue fund:

Fire prevention fund - Used to account for the support provided to the fire companies within the Township. Financing is provided by a real estate tax assessment (.9358 millage rate).

Bond fund - Bond proceeds from 2015 and 2020 Bond issuances are restricted for various capital projects outlined in the Bond Indentures. As of December 31, 2021, not all funds have been expended.

Nonmajor funds:

Special revenue funds:

Liquid fuels fund - Used to account for maintenance and construction of Township highways, traffic signals and bridges.

Capital Projects Fund – Used to account for infrastructure sinking fund loan and its activity.

Ambulance fund - Used to account for the support provided to the ambulance company within the Township.

Debt service fund - Used to account for the accumulation of financial resources for payment of interest and principal on the General Obligation Bonds and General Obligation Note of the Township.

ARPA fund – Used to account for the federal coronavirus rescue package designed to facilitate the recovery from the devastating economic and health effects of the COVID–19 pandemic.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

Fiduciary fund:

Fiduciary Component Unit - Police Pension Trust Fund – is used to account for the retirement pension plan contributions of the Township and members of the police department.

Basis of accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are reported for using the current financial resources measurement focus, and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds' statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide financial statements and pension trust funds are reported using the economic resources measurement focus, and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the statement of net position or on the statement of fiduciary net position. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The fund financial statements of the general, special revenue, debt service and capital projects funds are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. The material modifications of the modified accrual method from the accrual method are as follows:

- a. Revenues are recognized in the accounting period in which they become susceptible to accrual; that is when they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or within 60 days after year-end for property taxes. The period of availability for all other for all other significant revenue is 180 days.

Real estate transfer taxes, licenses, permits and fines, rental income and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Intergovernmental revenues and investment income are recorded when earned since they are measurable and available. Real estate taxes which are uncollected or delinquent are recorded as receivables, net of the allowance for doubtful accounts. Current levies of taxes which are not available to finance current expenditures are recorded as deferred inflows of resources. Taxpayer assessed revenues are recognized when they become both measurable and available to finance expenditures of the fiscal period.

- b. Principal and interest on long- term debt are recognized when due.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

1. Summary of significant accounting policies (continued):

Basis of accounting (continued):

- c. Accumulated unpaid vacation pay and sick pay amounts which are expected to be paid with expendable available financial resources are recorded in the respective fund financial statements in accordance with criteria prescribed in GASB Statement No. 16. Accrued costs include payroll related expenditures such as the employer's share of Social Security taxes. As of December 31, 2022, no such costs have been recorded in the fund financial statements.

Cash and cash equivalents:

The Township considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments:

Investments are stated at fair value. The change in fair value of investments is reflected as investment income.

Receivables:

Receivables at December 31, 2022 consisted of various taxes and intergovernmental receivables.

Capital assets:

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) (except for intangible right-to-use lease assets, the measurement of which is discussed in note 6 below) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The Township maintains a capitalization threshold of \$5,000 for general capital assets and \$25,000 for infrastructure. The Township's infrastructure consists of roads, bridges, traffic signals and storm water systems. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Township's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	40 years
Automotive equipment	7 years
Machinery and equipment	10 years
Infrastructure (bridges, roads, and street lights)	25 - 50 years

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

1. Summary of significant accounting policies (continued):

Long-Term Debt:

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of general obligation notes and bonds.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources when received and the payment of principal and interest is reported as expenditures when paid.

Leases

The Township is a lessee for a noncancellable leases of equipment. The Township recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the Township initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the Township determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Township uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Township generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Township is reasonably certain to exercise.

The Township monitors changes in circumstance that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Compensated absences:

The Township's policies regarding sick and vacation time permit employees to accumulate earned but unused sick and vacation leave. The liability for these compensated absences is recorded as a liability in the government-wide statements. In the fund financial statements, a liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred inflows of resources:

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises under a modified accrual basis of accounting, that qualifies for reporting under this category. The governmental funds report unavailable revenue from property taxes. The government has two types of items, which arise under the accrual basis of accounting, that qualify for reporting under this category, the deferred inflows related to pensions and OPEB.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

2. Summary of significant accounting policies (continued):

Deferred outflows of resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The government also has three types of items that arise under the accrual basis of accounting, that qualify for reporting under this category, the deferred outflows related to pensions, OPEB, and the deferred outflow related to a loss on refunding.

Net position and fund balance classifications:

Government-wide statements

Net position is displayed in three components:

- a. Net Investment in capital assets - Consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

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

Governmental Fund statements - The following classifications describe the relative strength of the spending constraints on fund balance:

- *Nonspendable Fund Balance* – Amounts that are not in a 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 (i.e. the Township Commissioners). To be reported as committed, amounts cannot be used for any other purpose unless the Township takes the same level action to remove or change the constraint. This formal action is a Board approved Resolution.
- *Assigned Fund Balance* – Amounts the Township intends to be used for a specific purpose, but are neither restricted or committed. It is the Township's policy that undesignated excess fund balances may be assigned by the Township Board of Commissioners for specific purposes through the budget process or agenda items. The assigned designation may be reversed by the Township Board of Commissioners at any public meeting.
- *Unassigned Fund Balance* – Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance and lastly unassigned fund balance.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

1. Summary of significant accounting policies (continued):

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Adoption of Governmental Accounting Standards Boards Statements

In 2022, SWATARA TOWNSHIP adopted the requirements of GASB issued Statement No. 87, "Leases". The adoption of this statement had no effect on previously reported amounts.

In 2022, SWATARA TOWNSHIP adopted the requirements of GASB issued Statement No. 91, "Conduit Debt Obligations". The adoption of this statement had no effect on previously reported amounts.

In 2022, SWATARA TOWNSHIP adopted the requirements of GASB issued Statement No. 92, "Omnibus 2020". The adoption of this statement had no effect on previously reported amounts.

In 2022, SWATARA TOWNSHIP adopted the requirements of GASB issued Statement No. 93, "Replacement of Interbank Offered Rates". The adoption of this statement had no effect on previously reported amounts.

In 2022, SWATARA TOWNSHIP adopted all remaining provisions of GASB issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". The adoption of this statement had no effect on previously reported amounts.

Pending changes in accounting principles

In March 2020, the GASB issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The Township is required to adopt statement No. 94 for its calendar year 2023 financial statements.

In May 2020, the GASB issued Statement No. 96, "Subscription-Based Information Technology Arrangements". The Township is required to adopt statement No. 96 for its calendar year 2023 financial statements.

In April 2022, the GASB issued Statement No. 99, "Omnibus 2022". The Township is required to adopt statement No. 99 for its calendar year 2023 financial statements.

In June 2022, the GASB issued Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62". The Township is required to adopt Statement No. 100 for its calendar year 2024 financial statements.

In June 2022, the GASB issued Statement No. 101, "Compensated Absences". The Township is required to adopt Statement No. 101 for its calendar year 2024 financial statements.

The Township has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

1. Summary of significant accounting policies (continued):

PMRS Pension

For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to the Township's pension with PMRS, and pension expense, information about the fiduciary net position of the Pennsylvania Municipal Retirement System (PMRS) and additions to/deductions from PMRS's fiduciary net position have been determined on the same basis as they are reported by PMRS. 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.

2. Budgets and budgetary accounting:

Formal budgetary accounting is employed as a management control in the governmental fund types of the Township. Annual operating budgets are adopted each year through the passage of an annual budget ordinance and the modified accrual basis of accounting is used to complete the budget for all governmental fund types. Budgetary control is exercised at the fund level. The Township Board of Commissioners is authorized to transfer any unappropriated amounts between funds. During 2022, certain budget amendments were made. Management is authorized to transfer appropriated amounts between line items within a fund. The Township does not prepare budgets for fiduciary and capital project funds.

The Township adopts a budget for all governmental funds except the Bond Fund, Capital Reserve Fund, Capital Project Fund, and ARPA Fund.

3. Real estate taxes:

The Township is permitted by the Township Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 30 mills on every dollar of adjusted valuation for general Township purposes exclusive of the requirements for the payment of interest and principal on debt and other special purposes. For 2022, the Township real estate taxes were levied at the rate of 3.6473 mills on every dollar of taxable adjusted valuation for general, fire and ambulance protection and debt service purposes. The taxes are collected by an elected tax collector.

The Township levies these taxes on February 1. Taxpayers making payments prior to March 31 are given a 2% discount. Amounts paid June 1 through July 31 are assessed a 5% penalty and taxes paid after July are assessed a 10% penalty. Real estate taxes attach as an enforceable lien on property as of January 1 of the following year. The County of Dauphin collects delinquent real estate taxes on behalf of the Township.

The Township's property tax is levied by ordinance of the Board of Commissioners on real property located within the Township. Assessed values are generally 100% of market value as of the date of the last reassessment by the Dauphin County Board of Property Assessment, Appeals and Review. The total taxable assessed valuation was approximately \$1,606,489,560 as of December 31, 2022.

4. Deposits and investments:

Custodial credit risk, deposits and investments:

For deposits, custodial credit risk is the risk that, in the event of bank failure, the Township's deposits may not be returned to it. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investment or collateral security that is in the possession of an outside party. The Township deposits are carried at cost plus accrued interest.

Total bank deposits held by outside parties on December 31, 2022 were \$26,831,576. Of the \$26,831,576 in deposits, \$340,760 was covered by federal depository insurance and \$26,490,816 was subject to custodial credit risk as the deposits were covered by collateral held in the pledging banks' trust departments or their agents but not in the government's name in conformity with Act 72 of 1971. This Act requires the institution to pool collateral for all its government deposits and to have the collateral held by an approved custodian in the institution's name. On December 31, 2022, the pledged collateral was more than sufficient to cover the balance of the Township's accounts. The Township has no policy regarding custodial credit risk for deposits. On December 31, 2022, none of the Township's police pension fund cash and cash equivalents or investments were subject to custodial credit risk.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

4. Deposits and investments (continued):

Deposits:

Collateral held by pledging bank under Act 72	\$ 26,490,816
Insured by Federal Deposit Insurance Corporation (FDIC)	340,760
Petty Cash	1,135
Deposits in Transit	5,696
Outstanding Checks	(443,440)
Total cash and cash equivalents	<u>\$ 26,394,967</u>

Statutes authorize the Township to invest in the following:

1. U.S. treasury bills;
2. Obligations of the U.S. government and federal agencies;
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; and
5. Shares of mutual funds whose investments are restricted to the above categories.

In addition to the investments authorized for the governmental funds, fiduciary fund investments may also be made in corporate stocks and bonds, repurchase agreements and other investments consistent with sound business practice.

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The police pension fund has the following recurring fair value measurements as of December 31, 2022:

	<u>12/31/2022</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by fair value level				
Debt securities				
Fixed Income Mutual Funds	\$ 5,653,404	\$ 5,653,404	\$ -	\$ -
Total debt securities	<u>5,653,404</u>	<u>5,653,404</u>	<u>-</u>	<u>-</u>
Equity securities				
Cash Equivalents - Money Market Funds	1,791,045	1,791,045	-	-
Stocks	6,287,606	6,287,606	-	-
Other mutual funds	11,095,234	11,095,234	-	-
Total equity securities	<u>19,173,885</u>	<u>19,173,885</u>	<u>-</u>	<u>-</u>
Total investments by fair value	<u>\$ 24,827,289</u>	<u>\$ 24,827,289</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.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

4. Deposits and investments (continued):

Investments (continued):

As of December 31, 2022, the Township had the following debt investments and maturities within police pension fund:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Fixed Income Mutual Funds	\$ 5,653,404	\$ -	\$ 628,529	\$ 4,618,041	\$ 406,834
Total	\$ 5,653,404	\$ -	\$ 628,529	\$ 4,618,041	\$ 406,834

Interest rate risk:

The Township has a formal investment policy that permits investments as authorized by law and requires that maturities of investments are consistent with cash flow requirements. The policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk:

According to the Township's investment policy, the selection of depository institutions, repurchase investment advisors, brokers, custodians, investment advisors, local government investment pools and money market mutual funds is based on legality, performance, quality of service, creditworthiness, reputation and integrity. In addition, the investment companies used by the Township must be rated in the highest category by a nationally recognized rating agency.

Concentration of credit risk:

As of December 31, 2022, Township police pension fund's investments in fixed income mutual funds were rated by Standard and Poor's as follows:

\$384,555	7% AAA	\$1,876,478	33% AA-
\$329,126	6% BBB	\$406,834	7% BB+
\$406,834	7% BB-	\$299,403	5% B+
\$1,957,110	35% not rated		

The Township places no limit on the amounts invested in any one issuer. As of December 31, 2022 none of the Township police pension fund investments were subject to concentration of credit risk.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

5. Capital Assets:

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
Non-depreciable Assets:				
Land	\$ 2,866,180	\$ 537,134	\$ -	\$ 3,403,314
Construction in progress	3,410,353	133,516	-	3,543,869
Total Capital Assets Not Being Depreciated	6,276,533	670,650	-	6,947,183
Depreciable Assets:				
Automotive equipment - leased	\$ 3,242,719	\$ -	\$ -	\$ 3,242,719
Machinery and equipment - leased	1,725,127	-	-	1,725,127
Buildings and improvements	10,818,897	162,382	-	10,981,279
Automotive equipment	6,410,517	203,790	(150,132)	6,764,439
Machinery and equipment	5,193,799	29,795	-	5,223,594
Bridges	6,253,335	-	-	6,253,335
Roads and street lights	52,363,251	-	-	52,363,251
Total Capital Assets Being Depreciated	86,007,645	395,967	(150,132)	86,553,744
Less Accumulated Depreciation:				
Automotive equipment - leased	\$ 793,345	\$ 210,102	\$ -	\$ 1,003,447
Machinery and equipment - leased	642,148	183,685	-	825,833
Buildings and improvements	5,399,083	254,353	-	5,653,436
Automotive equipment	5,513,992	252,336	(150,132)	5,916,460
Machinery and equipment	4,075,321	190,067	-	4,265,388
Bridges	2,769,825	124,347	-	2,894,172
Roads and street lights	48,110,412	243,974	-	48,354,386
Total Accumulated Depreciation	67,304,126	1,458,864	(150,132)	68,913,122
Total Capital Assets Being Depreciated Net	18,703,519	(1,062,897)	-	17,640,622
Total Net Capital Assets	<u>\$ 24,980,052</u>	<u>\$ (392,247)</u>	<u>\$ -</u>	<u>24,587,805</u>

Depreciation expense was charged to the governmental functions as follows:

General Government	\$ 91,676
Public Safety	514,204
Highway and Street	750,964
Culture and Recreation	102,020
Total depreciation expense	<u>\$ 1,458,864</u>

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

6. Leases:

Pertinent information regarding leases is presented below.

