

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023



SWATARA TOWNSHIP
DAUPHIN COUNTY, PENNSYLVANIA

Prepared by Brittany Yarzinsky,
Finance Director

SWATARA TOWNSHIP, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

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SWATARA TOWNSHIP

ADMINISTRATION

June 28, 2024

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, 2023 – December 31, 2023. 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 finance department and 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 and 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 assets 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, 2023.

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, 4 volunteer fire companies, and emergency management), public works (streets, parks), community development (planning and zoning, codes, building inspections) 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. Stormwater Management Utilities are provided by the Swatara Township Stormwater Authority. The Swatara Township Stormwater Authority is reported as a discretely presented 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 Board (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 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 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 Public 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 budget line-item balances in a fund to other line-items within that fund. The Finance Chairperson initially reviews that 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 any may be dependent 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 homogenous municipality but rather a collection of distinct neighborhoods, in large part this is since the Township is bisected by Route 322 and I-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 and cultural diversity which now includes multi-generational housing.

In 2023, the Swatara Township Business Privilege Tax Collector issued 2,952 Business Privilege Licenses, a decrease of 19 licenses compared to calendar year 2022. Eighteen (18) hotels are located near Route I-83, the Swatara exit off Route I-283, due to its proximity to the Pennsylvania Turnpike Route I-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.

Looking forward the foremost project that will impact Swatara Township will be the widening of I-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 I-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 an 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 of the annual cost of the purchase of major equipment.

The Planning and Zoning office is steadily monitoring the demolition of a Commercial property in the Township, the Harrisburg Mall. This loss will impact both Business Privilege, real estate taxes, and other financial intakes for Swatara Township.

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 Accounts, express the opinion that the financial statements present, in all material respects, the financial position of Swatara Township as of December 31, 2023 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 2022 calendar year Annual Comprehensive Financial Report. The award marked the 28th consecutive year (1995-2022) that Swatara Township was 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 2023 report that is being submitted to GFOA will also meet the Certificate of Achievement requirements and therefore make Swatara Township eligible for another certificate.

Acknowledgements

Swatara Township staff, elected officials and Authority staff invested countless hours of time gathering facts and figures needed to formulate the 2023 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 "Brittany Yarzinsky". The signature is fluid and cursive, with the first name being more prominent.

Brittany Yarzinsky, Finance Director & Treasurer



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, 2022

Christopher P. Morill

Executive Director/CEO

Township Electorate

Board of Commissioners

Tax Collector
Roy Afalava

External Relations

Civil Service Commission
Sewer Authority
Zoning Hearing Board
Planning Commission

Manager
Jim Fosselman

Special Staff

Auditor
Solicitor
Engineer

Standing Committees

- Budget, Finance, Planning/Codes
- Police, Fire Emergency
- Highway/Capital Facilities
- Recreation
- Communication/Grants
- Personnel

Assistant Manager
Kim Kaufman

Custodial

DeWayne Kresge

Administrative Assistant
Karen Alleman

Administration

Jan Mesaric
Receptionist

Zoning & Codes

Robert Ihlein, Director

Henry Good, General Codes Enforcement Officer.
Mary Jane Snyder, Permit Technician
Yvonne Bekelja, OLDS
Omar Sarotic, General Codes Enforcement Officer

Finance

Jim Fosselman, Director

Jennifer Reichwein
Bus, Privilege Officer
Deb Miller, Payroll
Brittany Yarzinsky,
Finance Assistant

Public Safety

Darrell Reider, Public Safety Director

Mike Ibberson, Fire Chief

Craig Powers, EMA Director

Michelle Scheetz, Office Manager
Meghan Martin, Receptionist

Recreation

Brenden Orth
Randy Smith
Chad Huggins

Highway

Todd Webb, Superintendent

Robert Horner
Gregory Miller
Marlin Young
Tony Kepp
Kevin Trafka
Brian Venesevich
Chris McDonel
Doug Goff
Adam Sikorski
Michael Gould
Charles Hock
Chris Stipe
Dakota Shultz
Robert Black

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

**SWATARA TOWNSHIP, DAUPHIN COUNTY, PENNSYLVANIA
2023 PRINCIPAL OFFICIALS**

Elected Officials

President	Christine Zubeck
Vice President	Jeff Varner
Commissioner	Richard Bouder
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, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Adoption of New Governmental Accounting Standards Board Pronouncements

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability and related ratios - police pension, schedule of employer contributions – last 10 years – 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 – last 10 years – non-uniformed pension, schedule of changes in the total OPEB liability and related ratios - last 10 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 12-21 and 66-73 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



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Harrisburg, Pennsylvania

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.

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 75-80 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining 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 other information included in the annual comprehensive financial report (ACFR). The other information comprises the Introductory and Statistical Sections, 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 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.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania
June 28, 2024

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, 2023. 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, 2023, by \$5,345,631. Of this amount, there was a deficit unrestricted net position of \$13,595,137.

The Township's net position decreased by \$5,439,130 during the year 2023.

The Township's capital assets, net of depreciation, increased \$1,561,971 as a result of current year capital asset additions of \$3,083,611 exceeding depreciation of \$1,521,640. The Township's total liabilities and deferred inflows of resources decreased by \$163,904 primarily due to the liabilities related to Pensions and OPEB totaling \$8,066,640 and \$10,000,147, respectively.

At December 31, 2023, the governmental funds reported combined fund balances of \$26,974,236, a decrease of \$1,606,754 from 2022. Of this figure, \$22,250,398 was restricted; \$1,998,023 was assigned and \$2,725,815 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 2023 was \$2,902,673 and the net increase in fund balance was \$142,396. The net increase in fund balance can be mainly attributed to higher than anticipated debt service, capital outlay, and public safety expenses offset by transfers in and capital lease acquisition during the year. The ending fund balance was \$2,725,815 of which \$2,725,815 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 2023 was \$142,143, and the net decrease in fund balance was \$2,381,377. The decrease in fund balance is attributable to the fund transferring funds of \$2,523,520 during the year. Fund balance as of December 31, 2023 was \$1,998,023. 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 deficiency of revenues under expenditures and change in fund balance for 2023 was \$655,698. 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 2023 fund balance was \$18,872,254.

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 excess of revenues over expenditures and increase in fund balance in this fund for 2023 was \$43,259. The increase in fund balance is primarily due to higher than anticipated miscellaneous revenues of \$318,691 offset by total expenditures of \$1,766,036 during the year. The fund has a fund balance of \$573,823 as of December 31, 2023.

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 deficiency of revenues under expenditures and decrease in fund balance for 2023 was \$120,968. The fund has a fund balance of \$401,861 as of December 31, 2023.

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 2023 was \$123,494 and net increase in fund balance was \$1,361,506. The fund has a fund balance of \$2,370,700 as of December 31, 2023.

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 excess of revenues over expenditures and change in fund balance for 2023 was \$2,202. Fund balance as of December 31, 2023 was \$8,637.

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 was \$36,864 and increase in fund balance for 2023 was \$4,136. Fund balance as of December 31, 2023 was \$23,123.

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 deficiency of revenues under expenditures for 2023 and change in fund balance was \$2,210. Fund balance as December 31, 2023 was \$0.

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, 2023 was \$27,796,708. This represents an increase in plan assets of \$2,910,971 from the prior year. Please refer to required supplementary information for detail on the pension plan.

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

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.

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 \$5,345,631 at the end of 2023 and \$10,784,761 at the end of 2022. The largest portion of net position \$17,933,324 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 \$1,007,444 and (\$13,595,137) were reported as "restricted" and "unrestricted", respectively. The primary reason for the decrease in net position from 2022 to 2023 was the Township saw a decrease in revenues greater than the decrease in their expenses. Revenues decreased \$99,276 as a result of decreases in operating grants and contributions, real estate taxes, real estate transfer, and local service totaling \$1,713,647 offset by increases in charges for services, earned income, business privilege, investment earnings, and miscellaneous income totaling \$1,614,371. Expenditures increased \$7,223,262 due to increases in general government, public safety, highway and street, culture and recreation, and interest expenses. 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 \$28,285,533 or 52.0% of total assets, and exceeded current liabilities for year ended December 31, 2023, by \$24,806,847. Other assets are comprised of cash and equivalents \$5,870,833, taxes receivable \$2,077,804, other receivables \$396,037, due from stormwater authority of \$721,197, and restricted cash of \$19,219,662. The Township saw a decrease in other assets from 2022 to 2023 totaling \$3,677,968 which is mainly attributed to decrease in pension asset totaling \$2,352,536 as well as decreases in cash and cash equivalents, taxes receivable, other receivables, and restricted cash and cash equivalents totaling \$1,755,981. This decrease was offset by increases in due from stormwater authority totaling \$430,549. The Township's capital assets include land, buildings, infrastructure and equipment. The net depreciable portion of capital assets is \$19,272,563 and land and construction in progress is \$6,877,213. Deferred outflows of \$9,022,566 at December 31, 2023 were comprised of the refunding loss, pension outflows, and OPEB outflows. Total liabilities and deferred inflows of resources increased from 2022 to 2023 by \$163,903. This increase is primarily attributed to increases in the Township's Deferred inflows of OPEB which totaled \$3,466,389. Current portion of liabilities are comprised of accounts payable \$631,194, accrued payroll \$76,192, escrow deposits \$187,881, the current portion of long-term debt \$875,000, the current portion of compensated absences \$353,685, the current portion of loans payable \$373,373, current portion of OPEB \$220,079, current portion of leases payable \$434,880, unearned revenue \$2,667, accrued interest payable \$221,835, and due to other governments of 101,900. Noncurrent liabilities due in more than one year are comprised of bonds and notes payable \$23,915,108, loans payable \$2,347,134, leases payable \$1,513,911, compensated absences \$2,004,218, net pension liability \$8,066,640 and total OPEB liability \$9,780,068.

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, 2023 and 2022		
	2023	2022
Other assets	\$ 28,285,533	\$ 31,963,501
Capital assets	26,149,776	24,587,805
Total assets	54,435,309	56,551,306
Deferred outflows of resources	9,022,566	12,509,603
Current portion of liabilities	3,478,686	2,786,035
Noncurrent portion of liabilities	47,627,079	51,515,482
Total liabilities	51,105,765	54,301,517
Deferred inflows of resources	\$ 7,006,479	\$ 3,974,631
Net position:		
Net investment in capital assets	\$ 17,933,324	\$ 15,915,263
Restricted	1,007,444	3,431,351
Unrestricted	(13,595,137)	(8,561,853)
Total net position	\$ 5,345,631	\$ 10,784,761

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

Government Wide Financial Analysis (continued)

Change in net position

The change in net position for 2023 was (\$5,439,130.)