Date of Issue	Initial Liability	Purpose	Outstanding Liability Balance 12/31/22	Asset Value 12/31/22	Accumulated Amortization 12/31/22
2016	\$2,721,218	During 2016, the Township entered into a fifteen-year lease agreement for the acquisition and use of equipment. The Township is required to make monthly principal and interest payments of \$170,763. The lease has an interest rate of 3%.	\$ 1,341,443	\$2,721,218	\$ 136,061
2019	\$983,185	During 2019, the Township entered into a five-year lease agreement for the acquisition and use of equipment. The Township is required to make monthly principal and interest payments of \$53,157. The lease has an interest rate of 3%. In addition, the Township will purchase the equipment for \$1.00 at the end of the lease term. The equipment has an estimated useful life of 5 years.	310,666	983,185	113,149
2020	\$445,113	During 2020, the Township entered into a five-year lease agreement for the acquisition and use of equipment. The Township is required to make monthly principal and interest payments of \$23,524. The lease has an interest rate of 3%.	228,029	445,113	49,981
Total			<u>\$1,880,140</u>	<u>\$4,149,516</u>	<u>\$ 299,191</u>

	Balance January 01, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Lease Liability	2,296,656	-	416,516	1,880,140	428,272

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

6. Leases (continued):

The future principal and interest lease payments as of December 31, 2022 are as follows:

Year	Principal	Interest	Total
2023	\$ 428,272	\$ 49,213	\$ 477,485
2024	333,651	37,523	371,174
2025	187,301	30,510	217,811
2026	144,605	26,159	170,764
2027	148,668	22,095	170,763
2028-2031	637,643	45,415	683,058
Totals	<u>\$ 1,880,140</u>	<u>\$ 210,915</u>	<u>\$ 2,091,055</u>

7. Compensated absences:

At December 31, 2022, the Township has a liability to compensate employees for vacation and sick leave. The liability is recorded in the government wide statement of net position in the amount of \$2,224,948.

The personnel policies of the Township's employees are governed by the collective bargaining agreements of the union employees and the Township's personnel manual for all other employees.

Police have the right to accumulate unlimited sick time, but sick time vests at a sliding scale beginning at 100% for 75 days, up to a maximum of 50% for 350 plus days. Vacation time vests immediately and can accumulate to a maximum of 45 days. Police hired before January 1, 2018 have the right to sell back sick time and vacation time each year. Police hired after January 1, 2018 have the right to sell back sick time each year.

Non-uniformed union employees have the right to accumulate and vest in sick time up to 120 days. Vacation time vests immediately and can accumulate to an unlimited amount. Non-uniformed union employees hired before January 1, 2018 have the right to sell back sick time each year. All nonunion employees of the Township are covered by the Township's Personnel Manual.

All compensated time is paid through the General Fund at the regular straight-time rate in effect on the day of termination under all agreements.

The following table summarizes the compensated absences liability:

	Compensated Absences
Balance at beginning of year	\$ 1,281,260
Additions	1,053,278
Retirements	<u>(109,590)</u>
Balance at end of year	<u>\$ 2,224,948</u>
Amounts due within one year	<u>\$ 333,742</u>

Compensated absences liability is liquidated by the general fund.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

8. Long-term debt:

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt debt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. At December 31, 2022, the Township has not recorded an arbitrage liability in its financial statements.

General Obligation Bonds, Series 2015:

On January 15, 2015, the Township issued a General Obligation Bond, Series of 2015, in the aggregate principal amount of \$10,410,000. The Bonds were issued at a premium of \$1,176,758. Proceeds of the bonds are to be used as follows: (i) to refund, in a current refunding for federal tax purposes, the outstanding General Obligation Bonds, Series 2010 of the Township; (ii) to fund the termination payment associated with the cancellation of the 2012 Pay-Fixed Interest Rate Swap; (iii) to fund various capital projects to the Township; and (iv) to pay costs, fees and expenses with respect to the issuance of the bonds. The interest rates range from 2.0% to 5.0% with maturity at October 1, 2030. The 2015 Bonds are secured by the full faith, credit and taxing power of the Township.

Principal and interest maturities for the Series of 2015 Note is as follows:

	Principal	Interest	Total
2023	\$ 830,000	\$ 256,100	\$ 1,086,100
2024	870,000	216,350	1,086,350
2025	545,000	174,850	719,850
2026	570,000	131,350	701,350
2027	605,000	104,100	709,100
2028-2030	1,915,000	191,700	2,106,700
Total	<u>\$ 5,335,000</u>	<u>\$ 1,074,450</u>	<u>\$ 6,409,450</u>

Infrastructure Loan (Direct Borrowing):

In April 2015 the Township entered into an Infrastructure Loan with the County of Dauphin in the amount of \$1,500,000 for renovations and repairs on the 63rd Street Bridge. Payments of principal and interest are due on January 1 of each year. The loan carries an interest rate of .5% and matures on January 1, 2025.

The schedule of principal maturity and debt service for the Township is as follows:

	Principal	Interest	Total
2023	\$ 151,615	\$ 2,286	\$ 153,901
2024	152,373	1,528	153,901
2025	153,134	765	153,899
	<u>\$ 457,122</u>	<u>\$ 4,579</u>	<u>\$ 461,701</u>

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

8. Long-term debt (Continued):

General Obligation Bonds, Series 2020:

On September 29, 2020, the Township issued a General Obligation Bond, Series of 2020, in the aggregate principal amount of \$17,695,000. The Bonds were issued at a premium of \$2,563,092. Proceeds of the bonds are to be used toward financing capital improvements to various Township facilities including, without limitation, streets, roads, governmental buildings, parks, recreational facilities and to pay the costs of issuing the bonds. The interest rates range from 2.0% to 4.0% with maturity at October 1, 2050. The 2020 Bonds are secured by the full faith, credit and taxing power of the Township.

The schedule of principal maturity and debt service for the Township is as follows:

	Principal	Interest	Total
2023	\$ 5,000	\$ 706,900	\$ 711,900
2024	5,000	706,800	711,800
2025	5,000	706,700	711,700
2026	5,000	706,600	711,600
2027	5,000	706,500	711,500
2028-2032	1,225,000	3,507,050	4,732,050
2033-2037	3,470,000	3,021,400	6,491,400
2038-2042	4,225,000	2,269,400	6,494,400
2043-2047	5,140,000	1,354,000	6,494,000
2048-2050	3,605,000	292,200	3,897,200
Total	<u>\$ 17,690,000</u>	<u>\$ 13,977,550</u>	<u>\$ 31,667,550</u>

Infrastructure Loan 2022 (Direct Borrowing):

In September 2022 the Township entered into an Infrastructure Loan with the County of Dauphin in the amount of \$1,023,000 for water sediment removal. Payments of principal and interest are due on May 1 and November 1 of each year. The loan carries an interest rate of 1.74% and matures on November 1, 2032.

The schedule of principal maturity and debt service for the Township is as follows:

	Principal	Interest	Total
2023	\$ 93,000	\$ 19,481	\$ 112,481
2024	96,000	16,182	112,182
2025	98,000	14,512	112,512
2026	100,000	12,806	112,806
2027	101,000	11,066	112,066
2028-2032	535,000	28,275	563,275
	<u>\$ 1,023,000</u>	<u>\$ 102,322</u>	<u>\$ 337,175</u>

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

8. Long-term debt (Continued):

Infrastructure Loan 2022 (Direct Borrowing) (Continued):

The following is a summary of changes in long-term debt for the year ended December 31, 2022:

	General Obligation Notes and Bonds	Bond Premium	Total Long- Term Debt	Infrastructure Loans (Direct Borrowing)
Balance at beginning of year	\$ 23,825,000	\$ 3,048,743	\$ 26,873,743	\$ 607,982
Additions	-	-	-	1,023,000
Deletions	(800,000)	(224,317)	(1,024,317)	(150,860)
Balance at end of year	<u>\$ 23,025,000</u>	<u>\$ 2,824,426</u>	<u>\$ 25,849,426</u>	<u>\$ 1,480,122</u>
Amounts due within one year	<u>\$ 835,000</u>		<u>\$ 835,000</u>	<u>\$ 244,615</u>

9. Police defined benefit pension plan:

Basis of accounting:

The plan financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plans are recognized when due, in accordance with Act 205, as amended. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments of the plan are reported at fair value.

Plan description:

The Swatara Township Police Pension Plan is a single employer defined benefit pension plan administered by the Township. The plan is controlled by the provisions of Township ordinances and a Collective Bargaining Agreement adopted pursuant to Act 600 as enacted by the Pennsylvania legislature in 1988. The Township has delegated the Authority to manage plan assets to PNC Financial Services as trustee of the plan assets.

The pension plan's board consist of seven members as follows: three duly elected or appointed members of the governing body of the employer serving in such position as selected by the governing body of the employer; three police officers in the active employment of the employer; and one individual chosen by majority consent of the six other members and approved by the governing body of the employer, who shall have a working knowledge of expertise in financial matters or a financial background.

The plan provides retirement, disability and death benefits to plan members and their beneficiaries. Retirement benefits for general plan members are calculated as 50% of average monthly pay, plus a service increment of \$200 after 26 years, plus an additional \$200 after 28 years of service. Average monthly pay is based upon the last 36 months of employment. A member is eligible for normal retirement after attainment of age 50 and completion of 25 years of service. The normal retirement pension is payable monthly during the member's lifetime, with payments continuing after the member's death to the surviving spouse or eligible child, equal to 50% of the amount payable to the member at the time of death.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

9. Police defined benefit pension plan (Continued):

Plan Description (Continued):

Benefit terms provide for annual costs-of-living adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustments are equal to the percentage increase in the Consumer Price Index from the year in which the member last worked. The costs-of-living adjustments are limited as such: (a) no adjustment shall result in a total retirement benefit in excess of 75% of the former participant's average monthly compensation, and (b) the total cost-of-living adjustment to a participant shall not exceed 30%.

The plan assets may be used only for the payment of benefits to members and expenses of the plan, in accordance with the terms of the plan. The plan does not issue a stand-alone financial report.

Plan membership:

Participation in the plan at December 31, 2022 is as follows:

Plan membership:

Inactive plan members or beneficiaries currently receiving benefits	36
Active plan members	49
Total Members	<u>85</u>

Pension plan investments:

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board. The following is the plans target asset allocation:

Asset Class	Target Allocation
Domestic Equity	51%
International Equity	6%
Fixed Income	34%
Real Estate	3%
Cash	6%

The money-weighted rate of return on the pension plan investments, net of pension plan investment expense was (14.92)% for the year ended December 31, 2022. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

Additional details on the investments of the Plan can be found in Note 4 of the financial statements.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

9. Police defined benefit pension plan (Continued):

Contributions and funding policy:

Plan members are required to contribute 5.5% of gross wages to the pension plan. These member requirements are reviewed and approved annually by the Township. The Township is required to fund the plan based upon actuarially determined minimum funding standards. The minimum funding standards were mandated by Act 205, enacted by the Pennsylvania legislature on December 18, 1984. The minimum funding requirement includes normal cost and administrative expenses and amortization of the unfunded actuarial accrued liability. The Act also provides state aid to assist municipalities in meeting their minimum funding requirements. Any remaining minimum funding obligations are paid from the General Fund of the Township. In 2022, the Township contributed \$953,320 to the plan.

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

Net pension liability of the Township:

The total pension liability was based on an actuarial valuation dated January 1, 2021 and update procedures were used to rollforward the total pension liability to the December 31, 2022 measurement date. The components of the net pension liability of the Township at December 31, 2022 were as follows:

Net pension liability of the Township

Total pension liability	\$ 33,322,175
Plan fiduciary net position	(24,885,737)
Township's net pension liability	<u>\$ 8,436,438</u>
Plan fiduciary net position as a percentage of the total pension liability	74.68%

Changes in the Township's net pension liability for the year ended December 31, 2022 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2021	\$ 31,352,721	\$ 29,433,242	\$ 1,919,479
Changes for the year:			-
Service Cost	823,935	-	823,935
Interest	2,519,186	-	2,519,186
Contributions - employer	-	953,320	(953,320)
Contributions - member	-	290,909	(290,909)
Net investment income	-	(4,416,817)	4,416,817
Benefit payments, including refunds or employee contributions	(1,373,667)	(1,373,667)	-
Administrative expense	-	(1,250)	1,250
Net Changes	<u>1,969,454</u>	<u>(4,547,505)</u>	<u>6,516,959</u>
Balances at 12/31/2022	<u>\$ 33,322,175</u>	<u>\$ 24,885,737</u>	<u>\$ 8,436,438</u>

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

9. Police defined benefit pension plan (continued):

Actuarial assumptions:

The total pension liability was measured as of December 31, 2022 and was determined by rolling forward the liability from an actuarial valuation date as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	8.00%
Projected salary increases	5.50%
Inflation	3.00%
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-2020 to reflect mortality improvement.

Expected long-term rate of return:

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 percentages and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	5.50% - 7.50%
International Equity	4.50% - 6.50%
Fixed Income	1.00% - 3.00%
Real Estate	4.50% - 6.50%
Cash	0.00% - 1.00%

Discount rate:

The discount rate used to measure the total pension liability was 8.0%. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

The actuarial assumptions used in the January 1, 2021 valuation were based past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience under the Plan. A recent actuarial experience study was not performed.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

9. Police defined benefit pension plan (continued):

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Township, calculated using the discount rate of 8.0%, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0%) or 1-percentage-point higher (9.0%).

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Township's net pension liability	\$ 12,748,273	\$ 8,436,438	\$ 4,851,643

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions:

For the year ended December 31, 2022, the Township recognized pension expense of \$1,996,818. At December 31, 2022 the Township reported deferred outflows and inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 2,066,796	\$ 1,846,728
Change in assumptions	427,228	-
Net difference between projected and actual earnings on investments	4,309,616	-
Total	\$ 6,803,640	\$ 1,846,728

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31:

2023	\$ 693,167
2024	1,175,198
2025	1,226,375
2026	1,408,632
2027	55,382
Thereafter	398,158
Total	<u>\$ 4,956,912</u>

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

10. Non-uniformed defined benefit pension plan:

A. General Information about the Pension Plan

Plan description:

The Township, through provisions of Ordinance No. 1991-3, adopted pursuant to Act 15, as amended by the January 2013 agreement between the Township and the Pennsylvania Municipal Retirement System (PMRS) provides employee pension benefits to non-uniformed employees through participation in the PMRS. The PMRS was created by the Pennsylvania General Assembly in 1974 with the passage of the Pennsylvania Municipal Retirement Law 1974, P.L. 34, No. 15. PMRS administers pension plans on a contracted basis for any municipality or institution supported and maintained by a Pennsylvania municipality. This agent multiple-employer public employee retirement system maintains each municipality's account separately with that municipality's contributions and related employee contributions, and earnings segregated into separate accounts. PMRS issues a separate Comprehensive Annual Financial Report, which can be obtained by contacting the PMRS accounting office at P.O. Box 1165, Harrisburg, PA 17108-1165.

Benefits Provided:

Benefit terms were established under the 2013 agreement between PMRS and the Township, changes to benefit terms can only occur by modification of this agreement. Major provisions of the 2013 agreement include the following:

Membership for full-time employees of the Municipality is mandatory. Membership for part-time employees, seasonal employees, and temporary employees is prohibited, as is membership for individuals paid only on a fee basis. Benefits vest upon the completion of twelve years of credited service. A member shall be eligible for a retirement benefit upon attainment of retirement age, which shall be sixty-five (65) years of age; or fifty-five (55) years of age, provided the Member has completed twenty-five (25) years of credited service.

The normal form of payment of retirement benefits is a monthly annuity comprised of the sum of the following annuities:

- (a) An annuity calculated by multiplying the Member's Final Salary by all years of Credited Service and multiplied by the benefit accrual rate of two percent (2.00%)
- (b) An annuity equal to a single life annuity starting on the effective date of retirement with a present value equal to the member contributions and regular interest on the optional member contributions.

A retiree may elect to receive a reduced amount of benefit and provide a death benefit in the form of annuity or lump sum to the designated beneficiary. The plan also provides death and disability benefits for an active employee.

An annual excess interest benefit shall be equal to a single life annuity starting on the effective date of retirement with a present value equal to the member's excess investment account.

The plan does not allow for any cost-of-living adjustments to an employee's retirement allowance subsequent to the employee's retirement date.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

10. Non-uniformed defined benefit pension plan:

Employees Covered by Benefit Terms:

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	21
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	36
	<u>59</u>

Contributions:

Required contributions to the plan are governed by the 2013 agreement. The PMRS Board will actuarially determine the normal cost of the benefits provided under the contract (2013 agreement) and any liability associated with the actuarial experience of such benefits which shall be contributed annually by the Township. The PMRS Board shall determine and the Township shall be charged an additional amount to be contributed annually toward a reserve account for any disability benefit which may be payable under the contract (2013 agreement). The amounts so determined shall be computed in accordance with the Municipal Pension Plan Funding Standard and Recovery Act, 53 P.S. §895.101 et seq., and the PMRL. Members shall contribute four percent of their compensation to fund the annuity. Members may optionally contribute an additional percentage of their compensation to fund the annuity. The total of the mandatory and optional contributions shall not exceed fifteen percent of the member's compensation. The state contributions to the plan were recognized as revenue and expense in the fund level financial statements in the period contributed. In 2022 the Township contributed \$230,943 and the employees contributed \$127,971 to the plan.

B. Net Pension Liability

The Township's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020.

Actuarial assumptions:

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Investment rate of return	5.25%, net of pension plan investment expense, including inflation
Projected salary increases	Age/Merit Scale including inflation ranging of 2.8%
Inflation	2.8%

Mortality rates Pre-Retirement for the December 31, 2020 valuation were based on the RP-2000 Non-Annuitant Table projected 15 years with scale AA for males and with a 5 year setback for females. Mortality rates Post-Retirement were based on the RP-2000 Annuitant Table projected 5 years with scale AA for males and projected 10 years with scale AA for females.

The actuarial assumptions used in the December 31, 2020 valuation were based on the PMRS Experience Study for the period covering January 1, 2014 through December 31, 2020 issued by the actuary in September 2020 as well as subsequent Board approved assumption changes.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

10. Non-uniformed defined benefit pension plan (continued):

B. Net Pension Liability (Continued)

Actuarial assumptions (continued):

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 Real 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, 2021 and summarized in the table below:

Asset Class	Target Allocation	Nominal Rate of Return	Long-Term Expected Real Rate of Return
Domestic Equities (large capitalized firms)	25%	7.49%	4.99%
Domestic Equities (small capitalized firms)	8%	8.18%	5.68%
International Equities (international developed markets)	15%	8.07%	5.57%
International Equities (emerging markets)	3%	8.21%	5.71%
Global Equities	5%	7.28%	4.78%
Real estate	10%	7.40%	4.90%
Timber	5%	6.17%	3.67%
Fixed Income (Core Investment Grade)	24%	4.32%	1.82%
Fixed income (Opportunistic Credit)	5%	7.88%	5.38%
Cash	1%	1.18%	-1.32%
Total Portfolio	<u>100%</u>		

Based on the aforementioned methodology, the PMRS Board established the System's Long-Term Expected Rate of Return at 7.42%.

In addition to determining the System's Long-Term 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 Expected Rate of Return and the individual participating municipalities' Regular Interest Rate is described in the following section "Discount Rate." As of December 31, 2021, this rate is equal to 5.25%.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

10. Non-uniformed defined benefit pension plan (continued):

B. Net Pension Liability (continued)

Discount rate

While it is often common practice to establish an actuarial Discount Rate that is equal to the Long-Term Expected Rate of Return, PMRS is required by law (Act 15 of 1974) to establish a Discount Rate equal to the Regular Interest 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,
- 3.) Annuity purchase rate Pension Benefit Guarantee Corporation (PBGC) annuity rates have been used as a proxy for this purchase rate,
- 4.) PMRS System Long-Term Expected Rate of Return, and
- 5.) PMRS investment expenses

The 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 market 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 Board and Used to measure the individual participating municipalities; total pension liability was 5.25% as of December 31, 2021.

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 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 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.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

10. Non-uniformed defined benefit pension plan (continued):

C. Changes in the Net Pension Liability/(Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at 12/31/2021 (based on 12/31/20 measurement date)	\$ 12,619,484	\$ 13,881,975	\$ (1,262,491)
Changes for the year:			
Service Cost	316,670	-	316,670
Interest	658,654	-	658,654
Changes of benefits	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions - employer	-	235,975	(235,975)
Contributions - member	-	127,971	(127,971)
Net investment income	-	1,738,928	(1,738,928)
Benefit payments, including refunds or employee contributions	(750,729)	(750,729)	-
Administrative expense	-	(37,505)	37,505
Net Changes	<u>224,595</u>	<u>1,314,640</u>	<u>(1,090,045)</u>
Balances at 12/31/2022 (based on 12/31/21 measurement date)	<u>\$ 12,844,079</u>	<u>\$ 15,196,615</u>	<u>\$ (2,352,536)</u>

Sensitivity of the pension liability to changes in the discount rate:

The following presents the net pension liability of the Township, calculated using the discount rate of 5.25%, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.25%) or 1-percentage-point higher (6.25%) than the current rate:

	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Township's net pension liability/(asset)	\$ (920,218)	\$ (2,352,536)	\$ (3,571,390)

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PMRS financial report.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

10. Non-uniformed defined benefit pension plan (continued):

D. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2022, the Township recognized a reduction in pension expense of \$433,238. At December 31, 2022 the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 203,174	\$ 25,769
Changes in assumptions	-	242,276
Net difference between projected and actual earnings on pension plan investments	1,900,324	-
Contributions subsequent to the measurement date	230,943	-
Total	<u>\$ 2,334,441</u>	<u>\$ 268,045</u>

The \$230,943 reported as deferred outflows of resources related to pensions resulting from the Township's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023 financial statements. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2023	\$ 499,635
2024	718,465
2025	397,697
2026	219,656
2027	-
Thereafter	-
Total	<u>\$ 1,835,453</u>

11. Commitments and Contingent liabilities:

Concentration of labor risks - The Township currently employs a labor force of which 75% is covered by collective bargaining agreements. The uniformed and non-uniformed collective bargaining agreements have been extended through December 31, 2024.

Other matters - Several other matters have been turned over to the Township's insurance carrier as of December 31, 2022. It is not believed that any significant liability will result to the Township in regard to these matters.

12. Escrow deposit payable:

Escrow deposit payable represent funds held in escrow for payment of maintenance, engineering and development fees on behalf of various projects. There were escrow funds outstanding at December 31, 2022 of \$90,760. This amount is included in escrow deposits on the government-wide financial statements.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

13. Risk management:

The Township is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets and errors or omissions. Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in settlement coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The Township entered into the Penn PRIME Workers' Compensation Trust in July 1993. The Trust provides workers' compensation coverage in accordance with the Pennsylvania Workmen's Compensation Act. The Trust's liability to pay for damages is limited to \$1,000,000 for bodily injury by accident and \$1,000,000 for bodily injury by disease. The Trust is directly and primarily liable to any person entitled to benefits under the coverage. The Township is responsible for any payments in excess of the benefits regularly provided under Workers' Compensation Law. As of December 31, 2022, the Township's settled claims have not exceeded the limits of liability of the Trust. All payments to the Trust are made through the general fund. The Township has not made an estimate of possible loss or range of loss from unreported claims as of December 31, 2022.

The Township participates in a modified self-funded trust to provide medical benefits to employees and retirees. Under the trust plan, the Township pays reasonable and customary healthcare expenses. For the year ended December 31, 2022, the Township was limited in liability for claims to \$45,000 per enrollee. Actual claims paid for the year ended December 31, 2022 were \$2,961,432 less reimbursements of \$627,049, or net claims of approximately \$2,334,383.

14. Restricted cash and cash equivalents:

Restricted cash and cash equivalents of \$90,760 (general fund), and \$19,679,200 (bond fund) at December 31, 2022, represent cash and cash equivalents restricted for Escrow Deposits and Unspent Bond Proceeds, respectively.

15. Deferred compensation plan:

The Township has a deferred compensation plan authorized under Internal Revenue Code Section 457 which is available to its full-time employees. Participation in the plan is voluntary, and it is funded only by employee contributions.

16. Postemployment Benefits Others Than Pensions (OPEB):

Plan Description

The Township maintains a single-employer defined benefit post-employment benefits other than pensions (OPEB) plan (the Plan) that is used to provide OPEB for eligible retirees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of the Governmental Accounting Standards Board's (GASB) Statement No. 75.

Management of the Plan is vested in the Board of Commissioners, which consists of the five elected Township Commissioners.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

16. Postemployment Benefits Others Than Pensions (OPEB) (continued):

Plan Membership:

At January 1, 2021, the Plan's membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	27
Inactive plan members entitled to but not yet receiving benefit payments	7
Active plan members	49
Total	<u>83</u>

Benefits provided:

Swatara Township provides health-related benefits for its police officers through its single-employer defined benefit plan. Benefit provisions are established through negotiations between the Township and the Union representing the police officers. The plan does not issue a publicly available financial report.

The benefits are available to police officers who retired on or after January 1, 1987 and before January 1, 2000. The medical benefits level at retirement cannot be decreased and the annual expense to the Township is the higher of 50% of the officer-only premium or \$190 per month. The Township's contributions are financed on a pay-as-you-go basis.

Benefits are not available to the following persons:

1. Those who obtain subsequent employment and are eligible for healthcare benefits, even if the benefits are less than those provided by the Township.
2. Those who have a working spouse covered by a plan that allows him/her to be eligible, even if the benefits are less than those provided by the Township.
3. Those officers who terminate employment other than from retirement.

Effective January 1, 2000, police officers who retire after January 1, 2000 will be entitled to receive healthcare benefits for life, including Medicare premiums when they reach age 65. The benefits are payable by the Township for the officer only and not his dependents. The officer's dependents are responsible for payment of their portion of the coverage. The benefit is not available to officers under the same provisions for retirees who retire after January 1, 1987, as noted previously, with the exception that if the officer becomes ineligible for alternative healthcare benefits for any reason, the officer can return to the Township's policy.

Contributions: The Township's contributions are financed on a pay-as-you-go basis.

Total OPEB Liability of the Township: The Township's total OPEB liability of \$13,486,037 was measured as of January 1, 2022 and was determined by an actuarial valuation as of January 1, 2021.

Actuarial assumptions and other inputs. The Township's total OPEB liability was measured as of January 1, 2022 and was determined by an actuarial valuation as of January 1, 2021. The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary Increases	5.50% average, including inflation
Discount Rate	2.25%
Healthcare cost trend rates	6.5% in 2022, 6.0% in 2023, and 5.5% in 2024 through 2025. Rates gradually decrease from 5.4% in 2026 to 3.9% in 2075 and later.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

16. Postemployment Benefits Others Than Pensions (OPEB) (continued):

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index at January 1, 2022.

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females.

The actuarial assumptions used in the January 1, 2021 valuation were based on historical results, as a recent experience study was not completed.