Following is a comparative statement of changes in net position.

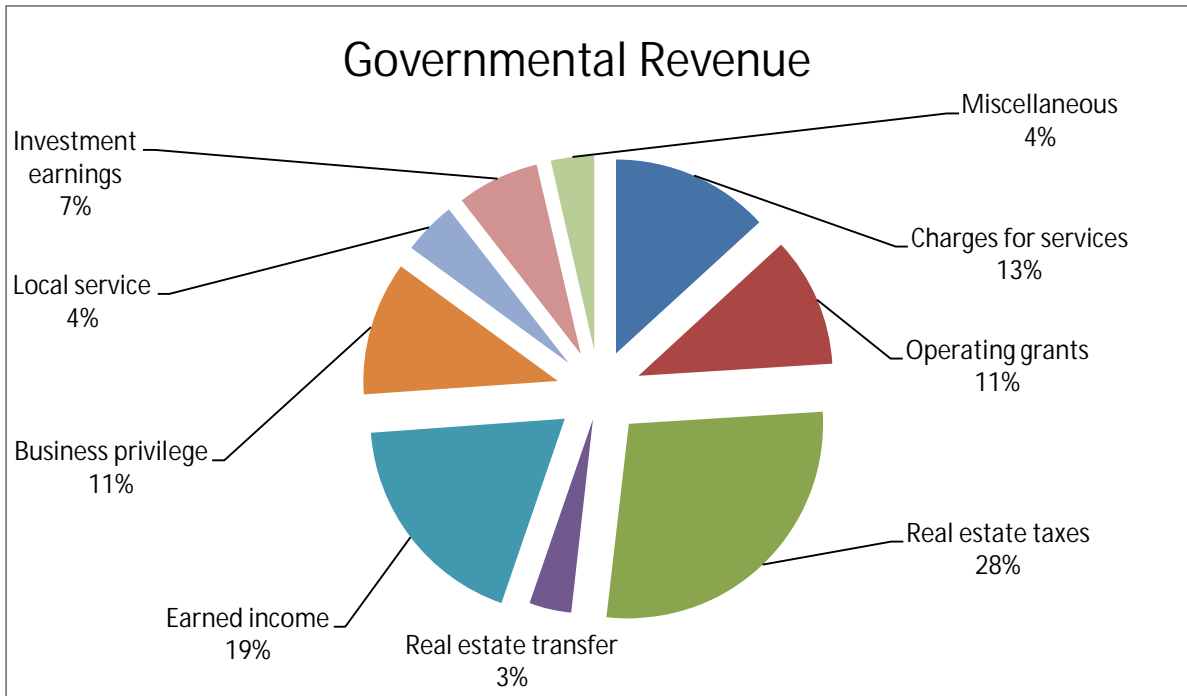
Governmental activities Changes in net position Years ended December 31, 2023 and 2022		
	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 2,632,510	\$ 2,293,006
Operating grants	2,169,512	3,621,403
General revenues:		
Real estate taxes	5,567,113	5,657,911
Real estate transfer	698,877	841,160
Earned income	3,720,272	3,685,614
Business privilege	2,238,145	2,235,694
Local service	888,587	917,262
Investment earnings	1,378,227	448,800
Miscellaneous	722,406	414,075
Total revenues	20,015,649	20,114,925
Expenses		
General government	3,031,799	960,403
Public safety	15,614,459	13,880,460
Highways and streets	5,101,957	2,355,184
Culture and recreation	867,491	211,297
Interest expenses	839,073	824,173
Total expenses	25,454,779	18,231,517
Change in net position	(5,439,130)	1,883,408
Net position, beginning	10,784,761	8,901,353
Net position, ending	\$ 5,345,631	\$ 10,784,761

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

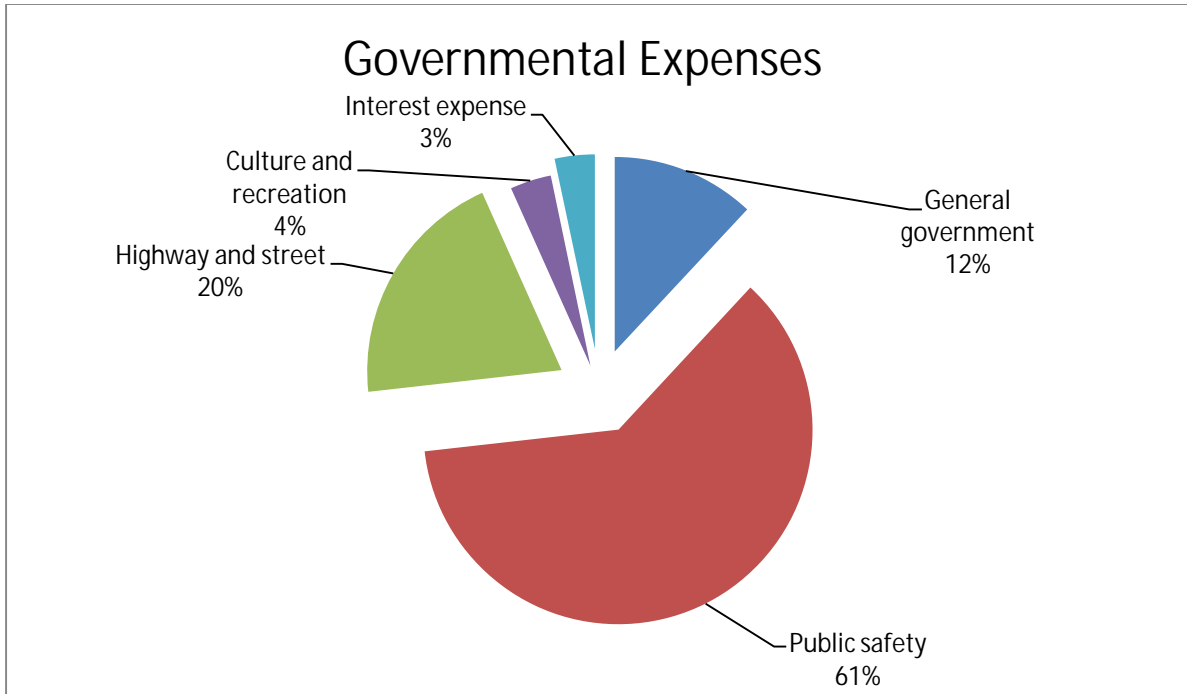
Government Wide Financial Analysis (continued)

Change in net position (continued)

Total Governmental Revenues by major source is \$20,015,649.



Total Governmental Program Expenses by source is \$25,454,779.



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

Government Wide Financial Analysis (continued)

Change in net position (continued)

Net position decreased by \$5,439,130 in 2023 and increased by \$1,883,408 in 2022. Total 2023 revenues decreased by \$99,276 or 0.5% over last year, as previously discussed primarily, due to decreases in operating grants offset by increases in charges for services and investment earnings. Total 2023 expenses increased by \$7,223,262 or 39.6% as previously discussed primarily due to increase in general government, highway and street, and culture and recreation, and interest expense and decrease in public safety.

2023 Budget Overview

2023 General Fund actual revenue was less than the budgeted revenue by \$182,245. The main reason for this was less than anticipated tax revenue, intergovernmental revenue, and department earnings revenues then budgeted.

2023 General Fund actual expenditures were higher than the budgeted expenditures by \$1,621,641. The main reason for this was higher than anticipated general government, public safety, debt service, and capital outlay expenditures during the year.

2023 General Fund net other financing sources/(uses) were higher than the budget figures by \$3,031,669. This was primarily due to transfers to the general fund totaling \$2,482,520 and lease acquisition totaling \$550,591 that was not included within the budget.

Capital Asset Administration

Swatara Township purchased \$3,083,611 of capital assets in 2023. The major asset additions include equipment totaling \$1,352,034, building and improvements totaling \$105,975, and construction in progress totaling \$1,625,602.

Governmental activities
Capital assets
Years ended December 31, 2023 and 2022

	2023	2022
Non-depreciable Assets:		
Land	\$ 3,403,314	\$ 3,403,314
Construction in progress	3,473,899	3,543,869
Total Capital Assets Not Being		
Depreciated	6,877,213	6,947,183
Depreciable Assets:		
Buildings and improvements	11,087,254	10,981,279
Automotive equipment	11,187,118	10,007,158
Machinery and equipment	7,282,621	6,948,721
Bridges	6,253,335	6,253,335
Roads and street light	53,515,668	52,363,251
Less Accumulated Depreciation	(70,053,433)	(68,913,122)
Total Capital Assets Being		
Depreciated Net	19,272,563	17,640,622
Total Net Capital Assets	\$ 26,149,776	\$ 24,587,805

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, 2023 and 2022		
	2023	2022
Compensated absences	\$ 2,357,903	\$ 2,224,948
Loans	2,720,507	1,480,122
General obligation notes, and bonds	24,790,108	25,849,426
Total	\$ 29,868,518	\$ 29,554,496

During 2023, compensated absences increased by \$132,955, loans increased by \$1,240,385 and General Obligation Notes and Bonds decreased by \$1,059,318.

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, 2023 is \$4,505,000.

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, 2023 is \$17,685,000.

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, 2023 is \$305,507.

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, 2023 is \$930,000.

Infrastructure Loan 2023

The Township entered into an infrastructure loan with the County of Dauphin in the amount of 1,485,000 for Rupp Hill Road restorations. The outstanding balances of the loan as of December 31, 2023 is \$1,485,000.

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 2024 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. The Township plans to undertake multiple capital projects to address stormwater runoff utilizing the funds collected from the stormwater fees assessed.