Changes in the Total OPEB Liability:

Changes in the Township's total OPEB liability for the plan for the year ended December 31, 2022 were as follows:

	Total OPEB Liability
Balance at 1/1/2021 (Based on a 1/1/2021 measurement date)	\$ 13,711,987
Changes for the year:	
Service Cost	793,823
Interest	277,861
Differences between Expected and actual Experience	-
Changes in Assumptions	(1,096,674)
Benefit Payments	(200,960)
Net Changes	(225,950)
Balance at 12/31/2021 (Based on a 1/1/2021 measurement date)	\$ 13,486,037

Changes in assumptions reflect a change in the discount rate from 1.93% in 2021 to 2.25% in 2022 and the trend assumption was updated.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93%) or 1-percentage-point higher (2.93%) than the current discount rate:

	1% Decrease 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Total OPEB Liability	\$ 15,935,471	\$ 13,486,037	\$ 11,535,860

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

16. Postemployment Benefits Others Than Pensions (OPEB) (continued):

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5% decreasing 2.9%) or 1-percentage-point higher (7.5% decreasing to 4.9%) than the current healthcare cost trend rates:

	1% Decrease (5.5% decreasing to 2.9%)	Medical Trend Rate (6.5% decreasing to 3.9%)	1% Increase (7.5% decreasing to 4.9%)
Total OPEB Liability	<u>\$ 11,066,614</u>	<u>\$ 13,486,037</u>	<u>\$ 16,645,306</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the Township recognized OPEB expense of \$1,265,173. At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 881,049
Changes in assumptions	2,895,592	978,809
Benefit payments subsequent to the measurement date	<u>225,176</u>	<u>-</u>
Total	<u>\$ 3,120,768</u>	<u>\$ 1,859,858</u>

The \$225,176 reported as deferred outflows of resources related to OPEB resulting from the Township's benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2023 financial statements. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year ended December 31:

2023	\$ 193,489
2024	193,489
2025	193,489
2026	193,489
2027	193,491
Thereafter	<u>68,287</u>
Total	<u>\$ 1,035,734</u>

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

17. Interfund accounts:

Individual funds "transfers in" and "transfers out" as of December 31, 2022 were as follows:

Transfers Out		Transfers In	
General Fund	\$ -	General Fund	\$ 1,350,259
Nonmajor Governmental Funds	1,350,259	Nonmajor Governmental Funds	-
	<u>\$ 1,350,259</u>		<u>\$ 1,350,259</u>

Transfers were made to pay the General Fund to reimburse for ARPA fund expenditures.

18. Excess of Expenditures over Appropriations in Major Fund

The following major funds had an excess of actual expenditures over budget for the year ended December 31, 2022.

	Appropriations	Expenditures	Percent of Excess over Appropriations
General Fund	\$ 15,259,479	\$ 16,671,820	9.26%
Fire Prevention	\$ 1,644,066	\$ 1,653,319	0.56%

The excess expenditures over appropriations were funded by prior year fund balance in the General Fund and the Fire Prevention Fund.

19. Subsequent Events

The Township has evaluated all subsequent events through the report issue date.

20. Component Unit, Swatara Township Stormwater Authority

The Swatara Township Stormwater Authority (the "Authority") was incorporated on December 29, 2020, under the Municipality Authorities Act of 1945 and pursuant to a resolution by the Board of Commissioners of the Township of Swatara (the "Township") to provide for stormwater system planning, management and implementation.

The financial statements of the Swatara Township Stormwater Authority have been prepared in conformity with accounting principles generally accepted in the United States of America 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. The significant accounting policies of the Authority are described below.

Reporting entity:

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) 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. The criteria provided by the Governmental Accounting Standards Board (GASB) have been considered, and there are no agencies or entities which should be presented with the Authority. However, the Authority is not fiscally independent, and as such, is a component unit of the Township.

The Authority complies with accounting principles generally accepted in the United States of America (GAAP). The Authority's reporting entity applies all relevant GASB pronouncements.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

20. Component Unit, Swatara Township Stormwater Authority (continued)

Summary of significant accounting policies:

Measurement Focus and Basis of Accounting, and Financial Statement Presentation:

The Authority has adopted the accrual basis of accounting to account for operations that are financed and operated in a manner similar to that of a private business enterprise, where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered substantially through user charges.

In the statement of net position and the statement of revenues, expenses and changes in net position, the business-type activity is presented using the economic resources measurement focus.

The proprietary fund utilizes an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), net position and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) and deferred outflows and inflows of resources associated with its activities are reported. Proprietary fund equity is classified as net position.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with ongoing operations. The principal operating revenues of the Authority are stormwater service charges. Operating expenses include engineering costs, equipment rental costs, administrative costs and depreciation on capital assets. All other revenues or expenses are reported as nonoperating revenues and expenses.

Cash and cash equivalents:

The Authority considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Receivables:

The Authority invoices residential and commercial property owners within Swatara Township a fee for the use of, benefit by, and services rendered by the Authority's stormwater management system. Receivables for the stormwater fee are carried at the original billed amount plus any penalties charged.

Capital assets:

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The Authority maintains a capitalization threshold of \$5,000 for general capital assets and \$25,000 for infrastructure. The Authority's infrastructure consists storm water systems. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Authority's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	40 years
Automotive equipment	7 years
Machinery and equipment	10 years
Infrastructure	25 - 50 years

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

20. Component Unit, Swatara Township Stormwater Authority (continued)

Summary of significant accounting policies (continued):

Net position classifications:

Net position is displayed in three components:

- a. Net Investment in capital assets - Consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

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

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Adoption of Governmental Accounting Standards Boards Statements:

In 2022, the Authority adopted the requirements of GASB issued Statement No. 87, "Leases". The adoption of this statement did not result in a modification of reported amounts.

In 2022, the Authority adopted the requirements of GASB issued Statement No. 91, "Conduit Debt Obligations". The adoption of this statement did not result in a modification of reported amounts.

In 2022, the Authority adopted the requirements of GASB issued Statement No. 92, "Omnibus 2020". The adoption of this statement did not result in a modification of reported amounts.

In 2022, the Authority adopted the requirements of GASB issued Statement No. 93, "Replacement of Interbank Offered Rates". The adoption of this statement did not result in a modification of reported amounts.

In 2022, the Authority adopted the requirements of GASB issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". The adoption of this statement did not result in a modification of reported amounts.

Pending changes in accounting principles:

In March 2020, the GASB issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The Authority is required to adopt statement No. 94 for its calendar year 2023 financial statements.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

20. Component Unit, Swatara Township Stormwater Authority (continued)

Summary of significant accounting policies (continued):

In May 2020, the GASB issued Statement No. 96, "Subscription-Based Information Technology Arrangements". The Authority is required to adopt statement No. 96 for its calendar year 2023 financial statements.

In April 2022, the GASB issued Statement No. 99, "Omnibus 2022". The remaining provisions of this statement are effective for the Authority's calendar year 2023 financial statements.

In June 2022, the GASB issued Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62". The Authority is required to adopt statement No. 100 for its calendar year 2024 financial statements.

In June 2022, the GASB issued Statement No. 101, "Compensated Absences". The Authority is required to adopt statement No. 101 for its calendar year 2024 financial statements.

The Authority has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

Deposits and investments:

Custodial credit risk, deposits:

For deposits of the Authority, custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority's deposits will not be returned to it.

At December 31, 2022, all of the Authority's cash deposits with a carrying amount of \$87,053 and a bank balance of \$84,563 were covered by federal depository insurance.

Capital Assets:

The following is a summary of changes in capital assets for the year ended December 31, 2022:

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
Non-depreciable Assets:				
Construction in progress	\$ 623,248	\$ 2,782	\$ 623,248	\$ 2,782
Total Capital Assets Not Being Depreciated	623,248	2,782	623,248	2,782
Depreciable Assets:				
Automotive equipment	68,830	-	-	68,830
Roads and street lights	-	752,306	-	752,306
Total Capital Assets Being Depreciated	68,830	752,306	-	821,136
Less Accumulated Depreciation:				
Automotive equipment	6,965	9,833	-	16,798
Roads and street lights	-	2,508	-	2,508
Total Accumulated Depreciation	6,965	12,341	-	19,306
Total Capital Assets Being Depreciated Net	61,865	739,965	-	801,830
Total Net Capital Assets	\$ 685,113	\$ 742,747	\$ 623,248	\$ 804,612

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

20. Component Unit, Swatara Township Stormwater Authority (continued)

Due to Swatara Township:

The Authority reimburses the Township for various payroll, employee benefits, and other operating expenditures during the course of the year. As of December 31, 2022, the Authority owed the Township \$290,648.

Risk management:

The Authority is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets and errors or omissions. Significant losses are covered by the Township's insurance. As of December 31, 2022 there have been no claims reported.

Subsequent Events

The Authority has evaluated all subsequent events through the report issue date.

REQUIRED SUPPLEMENTARY INFORMATION

SWATARA TOWNSHIP, PENNSYLVANIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - POLICE PENSION
(REQUIRED SUPPLEMENTARY INFORMATION)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 823,935	\$ 780,981	\$ 749,000	\$ 709,953	\$ 700,562	\$ 753,461	\$ 640,706	\$ 607,304	\$ 585,367
Interest	2,519,186	2,367,366	2,239,200	2,102,883	1,743,917	1,786,792	1,661,708	1,554,929	1,476,996
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(801,981)	-	3,100,192	(2,087,090)	-	-	(249,965)	-
Changes of assumptions	-	569,638	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,373,667)	(1,213,433)	(1,158,097)	(1,137,740)	(996,242)	(876,149)	(827,105)	(894,689)	(825,656)
Net change in total pension liability	1,969,454	1,702,571	1,830,103	4,775,288	(638,853)	1,664,104	1,475,309	1,017,579	1,236,707
Total pension liability - beginning	31,352,721	29,650,150	27,820,047	23,044,759	23,683,612	22,019,508	20,544,199	19,526,620	18,289,913
Total pension liability - ending (a)	\$ 33,322,175	\$ 31,352,721	\$ 29,650,150	\$ 27,820,047	\$ 23,044,759	\$ 23,683,612	\$ 22,019,508	\$ 20,544,199	\$ 19,526,620
Plan fiduciary net position									
Contributions - employer	\$ 953,320	\$ 912,146	\$ 819,704	\$ 786,598	\$ 756,982	\$ 705,080	\$ 702,513	\$ 660,568	\$ 607,146
Contributions - employee	290,909	282,010	265,737	257,118	252,577	273,143	207,072	231,930	202,211
Net investment income	(4,416,817)	3,023,365	2,196,630	3,906,754	(1,260,237)	2,707,887	961,749	46,900	1,151,574
Benefit payments, including refunds of employee contributions	(1,373,667)	(1,213,433)	(1,158,097)	(1,137,740)	(996,242)	(876,149)	(827,105)	(894,689)	(825,656)
Administrative expense	(1,250)	(10,125)	(7,175)	(8,225)	(13,775)	(86,440)	(68,806)	(19,050)	(11,410)
Other	-	23,480	-	-	31,487	736,553	44,795	-	-
Net change in plan fiduciary position	(4,547,505)	3,017,443	2,116,799	3,804,505	(1,229,208)	3,460,074	1,020,218	25,659	1,123,865
Plan fiduciary net position - beginning	29,433,242	26,415,799	24,299,000	20,494,495	21,723,703	18,263,629	17,243,411	17,217,752	16,093,887
Plan fiduciary net position - ending (b)	24,885,737	29,433,242	26,415,799	24,299,000	20,494,495	21,723,703	18,263,629	17,243,411	17,217,752
Township's net pension liability - ending (a) - (b)	\$ 8,436,438	\$ 1,919,479	\$ 3,234,351	\$ 3,521,047	\$ 2,550,264	\$ 1,959,909	\$ 3,755,879	\$ 3,300,788	\$ 2,308,868
Plan fiduciary net position as a percentage of the total pension liability	74.68%	93.88%	89.09%	87.34%	88.93%	91.72%	82.94%	83.93%	88.18%
Covered payroll	\$ 5,293,962	\$ 5,121,218	\$ 4,809,953	\$ 4,633,300	\$ 4,382,975	\$ 4,370,912	\$ 4,288,995	\$ 4,218,485	\$ 3,738,024
Township net pension liability as a percentage of covered payroll	159.36%	37.48%	67.24%	75.99%	58.19%	44.84%	87.57%	78.25%	61.77%

Notes to schedule

The Township adopted GASB 67 on a prospective basis in 2014; therefore only nine years are presented in the above schedule.

SWATARA TOWNSHIP, PENNSYLVANIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS - LAST 10 YEARS - POLICE PENSION
(REQUIRED SUPPLEMENTARY INFORMATION)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined employer contributions	\$ 953,320	\$ 912,146	\$ 819,704	\$ 786,598	\$ 756,982	\$ 705,080	\$ 702,513	\$ 660,568	\$ 607,146	\$ 593,107
Contributions in relation to the actuarially determined employer contribution	953,320	912,146	819,704	786,598	756,982	705,080	702,513	660,568	607,146	593,107
Employer contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,293,962	\$ 5,121,218	\$ 4,809,953	\$ 4,633,300	\$ 4,382,975	\$ 4,370,912	\$ 4,288,995	\$ 4,218,485	\$ 3,738,024	\$ 3,411,928
Employer contributions as a percentage of covered payroll	18.01%	17.81%	17.04%	16.98%	17.27%	16.13%	16.38%	15.66%	16.24%	17.38%

Notes to Schedule

Valuation date: January 1, 2019

Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	10 years
Asset valuation method	Smoothed value with a corridor of 80% to 120% of fair value.
Inflation	3.00%
Salary increases	5.50%
Investment rate of return	8.00%
Retirement age	Normal retirement age.
Mortality	IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect morality improvement.

SWATARA TOWNSHIP, PENNSYLVANIA
 SCHEDULE OF INVESTMENT RETURNS - POLICE PENSION
 (REQUIRED SUPPLEMENTARY INFORMATION)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-14.92%	12.05%	9.62%	19.76%	-5.24%	14.58%	5.70%	0.61%	7.65%

Notes to Schedule

The Township adopted GASB 67 on a prospective basis in 2014; therefore only nine years are presented in the above schedule.

SWATARA TOWNSHIP, PENNSYLVANIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS -
NON-UNIFORMED PENSION
(REQUIRED SUPPLEMENTARY INFORMATION)

	2021	2020	2019	2018	2017	***	**	*
						2016	2015	2014
Total Pension Liability								
Service Costs	\$ 316,670	\$ 301,124	\$ 293,888	\$ 273,549	\$ 257,732	\$ 232,247	\$ 263,455	\$ 238,736
Interest	658,654	638,278	619,033	593,765	574,744	569,321	547,008	518,008
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(338,624)	-	128,845	-	(22,939)	-	226,132
Changes of Assumptions	-	403,792	-	-	-	282,239	93,353	-
Benefit Payments, Including Refunds of Member Contributions	(750,729)	(518,657)	(587,306)	(481,329)	(485,853)	(496,661)	(437,445)	(515,077)
Net Change in Total Pension Liability	224,595	485,913	325,615	514,830	346,623	564,207	466,371	467,799
Total Pension Liability - beginning	12,619,484	12,133,571	11,807,956	11,293,126	10,946,503	10,382,296	9,915,925	9,448,126
Total Pension Liability - ending (a)	<u>\$ 12,844,079</u>	<u>\$ 12,619,484</u>	<u>\$ 12,133,571</u>	<u>\$ 11,807,956</u>	<u>\$ 11,293,126</u>	<u>\$ 10,946,503</u>	<u>\$ 10,382,296</u>	<u>\$ 9,915,925</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 235,975	\$ 241,964	\$ 223,036	\$ 204,794	\$ 203,511	\$ 186,560	\$ 178,149	\$ 123,189
Contributions - Member	127,971	132,998	130,241	121,814	111,997	109,780	111,503	99,023
Net Investment Income	1,738,928	1,564,552	2,187,183	(417,029)	1,697,141	825,847	(50,267)	506,577
Benefit Payments, Including Refunds of Member Contributions	(750,729)	(518,657)	(588,526)	(481,329)	(485,853)	(496,661)	(437,445)	(515,077)
Administrative Expense	(37,505)	(27,761)	(20,164)	(25,607)	(25,260)	(26,952)	(22,369)	(19,135)
Net Change in Plan Fiduciary Net Position	1,314,640	1,393,096	1,931,770	(597,357)	1,501,536	598,574	(220,429)	194,577
Plan Fiduciary Net Position - beginning	13,881,975	12,488,879	10,557,109	11,154,466	9,652,930	9,054,356	9,274,785	9,080,208
Plan Fiduciary Net Position - ending (b)	<u>\$ 15,196,615</u>	<u>\$ 13,881,975</u>	<u>\$ 12,488,879</u>	<u>\$ 10,557,109</u>	<u>\$ 11,154,466</u>	<u>\$ 9,652,930</u>	<u>\$ 9,054,356</u>	<u>\$ 9,274,785</u>
Township's Net Pension (Asset) Liability - ending (a) - (b)	<u>\$ (2,352,536)</u>	<u>\$ (1,262,491)</u>	<u>\$ (355,308)</u>	<u>\$ 1,250,847</u>	<u>\$ 138,660</u>	<u>\$ 1,293,573</u>	<u>\$ 1,327,940</u>	<u>\$ 641,140</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	118.32%	110.00%	102.93%	89.41%	98.77%	88.18%	87.21%	93.53%
Covered Payroll	\$ 2,221,714	\$ 2,615,997	\$ 2,226,641	\$ 2,062,934	\$ 1,965,329	\$ 1,842,249	\$ 1,900,369	\$ 1,729,025
Township's Net Pension Liability as a Percentage of Covered Payroll	-105.89%	-48.26%	-15.96%	60.63%	7.06%	70.22%	69.88%	37.08%

* - Information only available for eight years. Future years will be added as information becomes available.

** - The Township had changes in assumptions related to mortality rates, retirement rates, and wage scales in the December 31, 2015 measurement date compared to previous measurement dates.

*** - The Township had changes in assumptions related to the discount rate in the December 31, 2016 measurement date compared to previous measurement dates.

SWATARA TOWNSHIP, PENNSYLVANIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS - LAST 10 YEARS
NON-UNIFORMED PENSION
(REQUIRED SUPPLEMENTARY INFORMATION)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution	\$ 230,943	\$ 235,975	\$ 241,964	\$ 222,976	\$ 204,711	\$ 203,448	\$ 186,460	\$ 178,129	\$ 123,149	\$ 128,695
Contribution in Relation to the Actuarially Determined Contribution	230,943	235,975	241,964	223,036	204,794	203,511	186,560	178,149	123,189	133,289
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60)</u>	<u>\$ (83)</u>	<u>\$ (63)</u>	<u>\$ (100)</u>	<u>\$ (20)</u>	<u>\$ (40)</u>	<u>\$ (4,594)</u>
Covered Payroll	\$ 2,351,130	\$ 2,221,714	\$ 2,615,997	\$ 2,226,641	\$ 2,062,934	\$ 1,965,329	\$ 1,842,249	\$ 1,900,369	\$ 1,729,025	\$ 1,659,333
Contribution as a percentage of Covered Payroll	9.82%	10.62%	9.25%	10.02%	9.93%	10.36%	10.13%	9.37%	7.12%	8.03%

Notes to Schedule:

Valuation Date: 1/1/2019

Actuarially determined contribution rates are calculated as of January 1 for the odd valuation year at least two years prior to the end of the fiscal year in which the contributions were reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar based on the amortization periods in Act 205
Remaining Amortization Period	8 years
Asset Valuation Method	Based Upon Municipal Reserves in PMRS (Fair Value)
Inflation	2.8%
Salary Increases	Age/Merit Scale with merit and inflation component
Investment Rate of Return	5.25%, net of pension plan investment expense, including inflation
Pre-Retirement Mortality	Males - RP 2000 Non-Annuitant Male Table projected 15 years with Scale AA Females - RP 2000 Non-Annuitant Female Table projected 15 years with Scale AA, set back 5 years.
Post-Retirement Mortality:	Males - RP 2000 Non-Annuitant Male Table projected 5 years with Scale AA Females - RP 2000 Non-Annuitant Female Table projected 10 years with Scale AA

* - Information not available.

SWATARA TOWNSHIP, PENNSYLVANIA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2022	2021	2020	2019	2018
Total OPEB liability					
Service Cost	\$ 793,823	\$ 552,593	\$ 467,626	\$ 542,671	\$ 451,026
Interest	277,861	370,652	362,082	321,490	323,695
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(609,782)	-	(762,685)	-
Changes in assumptions or other inputs	(1,096,674)	2,690,997	740,778	(34,591)	766,984
Benefit payments, including refunds of employee contributions	(200,960)	(239,093)	(225,929)	(209,236)	(155,326)
Net change in total OPEB liability	(225,950)	2,765,367	1,344,557	(142,351)	1,386,379
Total OPEB liability - beginning	13,711,987	10,946,620	9,602,063	9,744,414	8,358,035
Total OPEB liability - ending (a)	<u>\$ 13,486,037</u>	<u>\$ 13,711,987</u>	<u>\$ 10,946,620</u>	<u>\$ 9,602,063</u>	<u>\$ 9,744,414</u>
Covered payroll	\$ 4,720,391	\$ 4,720,391	\$ 4,270,108	\$ 4,270,108	\$ 4,177,475
Total OPEB liability as a percentage of covered payroll	285.70%	290.48%	256.35%	224.87%	233.26%

Notes to Schedule:

The discount rate changed from 3.26% in 2020 to 1.93% in 2021.

The discount rate changed from 1.93% in 2021 to 2.25% in 2022.

The Township adopted GASB 75 on a prospective basis in 2018; therefore only five years are presented in the above schedule.

The Township has not accumulated assets in a trust that meets the criteria in paragraph 4 of GASB No. 75 to pay OPEB benefits.

SWATARA TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2022
(REQUIRED SUPPLEMENTARY INFORMATION)

	<u>Budgeted amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 9,649,257	\$ 9,649,257	\$ 10,424,678	\$ 775,421
Licenses, fees and permits	996,250	996,250	1,319,841	323,591
Fines and forfeits	120,100	120,100	93,672	(26,428)
Interest and rents	13,700	13,700	20,022	6,322
Intergovernmental	873,720	873,720	1,470,731	597,011
Department earnings	725,543	725,543	868,310	142,767
Miscellaneous	104,500	104,500	286,845	182,345
Total revenues	<u>12,483,070</u>	<u>12,483,070</u>	<u>14,484,099</u>	<u>2,001,029</u>
Expenditures:				
Current operations:				
General government:				
Administration	1,305,155	1,305,155	1,356,331	(51,176)
Tax collector/treasurer	14,000	14,000	19,244	(5,244)
Municipal buildings	380,222	380,222	342,464	37,758
Business privilege	99,546	99,546	144,045	(44,499)
Total general government	<u>1,798,923</u>	<u>1,798,923</u>	<u>1,862,084</u>	<u>(63,161)</u>
Public safety:				
Police	9,478,465	9,478,465	9,490,144	(11,679)
Fire	290,520	290,520	395,560	(105,040)
Planning/zoning	765,094	765,094	867,744	(102,650)
Total Public Safety	<u>10,534,079</u>	<u>10,534,079</u>	<u>10,753,448</u>	<u>(219,369)</u>
Highway and street:				
Sanitation	63,371	63,371	114,266	(50,895)
Highway maintenance	2,273,487	2,273,487	2,476,639	(203,152)
Total highway and street	<u>2,336,858</u>	<u>2,336,858</u>	<u>2,590,905</u>	<u>(254,047)</u>
Culture and recreation:				
Recreation	589,619	589,619	469,941	119,678
Total culture and recreation	<u>589,619</u>	<u>589,619</u>	<u>469,941</u>	<u>119,678</u>
Debt Service	-	-	236,342	(236,342)
Capital outlay	-	-	759,100	(759,100)
Total expenditures	<u>15,259,479</u>	<u>15,259,479</u>	<u>16,671,820</u>	<u>(1,412,341)</u>
Excess (Deficiency) of revenues over/ (under) expenditures	<u>(2,776,409)</u>	<u>(2,776,409)</u>	<u>(2,187,721)</u>	<u>588,688</u>
Other financing sources/(uses):				
Proceeds of capital asset sales	10,100	10,100	10,698	598
Transfer in	-	-	1,350,259	1,350,259
Total other financing sources/(uses)	<u>10,100</u>	<u>10,100</u>	<u>1,360,957</u>	<u>1,350,857</u>
Net change in fund balances	<u>\$ (2,766,309)</u>	<u>\$ (2,766,309)</u>	<u>\$ (826,764)</u>	<u>\$ 1,939,545</u>

SWATARA TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
FIRE PREVENTION FUND
YEAR ENDED DECEMBER 31, 2022
(REQUIRED SUPPLEMENTARY INFORMATION)

	<u>Budgeted amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 1,474,103	\$ 1,474,103	\$ 1,450,317	\$ (23,786)
Interest and rents	200	200	14,003	13,803
Department earnings	-	-	11,183	11,183
Operating grants	-	-	1,000	1,000
Miscellaneous	<u>2,200</u>	<u>2,200</u>	<u>116,465</u>	<u>114,265</u>
Total revenues	<u>1,476,503</u>	<u>1,476,503</u>	<u>1,592,968</u>	<u>116,465</u>
Expenditures:				
Current operations:				
Public safety	1,070,528	1,103,053	938,305	164,748
Debt Service:				
Principal	518,288	490,763	449,432	41,331
Interest	50,250	50,250	91,581	(41,331)
Capital outlay	<u>-</u>	<u>-</u>	<u>174,001</u>	<u>(174,001)</u>
Total expenditures	<u>1,639,066</u>	<u>1,644,066</u>	<u>1,653,319</u>	<u>(9,253)</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(162,563)</u>	<u>(167,563)</u>	<u>(60,351)</u>	<u>107,212</u>
Net change in fund balance	<u>\$ (162,563)</u>	<u>\$ (167,563)</u>	<u>\$ (60,351)</u>	<u>\$ 107,212</u>

OTHER SUPPLEMENTARY INFORMATION

SWATARA TOWNSHIP, PENNSYLVANIA
DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS

Liquid fuels fund:

Restricted funds used to account for maintenance and construction of township highways, traffic signals and bridges. Financing is provided by the Township's share of the state liquid fuels tax. The funds can only be expended in accordance with state laws and regulations.

Capital Projects Fund:

Restricted fund used to account for the infrastructure sinking fund loan and its activity.

Ambulance fund:

Restricted funds used to support and maintain the operations of the ambulance company within the Township. Financing is provided by a real estate tax assessment (.064 millage rate).

Debt service fund:

Restricted funds used to account for the accumulation of financial resources for payment of interest and principal on the long-term debt obligations of the Township. Financing is provided by a real estate tax assessment (.439 millage rate).

American Rescue Plan Act Fund:

Restricted funds used to account for the federal coronavirus rescue package designed to facilitate the recovery from the devastating economic and health effects of the COVID-19 pandemic.

SWATARA TOWNSHIP, PENNSYLVANIA
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Liquid Fuels Fund	Capital Projects Fund	Ambulance Fund	Debt Service Fund	ARPA Fund	Total Nonmajor Governmental Funds
Assets:						
Cash and cash equivalents	\$ 596,020	\$ 1,009,194	\$ 14,558	\$ 16,837	\$ 4,196	\$ 1,640,805
Taxes receivable	-	-	4,690	79,317	-	84,007
Total assets	\$ 596,020	\$ 1,009,194	\$ 19,248	\$ 96,154	\$ 4,196	\$ 1,724,812
Liabilities:						
Accounts payable	\$ 73,191	\$ -	\$ 8,250	\$ -	\$ -	\$ 81,441
Unearned revenue	-	-	-	-	1,986	1,986
Total liabilities	73,191	-	8,250	-	1,986	83,427
Deferred Inflows of Resources:						
Unavailable Revenue - Property Taxes	-	-	4,563	77,167	-	81,730
Total Deferred Inflows of Resources	-	-	4,563	77,167	-	81,730
Fund balances:						
Restricted:						
Liquid fuels	522,829	-	-	-	-	522,829
Capital Projects	-	1,009,194	-	-	-	1,009,194
Ambulance	-	-	6,435	-	-	6,435
Debt Service	-	-	-	18,987	-	18,987
Assigned	-	-	-	-	2,210	2,210
Total fund balances	522,829	1,009,194	6,435	18,987	2,210	1,559,655
Total liabilities and fund balances	\$ 596,020	\$ 1,009,194	\$ 19,248	\$ 96,154	\$ 4,196	\$ 1,724,812