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

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, 2023

	Primary Government	Component Unit
	Governmental Activities	Swatara Township Stormwater Authority
Assets:		
Cash and cash equivalents	\$ 5,870,833	\$ 344,175
Taxes receivable	2,077,804	-
Other receivables	396,037	829,005
Restricted assets:		
Cash and cash equivalents	19,219,662	-
Due from stormwater authority	721,197	102,060
Capital assets:		
Nondepreciable	6,877,213	81,818
Depreciable, net	19,272,563	827,496
Total assets	54,435,309	2,184,554
Deferred outflows of resources:		
Loss on refunding	219,410	-
Pensions	6,185,735	-
OPEB	2,617,421	-
Total deferred outflows of resources	9,022,566	-
Liabilities:		
Accounts payable	631,194	601,079
Accrued payroll and expenses	76,192	-
Escrow deposits payable	187,881	-
Accrued interest payable	221,835	-
Due to other governments	101,900	721,197
Unearned revenue	2,667	-
Noncurrent liabilities due within one year:		
Current portion of OPEB liability	220,079	-
Current portion of loan payable	373,373	-
Current portion of lease payable	434,880	-
Current portion of bonds and notes payable	875,000	-
Compensated absences	353,685	-
Noncurrent liabilities due in more than one year:		
OPEB liability	9,780,068	-
Loan payable	2,347,134	-
Lease payable	1,513,911	-
Bonds and notes payable	23,915,108	-
Net pension liability	8,066,640	-
Compensated absences	2,004,218	-
Total liabilities	51,105,765	1,322,276
Deferred inflows of resources:		
Pensions	1,680,232	-
OPEB	5,326,247	-
Total deferred inflows of resources	7,006,479	-
Net position:		
Net investment in capital assets	17,933,324	909,314
Restricted for:		
Liquid fuels	401,861	-
Fire prevention	573,823	-
Ambulance	8,637	-
Debt service	23,123	-
Unrestricted	(13,595,137)	(47,036)
Total net position	\$ 5,345,631	\$ 862,278

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

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

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	\$ 3,031,799	\$ 625,475	\$ 21,407	\$ -	\$ (2,384,917)	\$ -
Public safety	15,614,459	1,596,054	1,328,846	-	(12,689,559)	-
Highway and street	5,101,957	408,381	819,259	-	(3,874,317)	-
Culture and recreation	867,491	2,600	-	-	(864,891)	-
Interest expense	839,073	-	-	-	(839,073)	-
Total primary government	<u>\$ 25,454,779</u>	<u>\$ 2,632,510</u>	<u>\$ 2,169,512</u>	<u>\$ -</u>	<u>(20,652,757)</u>	<u>-</u>
Component unit, Swatara Township						
Stormwater Authority	<u>\$ 2,287,975</u>	<u>\$ 2,137,239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(150,736)</u>
		General revenues:				
		Taxes:				
			Real estate		5,567,113	-
			Real estate transfer		698,877	-
			Earned income		3,720,272	-
			Business privilege		2,238,145	-
			Local service		888,587	-
		Investment income:				
			Interest income		1,378,227	5,294
			Gain on disposal of capital assets		11,958	-
			Miscellaneous		710,448	-
			Total general revenues		<u>15,213,627</u>	<u>5,294</u>
			Change in net position		(5,439,130)	(145,442)
			Net position - beginning		<u>10,784,761</u>	<u>1,007,720</u>
			Net position - ending		<u>\$ 5,345,631</u>	<u>\$ 862,278</u>

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

SWATARA TOWNSHIP, PENNSYLVANIA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Fund	Fire Prevention Fund	Capital Reserve Fund	Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 1,966,295	\$ 632,115	\$ 1,786,143	\$ -	\$ 1,486,280	\$ 5,870,833
Taxes receivable	1,911,472	82,252	-	-	84,080	2,077,804
Due from other funds	4,275	-	-	-	1,454,961	1,459,236
Due from stormwater authority	721,197	-	-	-	-	721,197
Other receivables	111,645	72,512	211,880	-	-	396,037
Restricted cash and cash equivalents	187,881	-	-	19,031,781	-	19,219,662
Total assets	\$ 4,902,765	\$ 786,879	\$ 1,998,023	\$ 19,031,781	\$ 3,025,321	\$ 29,744,769
Liabilities:						
Accounts payable	\$ 305,388	\$ 133,143	\$ -	\$ 159,527	\$ 33,136	\$ 631,194
Accrued payroll	76,192	-	-	-	-	76,192
Escrow deposits payable	187,881	-	-	-	-	187,881
Due to other funds	1,454,961	-	-	-	4,275	1,459,236
Due to stormwater authority	-	-	-	-	101,900	101,900
Unearned revenue	2,667	-	-	-	-	2,667
Total liabilities	2,027,089	133,143	-	159,527	139,311	2,459,070
Deferred inflows of resources:						
Unavailable revenue - property taxes	149,861	79,913	-	-	81,689	311,463
Total deferred inflows of resources	149,861	79,913	-	-	81,689	311,463
Fund balances:						
Restricted:						
Capital projects	-	-	-	18,872,254	2,370,700	21,242,954
Liquid fuels	-	-	-	-	401,861	401,861
Fire prevention	-	573,823	-	-	-	573,823
Ambulance	-	-	-	-	8,637	8,637
Debt service	-	-	-	-	23,123	23,123
Assigned:						
Capital projects	-	-	1,998,023	-	-	1,998,023
Unassigned	2,725,815	-	-	-	-	2,725,815
Total fund balances	2,725,815	573,823	1,998,023	18,872,254	2,804,321	26,974,236
Total liabilities and fund balances	\$ 4,902,765	\$ 786,879	\$ 1,998,023	\$ 19,031,781	\$ 3,025,321	\$ 29,744,769

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, 2023

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

Total fund balances - governmental funds	\$ 26,974,236
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds:	
Capital assets	26,149,776
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	311,463
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	(221,835)
Compensated absences	(2,357,903)
Total OPEB liability	(10,000,147)
Loan payable	(2,720,507)
Lease payable	(1,948,791)
General obligation debt	(22,190,000)
Unamortized premium	(2,600,108)
Net pension liability	(8,066,640)
Deferred outflows of resources	9,022,566
Deferred inflows of resources	(7,006,479)
Net position of governmental activities	\$ 5,345,631

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, 2023

	General Fund	Fire Prevention Fund	Capital Reserve Fund	Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 10,228,769	\$ 1,429,081	\$ -	\$ -	\$ 1,460,063	\$ 13,117,913
License, fees, and permits	1,227,673	-	-	-	-	1,227,673
Fines and forfeits	127,211	-	-	-	-	127,211
Interest and rents	135,375	35,523	142,143	1,017,740	47,446	1,378,227
Intergovernmental	1,353,919	1,000	-	-	814,593	2,169,512
Department earnings	1,252,626	25,000	-	-	-	1,277,626
Miscellaneous	391,757	318,691	-	-	-	710,448
Total revenues	14,717,330	1,809,295	142,143	1,017,740	2,322,102	20,008,610
Expenditures:						
Current operations:						
General government	1,954,255	-	-	47,836	19,236	2,021,327
Public safety	11,308,771	1,189,983	-	-	99,982	12,598,736
Highway and street	2,156,402	-	-	-	728,418	2,884,820
Culture and recreation	471,839	-	-	-	-	471,839
Debt service:						
Principal	278,493	468,068	-	-	814,994	1,561,555
Interest and fiscal charges	28,274	71,945	-	-	940,806	1,041,025
Capital outlay	1,421,969	36,040	-	1,625,602	-	3,083,611
Total expenditures	17,620,003	1,766,036	-	1,673,438	2,603,436	23,662,913
Excess (deficiency) of revenues over (under) expenditures	(2,902,673)	43,259	142,143	(655,698)	(281,334)	(3,654,303)
Other financing sources (uses):						
Issuance of loans	-	-	-	-	1,485,000	1,485,000
Proceeds of capital asset sales	11,958	-	-	-	-	11,958
Lease acquisitions	550,591	-	-	-	-	550,591
Transfers in	2,482,520	-	-	-	41,000	2,523,520
Transfers out	-	-	(2,523,520)	-	-	(2,523,520)
Total other financing sources (uses)	3,045,069	-	(2,523,520)	-	1,526,000	2,047,549
Net changes in fund balances	142,396	43,259	(2,381,377)	(655,698)	1,244,666	(1,606,754)
Fund balances:						
Beginning of year	2,583,419	530,564	4,379,400	19,527,952	1,559,655	28,580,990
End of year	\$ 2,725,815	\$ 573,823	\$ 1,998,023	\$ 18,872,254	\$ 2,804,321	\$ 26,974,236

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, 2023

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

Net change in fund balances - total governmental funds	\$ (1,606,754)
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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	3,083,611
Depreciation expense	(1,521,640)

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	(4,919)
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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	(1,485,000)
Proceeds from lease acquisitions	(550,591)
Principal payments on loans	244,615
Principal payments on long-term debt	835,000
Principal payments on leases	481,940

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	(483,846)
Change in accrued interest payable	8,978
Change in bond premium	224,318
Pension Expense	(4,500,543)
Change in accrued compensated absences	(132,955)

Change in net position of governmental activities	<u><u>\$ (5,439,130)</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, 2023

	Fiduciary Component Unit Police Pension
Assets:	
Cash and cash equivalents	\$ 1,244,672
Investments:	
Fixed income mutual funds	8,395,617
Equities - stocks	2,610,273
Other mutual funds	15,464,858
Accrued income	81,288
Total assets	27,796,708
Net position:	
Restricted for pensions	\$ 27,796,708

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, 2023

	<u>Fiduciary Component Unit Police Pension</u>
Additions:	
Contributions:	
Employer - state aid	\$ 522,425
Employer - other	480,799
Employees	298,527
Other	<u>30,101</u>
Total contributions	<u>1,331,852</u>
Investment income:	
Interest and dividends	787,547
Net appreciation in fair value of investments	<u>2,407,442</u>
Total investment income/(loss)	3,194,989
Less investment expenses	<u>27</u>
Net investment income/(loss)	<u>3,194,962</u>
Total additions	<u>4,526,814</u>
Deductions:	
Benefit payments	1,528,609
Administrative expenses	<u>87,234</u>
Total deductions	<u>1,615,843</u>
Changes in net position	2,910,971
Beginning of year	<u>24,885,737</u>
End of year	<u><u>\$ 27,796,708</u></u>

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

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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, 2023

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 reserve 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, 2023, 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 loan projects and its activity.