SWATARA TOWNSHIP, PENNSYLVANIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Liquid Fuels Fund	Capital Projects Fund	Ambulance Fund	Debt Service Fund	American Rescue Plan Act Fund	Total Nonmajor Governmental Funds
Revenues:						
Taxes	\$ -	\$ -	\$ 81,510	\$ 1,375,394	\$ -	\$ 1,456,904
Interest and rents	10,648	1,657	86	5,536	2,113	20,040
Intergovernmental	788,163	-	-	-	1,361,509	2,149,672
Miscellaneous	67	-	-	-	-	67
Total revenues	798,878	1,657	81,596	1,380,930	1,363,622	3,626,683
Expenditures:						
Current operations:						
General government	-	15,463	-	856	11,250	27,569
Public safety	-	-	82,554	-	-	82,554
Highway and street	526,710	-	-	-	-	526,710
Debt service:						
Principal	221,239	-	-	480,000	-	701,239
Interest	3,040	-	-	912,850	-	915,890
Total expenditures	750,989	15,463	82,554	1,393,706	11,250	2,253,962
Excess (Deficiency) of revenues over (under) expenditures	47,889	(13,806)	(958)	(12,776)	1,352,372	1,372,721
Other financing sources (uses):						
Issuance of loans	-	1,023,000	-	-	-	1,023,000
Transfers out	-	-	-	-	(1,350,259)	(1,350,259)
Total other financing sources	-	1,023,000	-	-	(1,350,259)	(327,259)
Net changes in fund balances	47,889	1,009,194	(958)	(12,776)	2,113	1,045,462
Fund balances:						
Beginning of year	474,940	-	7,393	31,763	97	514,193
End of year	\$ 522,829	\$ 1,009,194	\$ 6,435	\$ 18,987	\$ 2,210	\$ 1,559,655

SWATARA TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
LIQUID FUELS FUND
YEAR ENDED DECEMBER 31, 2022

	Budgeted amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Interest and rents	\$ 250	\$ 250	\$ 10,648	\$ 10,398
Intergovernmental	704,042	704,042	788,163	84,121
Miscellaneous	-	-	67	67
Total revenues	704,292	704,292	798,878	94,586
Expenditures:				
Current operations:				
Highway and street	509,000	509,000	526,710	(17,710)
Debt Service:				
Principal	301,245	301,245	221,239	80,006
Interest	3,040	3,040	3,040	-
Total Expenditures	813,285	813,285	750,989	62,296
Excess (Deficiency) of revenues over (under) expenditures	(108,993)	(108,993)	47,889	156,882
Net change in fund balance	\$ (108,993)	\$ (108,993)	\$ 47,889	\$ 156,882

SWATARA TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
AMBULANCE FUND
YEAR ENDED DECEMBER 31, 2022

	Budgeted amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 83,522	\$ 83,522	\$ 81,510	\$ (2,012)
Interest and rents	-	-	86	86
Total revenues	83,522	83,522	81,596	(1,926)
Expenditures				
Current operations:				
Public safety	99,000	99,000	82,554	16,446
Total Expenditures	99,000	99,000	82,554	16,446
Excess (Deficiency) of revenues over (under) expenditures	(15,478)	(15,478)	(958)	14,520
Net change in fund balance	\$ (15,478)	\$ (15,478)	\$ (958)	\$ 14,520

SWATARA TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2022

	Budgeted amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 1,367,183	\$ 1,367,183	\$ 1,375,394	\$ 8,211
Interest and rents	160	160	5,536	5,376
Total revenues	<u>1,367,343</u>	<u>1,367,343</u>	<u>1,380,930</u>	<u>13,587</u>
Expenditures:				
Current operations:				
General government	-	-	856	(856)
Debt Service:				
Principal	480,000	480,000	480,000	-
Interest	912,850	912,850	912,850	-
Total expenditures	<u>1,392,850</u>	<u>1,392,850</u>	<u>1,393,706</u>	<u>(856)</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(25,507)</u>	<u>(25,507)</u>	<u>(12,776)</u>	<u>12,731</u>
Net change in fund balance	<u>\$ (25,507)</u>	<u>\$ (25,507)</u>	<u>\$ (12,776)</u>	<u>\$ 12,731</u>

SWATARA TOWNSHIP, PENNSYLVANIA
STATISTICAL SECTION

The Statistical Section of Swatara Township's Annual Comprehensive Financial Report presents detailed information to facilitate an understanding what information in the financial statements, note disclosure, and required supplementary information says about the Township's overall financial health. The Statistical Section is divided into five sections.

Financial Trends80-83

These Tables contain trend information to help the reader understand how the Township's financial performance and financial fitness have changed over time

Revenue Capacity84-87

These Tables contain information to help the reader assess the Township's tax revenue source.

Debt Capacity88-91

These Tables present information to help the reader assess the affordability of the Township's current level of outstanding debt and the Township's ability to issue additional debt in the future.

Demographic and Economic Information92-93

These Tables offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities occur.

Operating Information.....94-96

These Tables contain service and infrastructure data to help the reader understand how the Township's financial report relates to municipal activities and services

Sources: Unless otherwise noted, the information in these Tables is derived from the Annual Comprehensive Financial Reports for the relevant year and do not include the component unit Swatara Township Authority.

SWATARA TOWNSHIP, PENNSYLVANIA
NET ASSETS/NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2022</u>	<u>(B)</u> <u>2021</u>	<u>(A)</u> <u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities										
<u>Net Assets</u>										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
<u>Net Position</u>										
Net investment in capital assets	15,915,263	14,533,792	14,016,621	13,810,425	14,379,501	13,523,613	13,671,294	12,618,161	12,645,942	12,816,285
Restricted	3,431,351	2,367,502	1,466,417	988,285	1,021,069	946,595	865,905	881,625	907,732	1,002,048
Unrestricted	<u>(8,561,853)</u>	<u>(8,471,811)</u>	<u>(7,486,411)</u>	<u>(6,254,222)</u>	<u>(5,664,216)</u>	<u>(2,653,024)</u>	<u>(2,732,774)</u>	<u>(1,134,759)</u>	<u>1,039,652</u>	<u>940,741</u>
Total Governmental Activities and Net Assets/Net Position	<u>\$ 10,784,761</u>	<u>\$ 8,429,483</u>	<u>\$ 7,996,627</u>	<u>\$ 8,544,488</u>	<u>\$ 9,736,354</u>	<u>\$ 11,817,184</u>	<u>\$ 11,804,425</u>	<u>\$ 12,365,027</u>	<u>\$ 14,593,326</u>	<u>\$ 14,759,074</u>
Swatara Township Stormwater Authority- Component Unit										
<u>Net Assets</u>										
Invested in capital assets, net of related debt	\$ 804,612	\$ 685,113	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
<u>Net Position</u>										
Net investment in capital assets	-	-	-	30,219,071	21,178,288	18,976,705	17,310,176	16,132,759	15,012,862	14,728,600
Restricted	-	-	-	1,117,275	721,869	-	-	-	-	-
Unrestricted	<u>203,108</u>	<u>54,276</u>	<u>-</u>	<u>2,988,794</u>	<u>11,568,812</u>	<u>11,757,475</u>	<u>10,675,547</u>	<u>12,002,623</u>	<u>12,080,260</u>	<u>25,565,194</u>
Total Component Unit and Net Assets/Net Position	<u>\$ 1,007,720</u>	<u>\$ 739,389</u>	<u>\$ -</u>	<u>\$ 34,325,140</u>	<u>\$ 33,468,969</u>	<u>\$ 30,734,180</u>	<u>\$ 27,985,723</u>	<u>\$ 28,135,382</u>	<u>\$ 27,093,122</u>	<u>\$ 40,293,794</u>
Reporting entity:										
<u>Net Assets</u>										
Invested in capital assets, net of related debt	\$ 804,612	\$ 685,113	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
<u>Net Position</u>										
Net investment in capital assets	15,915,263	14,533,792	14,016,621	44,029,496	35,557,789	32,500,318	30,981,470	28,750,920	27,658,804	27,544,885
Restricted	3,431,351	2,367,502	1,466,417	2,105,560	1,742,938	946,595	865,905	881,625	907,732	1,002,048
Unrestricted	<u>(8,358,745)</u>	<u>(8,417,535)</u>	<u>(7,486,411)</u>	<u>(3,265,428)</u>	<u>5,904,596</u>	<u>9,104,451</u>	<u>7,942,773</u>	<u>10,867,864</u>	<u>13,119,912</u>	<u>26,505,935</u>
Total Net Assets/Net Position	<u>\$ 11,792,481</u>	<u>\$ 9,168,872</u>	<u>\$ 7,996,627</u>	<u>\$ 42,869,628</u>	<u>\$ 43,205,323</u>	<u>\$ 42,551,364</u>	<u>\$ 39,790,148</u>	<u>\$ 40,500,409</u>	<u>\$ 41,686,448</u>	<u>\$ 55,052,868</u>

The Township implemented GASB Statement 63 in 2011, GASB Statement 65 in 2013, GASB Statement 68 and 71 in 2015, and GASB 75 in 2018; and therefore, prior years have not been adjusted to reflect the implementation of these standards.

(A) - Effective 2020 Swatara Township is not financially accountable for the Swatara Township Authority and therefore these amounts have been excluded from the reporting entity.

(B) - Effective 2021 and future years Swatara Township is financially accountable for the Swatara Township Stormwater Authority and therefore these amounts have been included in the reporting entity.

Table 1

SWATARA TOWNSHIP, PENNSYLVANIA
CHANGE IN NET ASSETS/NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2022</u>	<u>(B)</u> <u>2021</u>	<u>(A)</u> <u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Program Expenses										
Governmental activities:										
General government	\$ 960,403	\$ 1,816,998	\$ 2,180,441	\$ 1,973,924	\$ 1,693,832	\$ 2,022,223	\$ 1,899,801	\$ 2,068,008	\$ 2,283,310	\$ 1,842,778
Public safety	13,880,460	11,843,190	11,766,118	11,880,991	11,412,551	9,666,638	10,107,011	9,615,814	9,497,260	8,331,044
Health and welfare	-	-	-	-	-	-	-	-	-	80,820
Highway and street	2,355,184	3,650,578	4,735,903	4,602,880	3,859,295	3,619,721	3,513,350	3,368,469	3,484,896	3,253,234
Cultural and recreation	211,297	869,043	763,816	793,617	669,882	577,743	483,207	390,856	323,427	281,422
Interest expense	824,173	599,877	730,874	390,029	407,561	437,649	378,678	471,377	400,174	409,165
Total governmental activities expenses	<u>18,231,517</u>	<u>18,779,686</u>	<u>20,177,152</u>	<u>19,641,441</u>	<u>18,043,121</u>	<u>16,323,974</u>	<u>16,382,047</u>	<u>15,914,524</u>	<u>15,989,067</u>	<u>14,198,463</u>
Component unit:										
Swatara Township Stormwater Authority	1,513,230	1,801,045	-	-	-	-	-	-	-	-
Swatara Township Authority- component unit	-	-	-	10,536,747	8,832,061	6,952,588	10,571,028	8,397,404	8,381,947	8,233,743
Total component unit- expenses	<u>1,513,230</u>	<u>1,801,045</u>	<u>-</u>	<u>10,536,747</u>	<u>8,832,061</u>	<u>6,952,588</u>	<u>10,571,028</u>	<u>8,397,404</u>	<u>8,381,947</u>	<u>8,233,743</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	653,897	659,051	614,669	644,786	722,174	723,079	730,019	726,277	685,929	672,678
Public safety	1,312,741	961,075	1,346,559	1,226,502	1,316,529	1,104,368	1,002,455	1,195,048	476,816	407,129
Health and welfare	-	-	-	-	-	-	-	-	-	180
Highway and Street	323,724	884,024	1,964,169	1,624,172	776,220	86,317	93,620	201,033	197,627	183,142
Culture and recreation	2,644	3,200	775	520	1,470	1,255	3,330	6,405	4,540	3,170
Operating grants and contributions	3,621,403	2,945,907	3,144,452	1,778,997	1,678,175	1,587,097	1,555,295	2,027,105	1,968,416	2,144,705
Capital Grants and contributions	-	-	-	-	-	-	-	-	586,916	658,463
Total governmental activities program revenues	<u>5,914,409</u>	<u>5,453,257</u>	<u>7,070,624</u>	<u>5,274,977</u>	<u>4,494,568</u>	<u>3,502,116</u>	<u>3,384,719</u>	<u>4,155,868</u>	<u>3,920,244</u>	<u>4,069,467</u>
Component unit:										
Charges for services	1,781,154	2,214,117	-	11,262,534	11,213,176	9,535,738	10,398,854	9,785,733	9,903,540	9,847,931
Capital Grants and contributions	-	-	-	-	285,893	108,719	-	50,250	-	-
Total component unit revenues	<u>1,781,154</u>	<u>2,214,117</u>	<u>-</u>	<u>11,262,534</u>	<u>11,499,069</u>	<u>9,644,457</u>	<u>10,398,854</u>	<u>9,835,983</u>	<u>9,903,540</u>	<u>9,847,931</u>
Net (expense)/revenue										
Governmental activities	\$ (12,317,108)	\$ (13,326,429)	\$ (13,106,528)	\$ (14,366,464)	\$ (13,548,553)	\$ (12,821,858)	\$ (12,997,328)	\$ (11,758,656)	\$ (12,068,823)	\$ (10,128,996)
Component unit	<u>267,924</u>	<u>413,072</u>	<u>-</u>	<u>725,787</u>	<u>2,667,008</u>	<u>2,691,869</u>	<u>(172,174)</u>	<u>1,438,579</u>	<u>1,521,593</u>	<u>1,614,188</u>
Total reporting entity net revenue (expense)	<u>\$ (12,049,184)</u>	<u>\$ (12,913,357)</u>	<u>\$ (13,106,528)</u>	<u>\$ (13,640,677)</u>	<u>\$ (10,881,545)</u>	<u>\$ (10,129,989)</u>	<u>\$ (13,169,502)</u>	<u>\$ (10,320,077)</u>	<u>\$ (10,547,230)</u>	<u>\$ (8,514,808)</u>

The Township implemented GASB Statement 65 in 2013, GASB Statement 68 and 71 in 2015, and GASB 75 in 2018; and therefore, prior years have not been adjusted to reflect the implementation of these standards.

(A) - Effective 2020 Swatara Township is not financially accountable to the Swatara Township Authority and therefore these amounts have been excluded from the reporting entity.

(B) - Effective 2021 and for future years Swatara Township is financially accountable for the Swatara Township Stormwater Authority and therefore these amounts have been included in the reporting entity.

SWATARA TOWNSHIP, PENNSYLVANIA
CHANGE IN NET ASSETS/NET POSITION
LAST TEN YEARS (CONTINUED)
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2022</u>	<u>(B)</u> <u>2021</u>	<u>(A)</u> <u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Revenues and Other										
Changes in Net Assets/Net Position										
Governmental activities:										
Real Estate Taxes	\$ 5,657,911	\$ 5,678,080	\$ 5,551,241	\$ 5,746,983	\$ 5,938,954	\$ 5,821,206	\$ 5,891,410	\$ 5,579,595	\$ 5,512,715	\$ 5,490,548
Real Estate Transfer Tax	841,160	843,891	816,180	699,832	764,780	792,111	515,417	794,484	444,311	582,463
Earned Income Tax	3,685,614	3,376,932	3,148,381	3,175,339	3,033,692	2,954,878	2,844,730	2,773,774	2,596,104	2,496,777
Business Privilege Tax	2,235,694	2,060,251	1,788,049	2,049,225	2,073,230	1,954,300	1,742,611	1,699,382	1,689,820	1,908,898
Local Service Tax	917,262	922,755	910,968	966,513	950,986	952,321	1,148,181	1,086,715	1,039,086	976,282
Investment Earnings	448,800	32,812	94,974	282,688	198,879	63,088	36,558	34,436	52,546	54,632
Miscellaneous	403,377	844,564	248,874	254,018	729,772	296,713	257,819	218,304	488,205	93,360
Special Items	10,698	-	-	-	(100,000)	-	-	-	-	-
Total governmental activities	<u>14,200,516</u>	<u>13,759,285</u>	<u>12,558,667</u>	<u>13,174,598</u>	<u>13,590,293</u>	<u>12,834,617</u>	<u>12,436,726</u>	<u>12,186,690</u>	<u>11,903,075</u>	<u>11,520,256</u>
Component unit:										
Investment earnings	407	106	-	130,384	67,781	56,588	22,515	16,846	6,335	2,980
Legal settlement	-	-	-	-	-	-	-	-	-	2,805,632
Miscellaneous	215	140	-	-	-	-	-	-	-	-
Total component unit	<u>622</u>	<u>246</u>	<u>-</u>	<u>130,384</u>	<u>67,781</u>	<u>56,588</u>	<u>22,515</u>	<u>16,846</u>	<u>6,335</u>	<u>2,808,612</u>
Total reporting entity	\$ 14,201,138	\$ 13,759,531	\$ 12,558,667	\$ 13,304,982	\$ 13,658,074	\$ 12,891,205	\$ 12,459,241	\$ 12,203,536	\$ 11,909,410	\$ 14,328,868
Change in Net Assets/Net Position										
Governmental activities	\$ 1,883,408	\$ 432,856	\$ (547,861)	\$ (1,191,866)	\$ 41,740	\$ 12,759	\$ (560,602)	\$ 428,034	\$ (165,748)	\$ 1,391,260
Component unit	<u>268,546</u>	<u>413,318</u>	<u>-</u>	<u>856,171</u>	<u>2,734,789</u>	<u>2,748,457</u>	<u>(149,659)</u>	<u>1,455,425</u>	<u>1,527,928</u>	<u>4,422,800</u>
Total reporting entity	\$ 2,151,954	\$ 846,174	\$ (547,861)	\$ (335,695)	\$ 2,776,529	\$ 2,761,216	\$ (710,261)	\$ 1,883,459	\$ 1,362,180	\$ 5,814,060

The Township implemented GASB Statement 65 in 2013, GASB Statement 68 and 71 in 2015, and GASB 75 in 2018; and therefore, prior years have not been adjusted to reflect the implementation of these standards.

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(B) - Effective 2021 and future years Swatara Township is financially accountable for the Swatara Township Stormwater Authority and therefore these amounts have been included in the reporting entity.

SWATARA TOWNSHIP, PENNSYLVANIA
FUND BALANCES AND CHANGES IN FUND BALANCES
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes	\$ 13,331,899	\$ 12,856,220	\$ 12,195,467	\$ 12,566,864	\$ 12,830,263	\$ 12,523,160	\$ 12,128,243	\$ 11,902,954	\$ 11,239,078	\$ 11,439,409
Licenses, fees and permits	1,319,841	1,024,321	1,184,189	1,091,484	1,290,496	1,001,892	961,665	1,154,894	1,051,380	1,011,081
Fines and forfeits	93,672	122,607	143,053	130,862	126,759	141,106	108,901	119,741	110,046	126,197
Interest and rents	448,800	32,812	94,974	282,688	198,879	72,088	54,558	34,436	52,546	54,632
Intergovernmental	3,621,403	2,945,907	3,144,452	1,778,997	1,678,175	1,568,971	1,555,295	2,027,105	2,555,332	2,803,168
Department earnings	879,493	1,360,422	2,598,930	2,273,634	1,399,138	781,147	758,858	854,128	203,486	129,021
Miscellaneous	403,377	844,564	220,631	197,409	374,529	267,680	247,528	187,260	470,130	93,360
Total Revenues	<u>20,098,485</u>	<u>19,186,853</u>	<u>19,581,696</u>	<u>18,321,938</u>	<u>17,898,239</u>	<u>16,356,044</u>	<u>15,815,048</u>	<u>16,280,518</u>	<u>15,681,998</u>	<u>15,656,868</u>
Expenditures										
Current:										
General government	1,894,551	1,841,514	2,522,031	1,901,630	1,721,425	2,234,531	1,717,392	1,880,615	2,148,529	1,731,028
Public safety	11,774,307	10,906,618	10,519,276	10,333,602	10,194,095	9,181,328	8,717,366	8,138,460	8,068,149	7,525,018
Health and welfare	-	-	-	-	-	-	-	-	-	80,820
Highway and Street	3,117,615	3,008,277	3,614,707	3,563,954	3,022,912	2,832,019	2,772,583	2,647,912	2,782,958	2,554,172
Cultural and recreation	469,941	775,028	674,450	706,493	583,342	493,976	411,680	321,297	275,197	251,543
Debt service:										
Principal	1,367,376	1,447,962	1,415,163	1,208,522	1,435,749	1,370,474	771,668	10,687,866	532,079	396,553
Interest	1,027,108	1,025,864	419,451	439,094	456,376	484,588	424,438	505,019	402,679	410,835
Capital outlay	1,066,617	2,831,591	1,155,556	1,859,264	807,781	4,643,934	1,748,601	1,561,014	892,085	3,333,711
Total Expenditures	<u>20,717,515</u>	<u>21,836,854</u>	<u>20,320,634</u>	<u>20,012,559</u>	<u>18,221,680</u>	<u>21,240,850</u>	<u>16,563,728</u>	<u>25,742,183</u>	<u>15,101,676</u>	<u>16,283,680</u>
Other financing sources (uses)										
Issurance of loans	1,023,000	-	-	-	-	700,588	799,412	-	-	-
Proceeds from bonds	-	-	-	-	-	-	-	670,000	-	-
Proceeds from Swap termination	-	-	-	-	-	-	-	56,597	-	-
Proceeds from refunding bonds	-	-	17,695,000	-	-	-	-	9,740,000	-	-
Capital lease acquisition	-	-	445,113	983,185	-	3,539,548	-	-	-	-
Premium received on refunding bonds	-	-	2,575,462	-	-	-	-	1,176,758	-	-
Swap termination payments	-	-	-	-	-	-	-	(501,508)	-	-
Proceeds of capital asset sales	10,698	-	28,243	56,609	355,243	29,033	10,291	31,044	18,075	-
Total other financing sources (uses)	<u>1,033,698</u>	<u>-</u>	<u>20,743,818</u>	<u>1,039,794</u>	<u>355,243</u>	<u>4,269,169</u>	<u>809,703</u>	<u>11,172,891</u>	<u>18,075</u>	<u>-</u>
Special Item										
Litigation	-	-	-	-	100,000	-	-	-	-	-
Net changes in fund balances	414,668	(2,650,001)	20,004,880	(650,827)	(68,198)	(615,637)	(68,560)	1,711,226	598,397	(626,812)
Beginning Balance	<u>28,166,322</u>	<u>30,816,323</u>	<u>10,811,443</u>	<u>11,462,270</u>	<u>11,530,468</u>	<u>12,146,105</u>	<u>12,214,665</u>	<u>10,503,439</u>	<u>9,905,042</u>	<u>10,531,854</u>
Ending Balance	<u>\$ 28,580,990</u>	<u>\$ 28,166,322</u>	<u>\$ 30,816,323</u>	<u>\$ 10,811,443</u>	<u>\$ 11,462,270</u>	<u>\$ 11,530,468</u>	<u>\$ 12,146,105</u>	<u>\$ 12,214,665</u>	<u>\$ 10,503,439</u>	<u>\$ 9,905,042</u>
Debt service as a percentage of noncapital expenditures	<u>12.19%</u>	<u>13.02%</u>	<u>9.57%</u>	<u>9.08%</u>	<u>10.87%</u>	<u>11.18%</u>	<u>8.07%</u>	<u>46.29%</u>	<u>6.58%</u>	<u>6.23%</u>
Fund Balances:										
Unreserved:										
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	4,907
Restricted	21,615,961	20,437,132	22,622,267	3,041,353	3,885,936	3,888,814	4,791,172	4,928,451	4,379,819	4,664,277
Assigned	4,381,610	4,319,007	4,387,336	4,366,705	4,282,231	4,002,942	3,958,045	4,109,332	3,862,286	2,825,894
Unassigned	2,583,419	3,410,183	3,806,720	3,403,385	3,294,103	3,638,712	3,396,888	3,176,882	2,261,334	2,409,964
Total fund balances	<u>\$ 28,580,990</u>	<u>\$ 28,166,322</u>	<u>\$ 30,816,323</u>	<u>\$ 10,811,443</u>	<u>\$ 11,462,270</u>	<u>\$ 11,530,468</u>	<u>\$ 12,146,105</u>	<u>\$ 12,214,665</u>	<u>\$ 10,503,439</u>	<u>\$ 9,905,042</u>

Table 3

SWATARA TOWNSHIP, PENNSYLVANIA
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE REAL PROPERTY, LAST TEN YEARS

Year	Market Value	Assessed Value	Assessed Value Ratio to Market Value	Less Tax Exempt Property	Taxable Property	Value of a Mil of Tax	Total Direct Tax Rate (in mills)
2022	\$ 2,460,239,948	\$ 1,882,083,560	76.50%	\$ 275,594,000	\$ 1,606,489,560	\$ 1,606,490	3.6473
2021	\$ 2,449,406,340	\$ 1,873,795,850	76.50%	\$ 272,950,400	\$ 1,600,845,450	\$ 1,600,845	3.6473
2020	\$ 2,449,559,020	\$ 1,873,912,650	76.50%	\$ 273,169,700	\$ 1,600,742,950	\$ 1,600,743	3.6473
2019	\$ 2,402,801,634	\$ 1,838,143,250	76.50%	\$ 269,633,100	\$ 1,568,510,150	\$ 1,568,510	3.7639
2018	\$ 2,413,970,410	\$ 1,846,687,364	76.50%	\$ 270,684,164	\$ 1,576,003,200	\$ 1,576,003	3.7639
2017	\$ 2,467,097,987	\$ 1,837,988,000	74.50%	\$ 267,454,400	\$ 1,570,533,600	\$ 1,570,534	3.7639
2016	\$ 2,453,313,154	\$ 1,827,718,300	74.50%	\$ 261,728,100	\$ 1,565,990,200	\$ 1,565,990	3.7639
2015	\$ 2,313,849,803	\$ 1,765,467,400	76.30%	\$ 259,429,300	\$ 1,506,038,100	\$ 1,506,038	3.7639
2014	\$ 2,350,946,226	\$ 1,744,402,100	74.20%	\$ 259,083,100	\$ 1,485,319,000	\$ 1,485,319	3.7639
2013	\$ 2,276,997,379	\$ 1,737,349,000	76.30%	\$ 258,902,000	\$ 1,478,447,000	\$ 1,478,447	3.7639

Pennsylvania statutes grant assessment authority to the county level. Assessed Valuation represents the actual value of the property as if it were sold in a bona fide sale adjusted for inflation and market conditions

Estimate based upon county-wide common level ratio provided by the Pennsylvania Tax Equalization Board

Source: Dauphin County Tax Assessor's Office

Table 4

SWATARA TOWNSHIP, PENNSYLVANIA
DIRECT AND OVERLAPPING PROPERTY TAXES, LAST TEN YEARS
"AT A RATE PER \$1,000 OF ASSESSED VALUE"

Fiscal Year	Township General Tax	Township Fire Tax	Township Debt Tax	Township Ambulance Tax	Total Township Tax	Dauphin County General Tax	Dauphin County Library Tax	Central Dauphin School Rate	Township Share of combined Levee	Total Direct Tax Rate
2022	1.7693	0.9358	0.8896	0.0526	3.6473	6.8760	0.35	17.4639	12.87%	28.3372
2021	1.8182	0.9358	0.8407	0.0526	3.6473	6.8760	0.35	16.8571	13.15%	27.7304
2020	2.2145	0.9358	0.4350	0.0620	3.6473	6.8760	0.35	16.8571	13.15%	27.7304
2019	2.3311	0.9358	0.4350	0.0620	3.7639	6.8760	0.35	16.5672	13.66%	27.5571
2018	2.3392	0.9217	0.4394	0.0636	3.7639	6.8760	0.35	16.5672	13.66%	27.5571
2017	2.3263	0.9007	0.4408	0.0961	3.7639	6.8760	0.35	15.2188	14.36%	26.2087
2016	2.3845	0.8999	0.3930	0.0865	3.7639	6.8760	0.35	15.2188	14.36%	26.2087
2015	2.4146	0.9289	0.3734	0.0470	3.7639	6.8760	0.35	14.8622	14.56%	25.8521
2014	2.4146	0.9289	0.3734	0.0470	3.7639	6.8760	0.35	14.6002	14.71%	25.5901
2013	2.5931	0.6473	0.3734	0.1500	3.7639	6.8760	0.35	14.3173	14.87%	25.3072