Ambulance fund - Used to account for the support provided to the ambulance company within the Township. Financing is provided by real estate tax assessment (.067 millage rate).

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 Notes of the Township. Financing is provided by real estate tax assessment (.8896 millage rate).

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, 2023

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:

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.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

1. Summary of significant accounting policies (continued):

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, 2023 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) 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 streetlights)	25 - 50 years

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

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 net assets that applies to 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, 2023

1. 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 assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The government 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, 2023

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 2023, the Township adopted the requirements of GASB issued Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*". The adoption of this statement had no effect on previously reported amounts.

In 2023, the Township adopted the requirements of GASB issued Statement No. 96, "*Subscription-Based Information Technology Arrangements*". The adoption of this statement had no effect on previously reported amounts.

In 2023, the Township adopted the requirements of GASB issued Statement No. 99, "*Omnibus 2022*". The adoption of this statement had no effect on previously reported amounts.

Pending changes in accounting principles

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.

In December 2023, the GASB issued Statement No. 102, "*Certain Risk Disclosures*". The Township is required to adopt the Statement No. 102 for its calendar year 2025 financial statements.

In April 2024, the GASB issued Statement No. 103, "*Financial Reporting Model Improvements*". The Township is required to adopt the Statement No. 103 for its calendar year 2026 financial statements.

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

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.

SWATARA TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2023

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 2023, 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, ARPA Fund and Infrastructure Loan 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 2023, the Township real estate taxes were levied at the rate of 3.64733 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, 2023.

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, 2023 were \$26,202,808. Of the \$26,202,808 in deposits, \$437,881 was covered by federal depository insurance and \$25,764,927 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, 2023, 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, 2023, none of the Township's police pension fund cash and cash equivalents or investments were subject to custodial credit risk.

Deposits:

Collateral held by pledging bank under Act 72	\$ 25,764,927
Insured by Federal Deposit Insurance Corporation (FDIC)	437,881
Petty Cash	1,135
Outstanding Checks	(1,113,448)
Total cash and cash equivalents	<u>\$ 25,090,495</u>

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

4. Deposits and investments (continued):

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, 2023:

	<u>12/31/2023</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	\$ 8,395,617	\$ 8,395,617	\$ -	\$ -
Total debt securities	<u>8,395,617</u>	<u>8,395,617</u>	<u>-</u>	<u>-</u>
Equity securities				
Cash equivalents - money market funds	1,244,672	1,244,672	-	-
Stocks	2,610,273	2,610,273	-	-
Other mutual funds	15,464,858	15,464,858	-	-
Total equity securities	<u>19,319,803</u>	<u>19,319,803</u>	<u>-</u>	<u>-</u>
Total investments by fair value	<u>27,715,420</u>	<u>\$ 27,715,420</u>	<u>\$ -</u>	<u>\$ -</u>
Accrued income	81,288			
Total investments and cash equivalents	<u>\$ 27,796,708</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.

As of December 31, 2023, the Township had the following debt investments and maturities within police pension fund:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Fixed Income Mutual Funds	\$ 8,395,617	\$ -	\$ 921,814	\$ 6,909,075	\$ 564,728
Total	<u>\$ 8,395,617</u>	<u>\$ -</u>	<u>\$ 921,814</u>	<u>\$ 6,909,075</u>	<u>\$ 564,728</u>

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

4. Deposits and investments (continued):

Investments (continued):

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, 2023, Township police pension fund's investments in fixed income mutual funds were rated by Standard and Poor's as follows:

\$887,463	10% AA	\$2,326,894	28% AA-
\$2,243,634	27% A+	\$921,814	11% BBB+
\$564,727	7% BB	\$524,081	6% BBB+
\$927,004	11% not rated		

The Township places no limit on the amounts invested in any one issuer. As of December 31, 2023 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, 2023

5. Capital assets:

	Balance January 1, 2023	Additions	Deletions	Transfers	Balance December 31, 2023
Non-depreciable assets:					
Land	\$ 3,403,314	\$ -	\$ -	\$ -	\$ 3,403,314
Construction in progress	3,543,869	1,625,602	-	(1,695,572)	3,473,899
Total capital assets not being depreciated	6,947,183	1,625,602	-	(1,695,572)	6,877,213
Depreciable assets:					
Buildings and improvements	10,981,279	105,975	-	-	11,087,254
Automotive equipment	10,007,158	1,018,134	(381,329)	543,155	11,187,118
Machinery and equipment	6,948,721	333,900	-	-	7,282,621
Bridges	6,253,335	-	-	-	6,253,335
Roads and street lights	52,363,251	-	-	1,152,417	53,515,668
Total capital assets being depreciated	86,553,744	1,458,009	(381,329)	1,695,572	89,325,996
Less accumulated depreciation:					
Buildings and improvements	5,653,436	261,025	-	-	5,914,461
Automotive equipment	6,919,907	500,229	381,329	-	7,038,807
Machinery and equipment	5,091,221	392,067	-	-	5,483,288
Bridges	2,894,172	124,346	-	-	3,018,518
Roads and streetlights	48,354,386	243,973	-	-	48,598,359
Total accumulated depreciation	68,913,122	1,521,640	381,329	-	70,053,433
Total capital assets being depreciated net	17,640,622	(63,631)	-	1,695,572	19,272,563
Total net capital assets	\$ 24,587,805	\$ 1,561,971	\$ -	\$ -	26,149,776

Depreciation expense was charged to the governmental functions as follows:

General government	\$ 94,817
Public safety	537,832
Highway and street	787,047
Culture and recreation	101,944
Total depreciation expense	\$ 1,521,640

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

6. Leases:

Governmental Activities:

In 2016, the Township entered into a lease financing agreement in the amount of \$2,721,218 to purchase equipment. Annual principal and interest payments of \$170,763 are due through 2031. Interest is fixed at 3%. The balance of principal outstanding as of December 31, 2023 was \$1,208,376. Equipment associated with this lease are valued at \$2,721,218 and are included in governmental activities capital assets.

In 2019, the Township entered into a lease financing agreement in the amount of \$983,185 to purchase equipment. Monthly principal and interest payments of \$53,157 are due through 2024. The balance of principal outstanding as of December 31, 2023 as \$105,122. Equipment associated with this lease are valued at \$983,185 and are included in governmental activities capital assets.

In 2020, the Township entered into a lease financing agreement in the amount of \$445,113 to purchase equipment. Monthly principal and interest payments of \$23,524 are due through 2025. The balance of principal outstanding as of December 31, 2023 was \$138,371. Equipment associated with this lease are valued at \$445,113 and are included in governmental activities capital assets.

In 2023, the Township entered into a lease financing agreement in the amount of \$203,305 to purchase vehicles. Quarterly principal and interest payments of \$11,717 are due through 2027. The balance of principal outstanding as of December 31, 2023 was \$185,411. Vehicles associated with this lease are valued at \$203,305 and are included in governmental activities capital assets.

In 2023, the Township entered into a lease financing agreement in the amount of \$118,591 to purchase vehicles. Quarterly principal and interest payments of \$6,839 are due through 2027. The balance of principal outstanding as of December 31, 2023 was \$102,833. Vehicles associated with this lease are valued at \$118,591 and are included in governmental activities capital assets.

In 2023, the Township entered into a lease financing agreement in the amount of \$228,695 to purchase vehicles. Quarterly principal and interest payments of \$13,237 are due through 2027. The balance of principal outstanding as of December 31, 2023 was \$208,678. Vehicles associated with this lease are valued at \$228,695 and are included in governmental activities capital assets.

The leases are backed by the full faith and credit of the Township and are collateralized by certain Township assets. These leases contain acceleration provisions that in the event of default the full amount outstanding including accrued interest may become due and payable immediately or the lender may take possession of the vehicles and equipment. Defaults would be triggered by events such as bankruptcy or failure to pay principal and interest when due.

The Lease Liability as of 2023 is as follows:

	Balance			Balance	Due Within
	January 1, 2023	Additions	Reductions	December 31, 2023	One Year
Lease Liability	\$ 1,880,140	\$ 550,591	\$ 481,940	\$ 1,948,791	\$ 434,880

The assets acquired through the lease are as follows:

Assets:	
Vehicles & Equipment	\$ 4,700,107
Less: Accumulated Depreciation	<u>(1,612,156)</u>
Total	<u>\$ 3,087,951</u>

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

6. Leases (continued):

The future principal and interest lease payments as of December 31, 2023 are as follows:

Year	Principal	Interest	Total
2024	\$ 434,880	\$ 63,466	\$ 498,346
2025	294,369	50,614	344,983
2026	257,846	42,863	300,709
2027	268,440	29,494	297,934
2028	208,459	19,052	227,511
2029-2031	484,797	27,497	512,294
Totals	<u>\$ 1,948,791</u>	<u>\$ 232,986</u>	<u>\$ 2,181,777</u>

7. Compensated absences:

At December 31, 2023, 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 \$2,357,903.

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 liquidated 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	\$ 2,224,948
Additions	261,588
Retirements	<u>(128,633)</u>
Balance at end of year	<u>\$ 2,357,903</u>
Amounts due within one year	<u>\$ 353,685</u>

SWATARA TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2023

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, 2023, 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
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	620,000	57,450	677,450
2029-2030	1,295,000	58,650	1,353,650
Total	<u>\$ 4,505,000</u>	<u>\$ 742,750</u>	<u>\$ 5,247,750</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
2024	\$ 152,373	\$ 1,528	\$ 153,901
2025	153,134	765	153,899
	<u>\$ 305,507</u>	<u>\$ 2,293</u>	<u>\$ 307,800</u>

SWATARA TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2023

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
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	5,000	706,400	711,400
2029-2033	1,860,000	3,458,250	5,318,250
2034-2038	3,610,000	2,882,600	6,492,600
2039-2043	4,395,000	2,100,400	6,495,400
2044-2048	5,345,000	1,148,400	6,493,400
2049-2050	2,450,000	148,000	2,598,000
Total	<u>\$ 17,685,000</u>	<u>\$ 13,270,650</u>	<u>\$ 30,955,650</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
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	103,000	9,309	112,309
2029-2032	432,000	18,966	450,966
	<u>\$ 930,000</u>	<u>\$ 82,841</u>	<u>\$ 1,012,841</u>

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

8. Long-term debt (Continued):

Infrastructure Loan 2023 (Direct Borrowing):

In December 2023 the Township entered into an Infrastructure Loan with the County of Dauphin in the amount of \$1,485,000 for Rupp Hill Road restoration. 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, 2033.

	Principal	Interest	Total
2024	\$ 125,000	\$ 73,673	\$ 198,673
2025	135,000	64,600	199,600
2026	140,000	58,188	198,188
2027	140,000	51,538	191,538
2028	145,000	44,888	189,888
2029-2033	800,000	116,373	916,373
	<u>\$ 1,485,000</u>	<u>\$ 409,260</u>	<u>\$ 1,894,260</u>

The following is a summary of changes in long-term debt for the year ended December 31, 2023:

	General Obligation Notes and Bonds	Bond Premium	Total Long- Term Debt	Infrastructure Loans (Direct Borrowing)
Balance at beginning of year	\$ 23,025,000	\$ 2,824,426	\$ 25,849,426	\$ 1,480,122
Additions	-	-	-	1,485,000
Deletions	(835,000)	(224,318)	(1,059,318)	(244,615)
Balance at end of year	<u>\$ 22,190,000</u>	<u>\$ 2,600,108</u>	<u>\$ 24,790,108</u>	<u>\$ 2,720,507</u>
Amounts due within one year	<u>\$ 875,000</u>		<u>\$ 875,000</u>	<u>\$ 373,373</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.

SWATARA TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2023

9. Police defined benefit pension plan (Continued):

Plan Description (Continued):

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.

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, 2023 is as follows:

Inactive plan members or beneficiaries currently receiving benefits	35
Active plan members	51
Total Members	86

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 12.82% for the year ended December 31, 2023. 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, 2023

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 2023, the Township contributed \$1,003,224 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, 2023 and update procedures were used to rollforward the total pension liability to the December 31, 2023 measurement date. The components of the net pension liability of the Township at December 31, 2023 were as follows:

Net pension liability of the Township

Total pension liability	\$ 35,396,697
Plan fiduciary net position	(27,796,708)
Township's net pension liability	\$ 7,599,989
Plan fiduciary net position as a percentage of the total pension liability	78.53%

Changes in the Township's net pension liability for the year ended December 31, 2023 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) - (b)
	Balances at 12/31/2022	\$ 33,322,175	\$ 24,885,737
Changes for the year:			
Service Cost	872,801	-	872,801
Interest	2,678,593	-	2,678,593
Differences between expected and actual experience	51,737	-	51,737
Contributions - employer	-	1,003,224	(1,003,224)
Contributions - member	-	298,527	(298,527)
Net investment income	-	3,194,962	(3,194,962)
Benefit payments, including refunds or employee contributions	(1,528,609)	(1,528,609)	-
Administrative expense	-	(87,234)	87,234
Other Changes	-	30,101	(30,101)
Net Changes	2,074,522	2,910,971	(836,449)
Balances at 12/31/2023	\$ 35,396,697	\$ 27,796,708	\$ 7,599,989

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

9. Police defined benefit pension plan (continued):

Actuarial assumptions:

The total pension liability was measured as of December 31, 2023 and was determined by rolling forward the liability from an actuarial valuation date as of January 1, 2023, 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-2021 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:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
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, 2023 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, 2023

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	\$ 11,006,897	\$ 7,599,989	\$ 3,025,918

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

For the year ended December 31, 2023, the Township recognized pension expense of \$1,788,929. At December 31, 2023 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	\$ 1,852,793	\$ 1,544,783
Change in assumptions	356,023	-
Net difference between projected and actual earnings on investments	2,670,725	-
Total	\$ 4,879,541	\$ 1,544,783

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

Year ended December 31:	
2024	\$ 939,255
2025	990,432
2026	1,172,688
2027	(180,558)
2028	62,774
Thereafter	350,167
Total	\$ 3,334,758

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

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 Annual Comprehensive 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, 2023

10. Non-uniformed defined benefit pension plan:

Employees Covered by Benefit Terms:

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	24
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	33
	58
	58

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 2023 the Township contributed \$258,512 and the employees contributed \$155,707 to the plan.

B. Net Pension Liability

The Township's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022.

Actuarial assumptions:

The total pension liability in the December 31, 2022 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, 2022 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, 2022 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, 2023

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, 2022 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)	24.5%	7.50%	5.00%
Domestic Equities (small capitalized firms)	8.0%	8.20%	5.70%
International Equities (international developed markets)	14.5%	7.60%	5.10%
International Equities (emerging markets)	3.0%	8.01%	5.51%
Global Equities	5.0%	7.03%	4.53%
Real estate	10.0%	7.42%	4.92%
Timber	5.0%	6.50%	4.00%
Fixed Income (Core Investment Grade)	24.0%	4.60%	2.10%
Fixed income (Opportunistic Credit)	5.0%	8.00%	5.50%
Cash	1.0%	2.20%	-0.30%
Total Portfolio	<u>100%</u>		

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

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, 2022, this rate is equal to 5.25%.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

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, 2022.

The Regular Interest Rate / Discount Rate will likely be less than the System Long-Term Expected Rate of Return. Should the System experience a prolonged period of investment returns in excess of the Regular Interest Rate/Discount Rate, the Board is authorized to allocate any applicable portion of 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, 2023

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 12/31/21 measurement date)	\$ 12,844,079	\$ 15,196,615	\$ (2,352,536)
Changes for the year:			
Service Cost	321,325	-	321,325
Interest	672,742	-	672,742
Changes of benefits	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	469,806	-	469,806
Contributions - employer	-	230,943	(230,943)
Contributions - member	-	132,364	(132,364)
Net investment income	-	(1,682,676)	1,682,676
Benefit payments, including refunds or employee contributions	(667,146)	(667,146)	-
Administrative expense	-	(35,945)	35,945
Net Changes	<u>796,727</u>	<u>(2,022,460)</u>	<u>2,819,187</u>
Balances at 12/31/2022 (based on 12/31/22 measurement date)	<u>\$ 13,640,806</u>	<u>\$ 13,174,155</u>	<u>\$ 466,651</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)	\$ 2,010,330	\$ 466,651	\$ (843,174)

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, 2023

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, 2023, the Township recognized an increase in pension expense of \$3,714,838. At December 31, 2023 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	\$ 375,845	\$ 135,449
Changes in assumptions	161,518	-
Net difference between projected and actual earnings on pension plan investments	510,319	-
Contributions subsequent to the measurement date	258,512	-
Total	\$ 1,306,194	\$ 135,449

The \$258,512 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	\$ (156,453)
2024	164,315
2025	342,356
2026	562,015
2027	-
Thereafter	-
Total	\$ 912,233

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, 2023. 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, 2023 of \$187,881. 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, 2023

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, 2023, 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, 2023.

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, 2023, the Township was limited in liability for claims to \$45,000 per enrollee. Actual claims paid for the year ended December 31, 2023 were \$3,059,936 less reimbursements of \$666,593, or net claims of approximately \$2,393,343.

14. Restricted cash and cash equivalents:

Restricted cash and cash equivalents of \$187,881 (general fund), and \$19,031,781 (bond fund) at December 31, 2023, 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.

Plan Membership:

At January 1, 2023, the Plan's membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	17
Inactive plan members entitled to but not yet receiving benefit payments	9
Active plan members	49
Total	75

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

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

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 \$10,000,147 was measured as of December 31, 2022 and was determined by an actuarial valuation as of January 1, 2022.

Actuarial assumptions and other inputs. The Township's total OPEB liability was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023. The total OPEB liability in the January 1, 2023 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	4.31%
Healthcare cost trend rates	7% in 2023 with 0.5% decrease per year until 5.5% in 2026. Rates gradually decrease from 5.4% in 2027 to 4.1% in 2075 and later.

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index at January 1, 2023.

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

The actuarial assumptions used in the January 1, 2023 valuation were based on historical results, as a recent experience study was not completed.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

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

Changes in the Total OPEB Liability:

Changes in the Township's total OPEB liability for the plan for the year ended December 31, 2023 were as follows:

	Total OPEB Liability
Balance at 12/31/2022 (Based on a 12/31/2021 measurement date)	\$ 13,486,037
Changes for the year:	
Service Cost	728,805
Interest	317,089
Differences between Expected and actual Experience	(921,810)
Changes in Assumptions	(3,384,798)
Benefit Payments	(225,176)
Net Changes	(3,485,890)
Balance at 12/31/2023 (Based on a 12/31/2022 measurement date)	\$ 10,000,147

Changes in assumptions reflect a change in the discount rate from 2.25% in 2022 to 4.31% in 2023 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 (3.31%) or 1-percentage-point higher (5.31%) than the current discount rate:

	1% Decrease 3.31%	Current Discount Rate 4.31%	1% Increase 5.31%
Total OPEB Liability	\$ 11,691,601	\$ 10,000,147	\$ 8,638,483

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

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 (6% decreasing 3.1%) or 1-percentage-point higher (8% decreasing to 5.1%) than the current healthcare cost trend rates:

	1% Decrease (6% decreasing to 3.1%)	Medical Trend Rate (7% decreasing to 4.1%)	1% Increase (8% decreasing to 5.1%)
Total OPEB Liability	\$ 8,441,859	\$ 10,000,147	\$ 11,990,036

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

For the year ended December 31, 2023, the Township recognized OPEB expense of \$701,057. At December 31, 2023, 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	\$ -	\$ 1,526,667
Changes in assumptions	2,400,210	3,799,580
Benefit payments subsequent to the measurement date	217,211	-
Total	<u>\$ 2,617,421</u>	<u>\$ 5,326,247</u>

The \$217,211 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, 2024 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:

2024	\$	(344,837)
2025		(344,837)
2026		(344,837)
2027		(344,835)
2028		(332,953)
Thereafter		(1,213,738)
Total	<u>\$</u>	<u>(2,926,037)</u>

SWATARA TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2023

17. Interfund accounts:

Individual funds “transfers in” and “transfers out” as of December 31, 2023 were as follows:

Transfers Out		Transfers In	
General Fund	\$ -	General Fund	\$ 2,482,520
Capital Reserve	2,523,520	Capital Reserve	-
Nonmajor Governmental Funds	-	Nonmajor Governmental Funds	41,000
	\$ 2,523,520		\$ 2,523,520

Transfers were made to pay for various projects throughout the year.