Source: Dauphin County Tax Assessor's Office

Table 5

SWATARA TOWNSHIP, PENNSYLVANIA
PRINCIPAL PROPERTY TAX PAYERS, CURRENT YEAR AND NINE YEARS AGO

Tax Payer Name	2022			Tax Payer (other owner)	2013		
	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value		Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
Norfolk Southern	\$ 40,187,500	1	2.14%				
Boyd/Mahoney UD Properties	\$ 22,191,900	2	1.18%	Union Deposit Corp	\$ 14,379,400	2	0.99%
Sunpointe Gardens	\$ 19,043,700	3	1.02%				
Prologis Grayson Road Property	\$ 16,576,000	4	0.88%	Prologis Grayson Road	\$ 8,691,000	8	0.60%
Wal-Mart	\$ 16,058,400	5	0.86%	Wal-Mart	\$ 10,278,100	5	0.70%
S&H Partners LP	\$ 15,813,000	6	0.84%	S&H Partners LP	\$ 15,813,000	1	1.08%
High Pointe Commons	\$ 12,527,400	7	0.67%	High Pointe Commons	\$ 10,599,100	4	0.73%
Multi-Ventures Inc. - Emerald Point	\$ 12,100,700	8	0.65%				
Ivy Ridge Apartments	\$ 11,317,000	9	0.60%	Ivy Ridge Apartments	\$ 8,851,000	7	0.61%
1205 S. 28th Street LLC	\$ 10,500,000	10	0.56%				
				Emerald Pointe LP	\$ 12,100,700	3	0.83%
				Chambers Ridge Assoc.	\$ 10,260,200	6	0.70%
				SC Funding Group	\$ 8,400,000	9	0.58%
				Grand Prix Harrisburg	\$ 8,011,500	10	0.55%

Source: 2022 and 2013 Tax Duplicate Books

Table 6

SWATARA TOWNSHIP, PENNSYLVANIA
PROPERTY LEVIES AND COLLECTIONS, LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years *	Total Collections to Date	
		Actual Collection	Percent of Total Levy Collected		Amount	Percentage of Levy
2022	\$ 5,859,397	\$ 5,760,943	98.32%	\$ -	\$ 5,760,943	98.32%
2021	\$ 5,838,811	\$ 5,515,309	94.46%	\$ 74,207	\$ 5,589,516	95.73%
2020	\$ 5,743,495	\$ 5,440,773	94.73%	\$ 73,238	\$ 5,514,011	96.00%
2019	\$ 5,903,683	\$ 5,627,608	95.32%	\$ 61,825	\$ 5,689,433	96.37%
2018	\$ 5,931,888	\$ 5,689,633	95.92%	\$ 237,973	\$ 5,927,606	99.93%
2017	\$ 5,911,300	\$ 5,669,045	95.90%	\$ 238,097	\$ 5,907,142	99.93%
2016	\$ 5,925,705	\$ 5,665,097	95.60%	\$ 253,630	\$ 5,918,727	99.88%
2015	\$ 5,644,281	\$ 5,421,054	96.05%	\$ 219,362	\$ 5,640,416	99.93%
2014	\$ 5,599,932	\$ 5,274,426	94.19%	\$ 321,425	\$ 5,595,851	99.93%
2013	\$ 5,531,703	\$ 5,212,494	94.23%	\$ 314,913	\$ 5,527,407	99.92%
2012	\$ 4,932,871	\$ 4,724,954	95.79%	\$ 203,165	\$ 4,928,119	99.90%

* Source: Dauphin County Tax Claim's Office

Table 7

SWATARA TOWNSHIP, PENNSYLVANIA
OUTSTANDING DEBT BY TYPE RELATIVE TO GENERAL FUND EXPENDITURES, LAST TEN YEARS

Fiscal Year	Interest paid for Year	Principal paid for Year	Total Debt Service for Year	General Fund Expenditures for the Year	Ratio of Debt Service to General Fund Expenditures
2022	\$ 1,027,108	\$ 1,367,376	\$ 2,394,484	\$ 16,671,820	14.36%
2021	\$ 1,025,864	\$ 1,447,962	\$ 2,473,826	\$ 16,026,200	15.44%
2020	\$ 419,452	\$ 1,415,162	\$ 1,834,614	\$ 16,551,924	11.08%
2019	\$ 439,094	\$ 1,208,522	\$ 1,647,616	\$ 15,722,007	10.48%
2018	\$ 456,376	\$ 1,435,749	\$ 1,892,125	\$ 14,716,407	12.86%
2017	\$ 484,588	\$ 1,370,474	\$ 1,855,062	\$ 13,782,836	13.46%
2016	\$ 424,438	\$ 771,668	\$ 1,196,106	\$ 12,631,721	9.47%
2015	\$ 505,019	\$ 10,687,866	\$ 11,192,885	\$ 11,852,677	94.43%
2014	\$ 402,679	\$ 532,079	\$ 934,758	\$ 11,767,366	7.94%
2013	\$ 410,835	\$ 396,553	\$ 807,388	\$ 10,984,294	7.35%

Table 8

SWATARA TOWNSHIP, PENNSYLVANIA
RATIO OF GENERAL BONDED DEBT

Year	General Bonded Debt	Township Taxable Assessed Value	Debt Percent of Actual Assessed Value	Township* Population	Debt Per Capita Value	Debt Per Capita as Percent of Income
2022	\$ 27,310,651	\$ 1,606,489,560	1.700%	27,824	\$ 981.55	3.98%
2021	\$ 27,449,961	\$ 1,600,845,450	1.715%	27,824	\$ 986.56	4.00%
2020	\$ 28,581,588	\$ 1,600,742,950	1.786%	27,824	\$ 1,027.23	4.17%
2019	\$ 9,268,851	\$ 1,568,510,150	0.591%	23,362	\$ 396.75	1.61%
2018	\$ 10,152,760	\$ 1,576,003,200	0.644%	23,362	\$ 434.58	1.76%
2017	\$ 11,066,403	\$ 1,570,533,600	0.705%	23,362	\$ 473.69	1.92%
2016	\$ 11,273,736	\$ 1,506,038,100	0.749%	23,362	\$ 482.57	1.96%
2015	\$ 11,319,540	\$ 1,506,038,100	0.752%	23,362	\$ 484.53	1.96%
2014	\$ 10,494,195	\$ 1,478,447,000	0.710%	23,362	\$ 449.20	1.82%
2013	\$ 11,026,274	\$ 1,478,447,000	0.746%	23,362	\$ 471.97	1.91%

* Population per most recent U. S. Census; 2000; 2010; 2020

Table 9

SWATARA TOWNSHIP, PENNSYLVANIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Percentage Applicable*	Direct Debt	Estimated Share of Overlapping Debt	Total Direct and Overlapping Debt
Swatara Township	\$ 27,310,651	100%	\$ 27,310,651		\$ 27,310,651
		Sub total	\$ 27,310,651		\$ 27,310,651
Central Dauphin School District	\$ 124,205,000	26.03%		\$ 32,330,562	\$ 32,330,562
		Sub total		\$ 32,330,562	\$ 32,330,562
Dauphin County	\$ 139,136,399	8.60%		\$ 11,965,730	\$ 11,965,730
Total	\$ 290,652,050	Total	\$ 27,310,651	\$ 44,296,292	\$ 71,606,943

Source: Central Dauphin School District Business Manager's Office
Dauphin County Comptroller's Office

* Percentages are based upon 2020 Census for each Governmental Unit

Table 10

SWATARA TOWNSHIP, PENNSYLVANIA
LEGAL DEBT MARGIN INFORMATION, LAST TEN YEARS

Legal Debt Margin Calculation for Calendar Year 2022		
Average eligible revenues for the three year period ending		
12/31/2022 (borrowing base)	\$	19,622,345
Debt limit (250% of borrowing base)	\$	49,055,863
Debt applicable to limit:		
General obligation bonds and notes	\$	27,329,548
Less: Amount set aside for repayment of general obligation debt	\$	18,897
Total net debt applicable to limit	\$	27,310,651
Legal debt margin	\$	21,745,212

Last Ten Calendar Years					
Year	Debt Limit	Debt Outstanding	Legal Debt Margin	Total Net Debt as a percentage of Limit	
2022	\$ 49,055,863	\$ 27,329,548	\$ 21,726,315	55.71%	
2021	\$ 47,575,405	\$ 28,613,352	\$ 18,962,053	60.14%	
2020	\$ 46,501,561	\$ 28,606,154	\$ 17,895,407	61.52%	
2019	\$ 43,813,518	\$ 9,223,587	\$ 34,589,931	21.05%	
2018	\$ 41,724,443	\$ 10,152,760	\$ 31,571,683	24.33%	
2017	\$ 40,077,750	\$ 11,113,582	\$ 28,964,168	27.73%	
2016	\$ 38,964,278	\$ 11,273,736	\$ 27,690,542	28.93%	
2015	\$ 38,644,573	\$ 11,319,540	\$ 27,325,033	29.29%	
2014	\$ 36,283,767	\$ 10,494,195	\$ 25,789,572	28.92%	
2013	\$ 33,492,999	\$ 11,026,274	\$ 22,466,725	32.92%	

Table 11

SWATARA TOWNSHIP, PENNSYLVANIA
DEMOGRAPHIC AND ECONOMIC INFORMATION
LAST FOUR US CENSUS REPORTS*

	Population	Income Median	Per Capita Income	Total Personal Income	Median Age	Federal, State and Local Unemployment	Median Home Value
1990	19,166	N/A	N/A	N/A	36.7	n/a, n/a, n/a	\$ 75,200
2000	22,611	\$ 50,095	\$ 20,224	\$ 457,284,864	37.9	4.73%; 4.2%; 3.4%	\$ 96,600
2010	23,362	\$ 65,867	\$ 24,658	\$ 576,060,196	39.1	8.9%; 7.95%; 6.53%	\$ 145,000
2020	27,824	\$ 61,758	\$ 29,255	\$ 813,991,120	38	5.4%; 6.6%; 7.2%	\$ 155,000

*Source: US Census Reports, Penn State Data Center

Note: The US Census is performed every 10 years, as such the last four census reports are presented which encompass 30 years worth of data.

Table 12

SWATARA TOWNSHIP, PENNSYLVANIA
PRINCIPAL TOWNSHIP EMPLOYERS

2022				2013			
Rank	Employer	Employees	% of Total	Rank	Employees	% of Total	
1	United Parcel Service	2,619	9.94%	1	United Parcel Service	2,963	7.31%
2	Wal Mart	603	2.29%	5	Wal Mart	604	2.29%
3	County of Dauphin	571	2.17%	4	County of Dauphin	605	2.30%
4	Clark Resources, Inc.	543	2.06%				
5	Fresh Express, Inc.	430	1.63%	7	Fresh Express	461	1.75%
6	J.B. Hunt Transport	423	1.60%				
7	Feeser's Food, Inc.	374	1.42%				
8	Spring Creek SNF LLC	346	1.31%	10	Spring Creek Management	325	1.23%
9	Target Corporation	320	1.21%				
10	Golden Home Care LLC	316	1.20%				
				2	Coventry Health Care	1,241	4.71%
				3	Diakon Lutheran Social Mini	734	2.78%
				6	Capitol Blue Cross	469	1.78%
				8	Metro Bank	380	1.44%
				9	Able Personnel Inc.	356	1.35%
Source: Keystone Collections							

Source: Keystone Collections

**Included Sams Club with Walmart

Table 13

SWATARA TOWNSHIP, PENNSYLVANIA
TOWNSHIP EMPLOYEES BY FUNCTION, LAST TEN YEARS

<u>Function</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>General Government</u>										
Management	2	2	2	2	2	2	2	2	2	2
Clerical	2	2	2	2	2	2	2	2	2	2
Finance	3	3	3	3	3	5	4	4	3	3
Planning & Building	4	4	4	4	4	4	6	6	8	8
<u>Police</u>										
Officers	42	45	47	46	47	48	50	50	50	50
Civilians	2	2	2	2	2	5	2	2	4	4
<u>Fire</u>										
Fire Marshal	1	1	1	1	1	1	1	1	1	1
<u>Public works</u>	16	16	17	15	15	17	17	17	17	17
<u>Health</u>	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*
<u>Recreation</u>	2	2	2	4	4	4	4	4	4	4
Total	74	77	80	79	80	88	88	88	91	91

* Restaurant Inspections were returned to Pennsylvania State Health Department; position used to fill a vacancy in Codes Department

Source: Swatara Township Departmental Annual Reports

Table 14

SWATARA TOWNSHIP, PENNSYLVANIA
OPERATING INDICATORS BY FUNCTION

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police									
Total Incidents	20,909	20,438	20,419	17,815	17,813	17,139	17,281	17,908	16,214
Criminal Arrests	1,577	2,027	1,829	1,575	1,695	1,533	1,314	1,549	1,333
Traffic Citations/Warnings	3,641	3,237	3,446	2,372	2,584	2,541	2,585	2,243	2,485
Fire*									
Emergency Responses	2,153	1,159	1,146	1,340	1,275	1,173	1,164	1,093	1,150
Fires Reported; Buildings, Cars, etc.	327	184	170	169	165	155	158	159	147
Health**									
Restaurant Inspections	0	0	0	0	0	0	0	0	0
All Inspections	0	0	0	0	0	0	0	0	0
Buildings Codes (permits issued)									
Commercial (new)	7	11	7	13	15	2	13	3	5
Residential (new)	58	87	52	19	53	108	35	81	10
Demolition	9	18	10	12	13	2	9	6	9

Source: Swatara Township Departmental Annual Reports

* Method of reporting for Five (5) Fire stations was combined as one for reporting purposes.

** Health Office was incorporated in the Code Enforcement Office in 2012
and all Restaurant Inspections responsibilities were turned over to State Health Department

Table 15

SWATARA TOWNSHIP, PENNSYLVANIA
CAPITAL ASSET STATISTICS BY FUNCTION

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Volunteer Fire										
Fire Stations *	5	5	5	5	5	4*	4*	4*	4*	4*
Public works										
Miles of Road	136	136	136	136	136	136	136	136	136	136
Street Lights**	1551	1551	1551	1551	1551	1590	1590	1590	1590	1590
Traffic Signals	36	36	36	36	36	36	36	36	36	36
Park and Recreation										
Acreage	107.44	107.44	170.44	170.44	170.44	170.44	170.44	170.44	170.44	170.44
Playgrounds	14	14	17	17	17	17	17	17	17	17

* The Swatara Township Board of Commissioners passed Resolution R-2018-33 on August 8, 2018, which removed the Lawnton Fire Company from the list of volunteer fire companies authorized to act within Swatara Township.

** Street Lights are maintained by Pennsylvania Power and Light, lights are generally installed by developers and become the responsibility of the Township when the public streets are dedicated.

Source: Swatara Township Departmental Annual Reports

Table 16