Individual funds “Due from” and “Due to” as of December 31, 2023 were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 4,275	\$ 1,454,961
Nonmajor Governmental Funds	1,454,961	4,275
Total	\$ 1,459,236	\$ 1,459,236

Due to and Due from’s are to move the loan proceeds from the 2023 Infrastructure Loan Fund from the General Fund to the Infrastructure Loan Fund, and to move remaining ARPA funds to the General Fund.

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, 2023.

	Appropriations	Expenditures	Percent of Excess over Appropriations
General Fund	\$ 15,998,362	\$ 17,620,003	10.14%

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

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

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

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.

Summary of significant accounting policies:

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.

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.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

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

Summary of significant accounting policies (continued):

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 of 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

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 2023, the Authority adopted the requirements of GASB issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The adoption of this statement did not result in a modification of reported amounts.

In 2023, the Authority adopted the requirements of GASB issued Statement No. 96, "Subscription-Based Information Technology Arrangements". The adoption of this statement did not result in a modification of reported amounts.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

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

Summary of significant accounting policies (continued):

Adoption of Governmental Accounting Standards Boards Statements (continued):

In 2023, the Authority adopted the requirements of GASB issued Statement No. 99, "Omnibus 2022". The adoption of this statement did not result in a modification of previously reported amounts.

Pending changes in accounting principles:

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.

In December 2023, the GASB issued Statement No. 102, "Certain Risk Disclosures". The Authority is required to adopt statement No. 102 for its calendar year 2024 financial statements.

In April 2024, the GASB issued Statement No. 103, "Financial Reporting Model Improvements". The Authority is required to adopt the Statement for its calendar year 2026 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, 2023, all of the Authority's cash deposits with a carrying amount of \$344,175 and a bank balance of \$289,931, of which \$39,931 was not covered by federal depository insurance.

SWATARA TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

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

Capital Assets:

The following is a summary of changes in capital assets for the year ended December 31, 2023:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
Non-depreciable Assets:				
Construction in progress	\$ 2,782	\$ 79,036	\$ -	\$ 81,818
Total Capital Assets Not Being Depreciated	<u>2,782</u>	<u>79,036</u>	<u>-</u>	<u>81,818</u>
Depreciable Assets:				
Automotive equipment	68,830	-	-	68,830
Roads and street lights	752,306	66,930	-	819,236
Total Capital Assets Being Depreciated	821,136	66,930	-	888,066
Less Accumulated Depreciation:				
Automotive equipment	16,798	9,833	-	26,631
Roads and street lights	2,508	31,431	-	33,939
Total Accumulated Depreciation	<u>19,306</u>	<u>41,264</u>	<u>-</u>	<u>60,570</u>
Total Capital Assets Being Depreciated Net	<u>801,830</u>	<u>25,666</u>	<u>-</u>	<u>827,496</u>
Total Net Capital Assets	<u>\$ 804,612</u>	<u>\$ 104,702</u>	<u>\$ -</u>	<u>\$ 909,314</u>

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, 2023, the Authority owed the Township \$721,197.

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, 2023 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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 872,801	\$ 823,935	\$ 780,981	\$ 749,000	\$ 709,953	\$ 700,562	\$ 753,461	\$ 640,706	\$ 607,304	\$ 585,367
Interest	2,678,593	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	51,737	-	(801,981)	-	3,100,192	(2,087,090)	-	-	(249,965)	-
Changes of assumptions	-	-	569,638	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,528,609)	(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	2,074,522	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	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	18,289,913
Total pension liability - ending (a)	\$ 35,396,697	\$ 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	\$ 1,003,224	\$ 953,320	\$ 912,146	\$ 819,704	\$ 786,598	\$ 756,982	\$ 705,080	\$ 702,513	\$ 660,568	\$ 607,146
Contributions - employee	298,527	290,909	282,010	265,737	257,118	252,577	273,143	207,072	231,930	202,211
Net investment income	3,194,962	(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	(1,528,609)	(1,373,667)	(1,213,433)	(1,158,097)	(1,137,740)	(996,242)	(876,149)	(827,105)	(894,689)	(825,656)
Administrative expense	(87,234)	(1,250)	(10,125)	(7,175)	(8,225)	(13,775)	(86,440)	(68,806)	(19,050)	(11,410)
Other	30,101	-	23,480	-	-	31,487	736,553	44,795	-	-
Net change in plan fiduciary position	2,910,971	(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	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	16,093,887
Plan fiduciary net position - ending (b)	27,796,708	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)	\$ 7,599,989	\$ 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	78.53%	74.68%	93.88%	89.09%	87.34%	88.93%	91.72%	82.94%	83.93%	88.18%
Covered payroll	\$ 5,429,517	\$ 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	139.98%	159.36%	37.48%	67.24%	75.99%	58.19%	44.84%	87.57%	78.25%	61.77%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer contributions	\$ 1,003,224	\$ 953,320	\$ 912,146	\$ 819,704	\$ 786,598	\$ 756,982	\$ 705,080	\$ 702,513	\$ 660,568	\$ 607,146
Contributions in relation to the actuarially determined employer contribution	1,003,224	953,320	912,146	819,704	786,598	756,982	705,080	702,513	660,568	607,146
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	\$ 5,429,517	\$ 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
Employer contributions as a percentage of covered payroll	18.48%	18.01%	17.81%	17.04%	16.98%	17.27%	16.13%	16.38%	15.66%	16.24%

Notes to Schedule

Valuation date: January 1, 2023

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	12.82%	-14.92%	12.05%	9.62%	19.76%	-5.24%	14.58%	5.70%	0.61%	7.65%

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

	2022	2021	2020	2019	2018	2017	*** 2016	** 2015	* 2014
Total Pension Liability									
Service Costs	\$ 321,325	\$ 316,670	\$ 301,124	\$ 293,888	\$ 273,549	\$ 257,732	\$ 232,247	\$ 263,455	\$ 238,736
Interest	672,742	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	469,806	-	(338,624)	-	128,845	-	(22,939)	-	226,132
Changes of Assumptions	-	-	403,792	-	-	-	282,239	93,353	-
Benefit Payments, Including Refunds of Member Contributions	(667,146)	(750,729)	(518,657)	(587,306)	(481,329)	(485,853)	(496,661)	(437,445)	(515,077)
Net Change in Total Pension Liability	796,727	224,595	485,913	325,615	514,830	346,623	564,207	466,371	467,799
Total Pension Liability - beginning	12,844,079	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)	\$ 13,640,806	\$ 12,844,079	\$ 12,619,484	\$ 12,133,571	\$ 11,807,956	\$ 11,293,126	\$ 10,946,503	\$ 10,382,296	\$ 9,915,925
Plan Fiduciary Net Position									
Contributions - Employer	\$ 230,943	\$ 235,975	\$ 241,964	\$ 223,036	\$ 204,794	\$ 203,511	\$ 186,560	\$ 178,149	\$ 123,189
Contributions - Member	132,364	127,971	132,998	130,241	121,814	111,997	109,780	111,503	99,023
Net Investment Income	(1,682,676)	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	(667,146)	(750,729)	(518,657)	(588,526)	(481,329)	(485,853)	(496,661)	(437,445)	(515,077)
Administrative Expense	(35,945)	(37,505)	(27,761)	(20,164)	(25,607)	(25,260)	(26,952)	(22,369)	(19,135)
Net Change in Plan Fiduciary Net Position	(2,022,460)	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	15,196,615	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)	\$ 13,174,155	\$ 15,196,615	\$ 13,881,975	\$ 12,488,879	\$ 10,557,109	\$ 11,154,466	\$ 9,652,930	\$ 9,054,356	\$ 9,274,785
Township's Net Pension (Asset) Liability - ending (a) - (b)	\$ 466,651	\$ (2,352,536)	\$ (1,262,491)	\$ (355,308)	\$ 1,250,847	\$ 138,660	\$ 1,293,573	\$ 1,327,940	\$ 641,140
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.58%	118.32%	110.00%	102.93%	89.41%	98.77%	88.18%	87.21%	93.53%
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
Township's Net Pension Liability as a Percentage of Covered Payroll	19.85%	-105.89%	-48.26%	-15.96%	60.63%	7.06%	70.22%	69.88%	37.08%

* - Information only available for nine 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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 258,512	\$ 230,943	\$ 235,975	\$ 241,964	\$ 222,976	\$ 204,711	\$ 203,448	\$ 186,460	\$ 178,129	\$ 123,149
Contribution in Relation to the Actuarially Determined Contribution	258,512	230,943	235,975	241,964	223,036	204,794	203,511	186,560	178,149	123,189
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ (60)	\$ (83)	\$ (63)	\$ (100)	\$ (20)	\$ (40)
Covered Payroll	\$ 2,518,946	\$ 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
Contribution as a percentage of Covered Payroll	10.26%	9.82%	10.62%	9.25%	10.02%	9.93%	10.36%	10.13%	9.37%	7.12%

Notes to Schedule:

Valuation Date: 1/1/2022

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

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service Cost	\$ 728,805	\$ 793,823	\$ 552,593	\$ 467,626	\$ 542,671	\$ 451,026
Interest	317,089	277,861	370,652	362,082	321,490	323,695
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(921,810)	-	(609,782)	-	(762,685)	-
Changes in assumptions or other inputs	(3,384,798)	(1,096,674)	2,690,997	740,778	(34,591)	766,984
Benefit payments, including refunds of employee contributions	(225,176)	(200,960)	(239,093)	(225,929)	(209,236)	(155,326)
Net change in total OPEB liability	(3,485,890)	(225,950)	2,765,367	1,344,557	(142,351)	1,386,379
Total OPEB liability - beginning	13,486,037	13,711,987	10,946,620	9,602,063	9,744,414	8,358,035
Total OPEB liability - ending (a)	<u>\$ 10,000,147</u>	<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-employee payroll	\$ 5,261,190	\$ 4,720,391	\$ 4,720,391	\$ 4,270,108	\$ 4,270,108	\$ 4,177,475
Total OPEB liability as a percentage of covered payroll	190.07%	285.70%	290.48%	256.35%	224.87%	233.26%

Notes to Schedule:

The discount rate changed from 1.93% in 2021 to 2.25% in 2022.
The discount rate changed from 2.25% in 2022 to 4.31% in 2023.

The Township adopted GASB 75 on a prospective basis in 2018; therefore only six 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, 2023
(REQUIRED SUPPLEMENTARY INFORMATION)

	<u>Budgeted amounts</u>			Variance with Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 10,334,268	\$ 10,334,268	\$ 10,228,769	\$ (105,499)
Licenses, fees and permits	1,159,450	1,159,450	1,227,673	68,223
Fines and forfeits	91,000	91,000	127,211	36,211
Interest and rents	21,100	21,100	135,375	114,275
Intergovernmental	1,360,011	1,360,011	1,353,919	(6,092)
Department earnings	1,841,646	1,841,646	1,252,626	(589,020)
Miscellaneous	92,100	92,100	391,757	299,657
Total revenues	<u>14,899,575</u>	<u>14,899,575</u>	<u>14,717,330</u>	<u>(182,245)</u>
Expenditures:				
Current operations:				
General government:				
Administration	1,321,324	1,321,324	1,419,074	(97,750)
Tax collector/treasurer	14,000	14,000	14,802	(802)
Municipal buildings	426,967	426,967	416,974	9,993
Business privilege	101,269	101,269	103,405	(2,136)
Total general government	<u>1,863,560</u>	<u>1,863,560</u>	<u>1,954,255</u>	<u>(90,695)</u>
Public safety:				
Police	9,885,520	9,885,520	9,930,646	(45,126)
Fire	188,570	188,570	390,335	(201,765)
Planning/zoning	811,199	811,199	987,790	(176,591)
Total Public Safety	<u>10,885,289</u>	<u>10,885,289</u>	<u>11,308,771</u>	<u>(423,482)</u>
Highway and street:				
Sanitation	400,404	400,404	82,636	317,768
Storm sewers and drains	-	-	114,415	(114,415)
Highway maintenance	2,156,511	2,156,511	1,959,351	197,160
Total highway and street	<u>2,556,915</u>	<u>2,556,915</u>	<u>2,156,402</u>	<u>400,513</u>
Culture and recreation:				
Recreation	692,598	692,598	471,839	220,759
Total culture and recreation	<u>692,598</u>	<u>692,598</u>	<u>471,839</u>	<u>220,759</u>
Debt Service	-	-	306,767	(306,767)
Capital outlay	-	-	1,421,969	(1,421,969)
Total expenditures	<u>15,998,362</u>	<u>15,998,362</u>	<u>17,620,003</u>	<u>(1,621,641)</u>
Excess (Deficiency) of revenues over/ (under) expenditures	<u>(1,098,787)</u>	<u>(1,098,787)</u>	<u>(2,902,673)</u>	<u>(1,803,886)</u>
Other financing sources/(uses):				
Proceeds of capital asset sales	13,400	13,400	11,958	(1,442)
Lease acquisition	-	-	550,591	550,591
Transfer in	-	-	2,482,520	2,482,520
Total other financing sources/(uses)	<u>13,400</u>	<u>13,400</u>	<u>3,045,069</u>	<u>3,031,669</u>
Net change in fund balances	<u>\$ (1,085,387)</u>	<u>\$ (1,085,387)</u>	<u>\$ 142,396</u>	<u>\$ 1,227,783</u>

SWATARA TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
FIRE PREVENTION FUND
YEAR ENDED DECEMBER 31, 2023
(REQUIRED SUPPLEMENTARY INFORMATION)

	<u>Budgeted amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 1,462,846	\$ 1,462,846	\$ 1,429,081	\$ (33,765)
Interest and rents	12,000	12,000	35,523	23,523
Department earnings	25,000	25,000	25,000	-
Intergovernmental	-	-	1,000	1,000
Miscellaneous	-	-	318,691	318,691
	<u>1,499,846</u>	<u>1,499,846</u>	<u>1,809,295</u>	<u>309,449</u>
Total revenues				
Expenditures:				
Current operations:				
Public safety	1,289,388	1,289,388	1,189,983	99,405
Debt Service:				
Principal	519,526	519,526	468,068	51,458
Interest and fiscal charges	34,250	34,250	71,945	(37,695)
Capital outlay	-	-	36,040	(36,040)
	<u>1,843,164</u>	<u>1,843,164</u>	<u>1,766,036</u>	<u>77,128</u>
Total expenditures				
Excess (Deficiency) of revenues over (under) expenditures	<u>(343,318)</u>	<u>(343,318)</u>	<u>43,259</u>	<u>386,577</u>
Net change in fund balance	<u>\$ (343,318)</u>	<u>\$ (343,318)</u>	<u>\$ 43,259</u>	<u>\$ 386,577</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 loan projects 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, 2023

	Liquid Fuels Fund	Capital Projects Fund	Ambulance Fund	Debt Service Fund	American Rescue Plan Act Fund	Total Nonmajor Governmental Funds
Assets:						
Cash and cash equivalents	\$ 434,997	1,017,639	\$ 8,470	\$ 20,899	\$ 4,275	\$ 1,486,280
Taxes receivable	-	-	5,889	78,191	-	84,080
Due from other funds	-	1,454,961	-	-	-	1,454,961
Total assets	\$ 434,997	\$ 2,472,600	\$ 14,359	\$ 99,090	\$ 4,275	\$ 3,025,321
Liabilities:						
Accounts payable	\$ 33,136	\$ -	\$ -	\$ -	\$ -	\$ 33,136
Due to other funds	-	-	-	-	4,275	4,275
Due to stormwater authority	-	101,900	-	-	-	101,900
Total liabilities	33,136	101,900	-	-	4,275	139,311
Deferred inflows of resources:						
Unavailable revenue - property taxes	-	-	5,722	75,967	-	81,689
Total deferred inflows of resources	-	-	5,722	75,967	-	81,689
Fund balances:						
Restricted:						
Liquid fuels	401,861	-	-	-	-	401,861
Capital projects	-	2,370,700	-	-	-	2,370,700
Ambulance	-	-	8,637	-	-	8,637
Debt service	-	-	-	23,123	-	23,123
Total fund balances	401,861	2,370,700	8,637	23,123	-	2,804,321
Total liabilities and fund balances	\$ 434,997	\$ 2,472,600	\$ 14,359	\$ 99,090	\$ 4,275	\$ 3,025,321

SWATARA TOWNSHIP, PENNSYLVANIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Liquid Fuels Fund	Capital Projects Fund	Ambulance Fund	Debt Service Fund	American Rescue Plan Act Fund	Total Nonmajor Governmental Funds
Revenues:						
Taxes	\$ -	\$ -	\$ 101,600	\$ 1,358,463	\$ -	\$ 1,460,063
Interest and rents	19,123	19,026	584	8,634	79	47,446
Intergovernmental	812,607	-	-	-	1,986	814,593
Total revenues	831,730	19,026	102,184	1,367,097	2,065	2,322,102
Expenditures:						
Current operations:						
General government	-	-	-	14,961	4,275	19,236
Public safety	-	-	99,982	-	-	99,982
Highway and street	728,418	-	-	-	-	728,418
Debt service:						
Principal	221,994	93,000	-	500,000	-	814,994
Interest and fiscal charges	2,286	49,520	-	889,000	-	940,806
Total expenditures	952,698	142,520	99,982	1,403,961	4,275	2,603,436
Excess (deficiency) of revenues over (under) expenditures	(120,968)	(123,494)	2,202	(36,864)	(2,210)	(281,334)
Other financing sources (uses):						
Issuance of loans	-	1,485,000	-	-	-	1,485,000
Transfers in	-	-	-	41,000	-	41,000
Total other financing sources	-	1,485,000	-	41,000	-	1,526,000
Net changes in fund balances	(120,968)	1,361,506	2,202	4,136	(2,210)	1,244,666
Fund balances:						
Beginning of year	522,829	1,009,194	6,435	18,987	2,210	1,559,655
End of year	\$ 401,861	\$ 2,370,700	\$ 8,637	\$ 23,123	\$ -	\$ 2,804,321

SWATARA TOWNSHIP, PENNSYLVANIA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
 LIQUID FUELS FUND
 YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted amounts</u>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Interest and rents	\$ 8,234	\$ 8,234	\$ 19,123	\$ 10,889
Intergovernmental	796,165	796,165	812,607	16,442
Total revenues	<u>804,399</u>	<u>804,399</u>	<u>831,730</u>	<u>27,331</u>
Expenditures:				
Current operations:				
Highway and street	819,000	819,000	728,418	90,582
Debt Service:				
Principal	313,135	313,135	221,994	91,141
Interest	2,286	2,286	2,286	-
Total Expenditures	<u>1,134,421</u>	<u>1,134,421</u>	<u>952,698</u>	<u>181,723</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(330,022)</u>	<u>(330,022)</u>	<u>(120,968)</u>	<u>209,054</u>
Net change in fund balance	<u>\$ (330,022)</u>	<u>\$ (330,022)</u>	<u>\$ (120,968)</u>	<u>\$ 209,054</u>

SWATARA TOWNSHIP, PENNSYLVANIA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
 AMBULANCE FUND
 YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted amounts</u>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 104,047	\$ 104,047	\$ 101,600	\$ (2,447)
Interest and rents	25	25	584	559
Total revenues	<u>104,072</u>	<u>104,072</u>	<u>102,184</u>	<u>(1,888)</u>
Expenditures				
Current operations:				
Public safety	99,000	99,000	99,982	(982)
Total Expenditures	<u>99,000</u>	<u>99,000</u>	<u>99,982</u>	<u>(982)</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>5,072</u>	<u>5,072</u>	<u>2,202</u>	<u>(2,870)</u>
Net change in fund balance	<u>\$ 5,072</u>	<u>\$ 5,072</u>	<u>\$ 2,202</u>	<u>\$ (2,870)</u>

SWATARA TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 1,367,696	\$ 1,367,696	\$ 1,358,463	\$ (9,233)
Interest and rents	5,000	5,000	8,634	3,634
Total revenues	<u>1,372,696</u>	<u>1,372,696</u>	<u>1,367,097</u>	<u>(5,599)</u>
Expenditures:				
Current operations:				
General government	-	-	14,961	(14,961)
Debt Service:				
Principal	500,000	500,000	500,000	-
Interest	889,000	889,000	889,000	-
Total expenditures	<u>1,389,000</u>	<u>1,389,000</u>	<u>1,403,961</u>	<u>(14,961)</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(16,304)</u>	<u>(16,304)</u>	<u>(36,864)</u>	<u>(20,560)</u>
Other financing sources:				
Transfer in	-	-	41,000	41,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>41,000</u>	<u>41,000</u>
Net change in fund balance	<u>\$ (16,304)</u>	<u>\$ (16,304)</u>	<u>\$ 4,136</u>	<u>\$ 20,440</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 Trends82-85

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

Revenue Capacity86-89

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

Debt Capacity90-93

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 Information94-95

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

Operating Information.....96-98

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>2023</u>	<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>Governmental activities</u>										
<u>Net Assets</u>										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
<u>Net Position</u>										
Net investment in capital assets	17,933,324	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
Restricted	1,007,444	3,431,351	2,367,502	1,466,417	988,285	1,021,069	946,595	865,905	881,625	907,732
Unrestricted	(13,595,137)	(8,561,853)	(8,471,811)	(7,486,411)	(6,254,222)	(5,664,216)	(2,653,024)	(2,732,774)	(1,134,759)	1,039,652
Total Governmental Activities and Net Assets/Net Position	<u>\$ 5,345,631</u>	<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>Swatara Township Stormwater Authority- Component Unit</u>										
<u>Net Assets</u>										
Net investment in capital assets	\$ 909,314	\$ 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
Restricted	-	-	-	-	1,117,275	721,869	-	-	-	-
Unrestricted	(47,036)	203,108	54,276	-	2,988,794	11,568,812	11,757,475	10,675,547	12,002,623	12,080,260
Total Component Unit and Net Assets/Net Position	<u>\$ 862,278</u>	<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>Reporting entity:</u>										
<u>Net Assets</u>										
Net investment in capital assets	\$ 909,314	\$ 804,612	\$ 685,113	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
<u>Net Position</u>										
Net investment in capital assets	17,933,324	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
Restricted	1,007,444	3,431,351	2,367,502	1,466,417	2,105,560	1,742,938	946,595	865,905	881,625	907,732
Unrestricted	(13,642,173)	(8,358,745)	(8,417,535)	(7,486,411)	(3,265,428)	5,904,596	9,104,451	7,942,773	10,867,864	13,119,912
Total Net Assets/Net Position	<u>\$ 6,207,909</u>	<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>

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>2023</u>	<u>2022</u>	<u>(B) 2021</u>	<u>(A) 2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Program Expenses										
Governmental activities:										
General government	\$ 3,031,799	\$ 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
Public safety	15,614,459	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
Health and welfare	-	-	-	-	-	-	-	-	-	-
Highway and street	5,101,957	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
Cultural and recreation	867,491	211,297	869,043	763,816	793,617	669,882	577,743	483,207	390,856	323,427
Interest expense	839,073	824,173	599,877	730,874	390,029	407,561	437,649	378,678	471,377	400,174
Total governmental activities expenses	<u>25,454,779</u>	<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>
Component unit:										
Swatara Township Stormwater Authority	2,287,975	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
Total component unit- expenses	<u>2,287,975</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	625,475	653,897	659,051	614,669	644,786	722,174	723,079	730,019	726,277	685,929
Public safety	1,596,054	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
Health and welfare	-	-	-	-	-	-	-	-	-	-
Highway and Street	408,381	323,724	884,024	1,964,169	1,624,172	776,220	86,317	93,620	201,033	197,627
Culture and recreation	2,600	2,644	3,200	775	520	1,470	1,255	3,330	6,405	4,540
Operating grants and contributions	2,169,512	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
Capital Grants and contributions	-	-	-	-	-	-	-	-	-	586,916
Total governmental activities program revenues	<u>4,802,022</u>	<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>
Component unit:										
Charges for services	2,137,239	1,781,154	2,214,117	-	11,262,534	11,213,176	9,535,738	10,398,854	9,785,733	9,903,540
Capital Grants and contributions	-	-	-	-	-	285,893	108,719	-	50,250	-
Total component unit revenues	<u>2,137,239</u>	<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>
Net (expense)/revenue										
Governmental activities	\$ (20,652,757)	\$ (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)
Component unit	(150,736)	267,924	413,072	-	725,787	2,667,008	2,691,869	(172,174)	1,438,579	1,521,593
Total reporting entity net revenue (expense)	<u>\$ (20,803,493)</u>	<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>

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>2023</u>	<u>2022</u>	<u>(B) 2021</u>	<u>(A) 2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Revenues and Other										
Changes in Net Assets/Net Position										
Governmental activities:										
Real Estate Taxes	\$ 5,567,113	\$ 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
Real Estate Transfer Tax	698,877	841,160	843,891	816,180	699,832	764,780	792,111	515,417	794,484	444,311
Earned Income Tax	3,720,272	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
Business Privilege Tax	2,238,145	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
Local Service Tax	888,587	917,262	922,755	910,968	966,513	950,986	952,321	1,148,181	1,086,715	1,039,086
Investment Earnings	1,378,227	448,800	32,812	94,974	282,688	198,879	63,088	36,558	34,436	52,546
Miscellaneous	722,406	403,377	844,564	248,874	254,018	729,772	296,713	257,819	218,304	488,205
Special Items	-	10,698	-	-	-	(100,000)	-	-	-	-
Total governmental activities	<u>15,213,627</u>	<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>
Component unit:										
Investment earnings	5,294	407	106	-	130,384	67,781	56,588	22,515	16,846	6,335
Legal settlement	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	215	140	-	-	-	-	-	-	-
Total component unit	<u>5,294</u>	<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>
Total reporting entity	\$ 15,218,921	\$ 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
Change in Net Assets/Net Position										
Governmental activities	\$ (5,439,130)	\$ 1,883,408	\$ 432,856	\$ (547,861)	\$ (1,191,866)	\$ 41,740	\$ 12,759	\$ (560,602)	\$ 428,034	\$ (165,748)
Component unit	(145,442)	268,546	413,318	-	856,171	2,734,789	2,748,457	(149,659)	1,455,425	1,527,928
Total reporting entity	<u>\$ (5,584,572)</u>	<u>\$ 2,151,954</u>	<u>\$ 846,174</u>	<u>\$ (547,861)</u>	<u>\$ (335,695)</u>	<u>\$ 2,776,529</u>	<u>\$ 2,761,216</u>	<u>\$ (710,261)</u>	<u>\$ 1,883,459</u>	<u>\$ 1,362,180</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 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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes	\$13,117,913	\$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
Licenses, fees and permits	1,227,673	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
Fines and forfeits	127,211	93,672	122,607	143,053	130,862	126,759	141,106	108,901	119,741	110,046
Interest and rents	1,378,227	448,800	32,812	94,974	282,688	198,879	72,088	54,558	34,436	52,546
Intergovernmental	2,169,512	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
Department earnings	1,277,626	879,493	1,360,422	2,598,930	2,273,634	1,399,138	781,147	758,858	854,128	203,486
Miscellaneous	710,448	403,377	844,564	220,631	197,409	374,529	267,680	247,528	187,260	470,130
Total Revenues	<u>20,008,610</u>	<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>
Expenditures										
Current:										
General government	2,021,327	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
Public safety	12,598,736	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
Health and welfare	-	-	-	-	-	-	-	-	-	-
Highway and Street	2,884,820	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
Cultural and recreation	471,839	469,941	775,028	674,450	706,493	583,342	493,976	411,680	321,297	275,197
Debt service:										
Principal	1,561,555	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
Interest	1,041,025	1,027,108	1,025,864	419,451	439,094	456,376	484,588	424,438	505,019	402,679
Capital outlay	3,083,611	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
Total Expenditures	<u>23,662,913</u>	<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>
Other financing sources (uses)										
Issuance of loans	1,485,000	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	-
Lease acquisition	550,591	-	-	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	11,958	10,698	-	28,243	56,609	355,243	29,033	10,291	31,044	18,075
Total other financing sources (uses)	<u>2,047,549</u>	<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>
Special Item										
Litigation	-	-	-	-	-	100,000	-	-	-	-
Net changes in fund balances	<u>(1,606,754)</u>	<u>414,668</u>	<u>(2,650,001)</u>	<u>20,004,880</u>	<u>(650,827)</u>	<u>(68,198)</u>	<u>(615,637)</u>	<u>(68,560)</u>	<u>1,711,226</u>	<u>598,397</u>
Beginning Balance	28,580,990	28,166,322	30,816,323	10,811,443	11,462,270	11,530,468	12,146,105	12,214,665	10,503,439	9,905,042
Ending Balance	<u>\$26,974,236</u>	<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>
Debt service as a percentage of noncapital expenditures	<u>12.65%</u>	<u>12.19%</u>	<u>13.02%</u>	<u>9.57%</u>	<u>9.08%</u>	<u>11.18%</u>	<u>11.18%</u>	<u>8.07%</u>	<u>46.29%</u>	<u>6.23%</u>
Fund Balances:										
Unreserved:										
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Reserved										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	22,250,398	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
Assigned	1,998,023	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
Unassigned	2,725,815	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
Total fund balances	<u>\$26,974,236</u>	<u>\$28,580,990</u>	<u>\$28,166,322</u>	<u>\$30,816,323</u>	<u>\$10,811,443</u>	<u>\$11,530,468</u>	<u>\$11,530,468</u>	<u>\$12,146,105</u>	<u>\$12,214,665</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)
2023	\$ 2,471,436,810	\$ 1,890,649,160	76.50%	\$ 284,159,600	\$ 1,606,489,560	\$ 1,606,490	3.6473
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

Pennsylvania statutes grant assessment authority to the county level. Assessed Valuation represents the actual value of the property as 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
2023	1.7549	0.9358	0.8896	0.0670	3.6473	6.8760	0.35	17.4639	12.87%	28.3372
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

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	2023			Tax Payer (other owner)	2014		
	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value		Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
GLP Capital LP*	\$ 191,800,000	1	1.19%				
HERCO-Hershey Entertainment	\$ 169,227,300	2	1.05%				
Blackberry, LLC-Harristown Dev Corp	\$ 148,427,300	3	0.92%				
Hershey Foods-Hershey Company	\$ 111,530,000	4	0.69%				
Triple Crown and Partners	\$ 85,603,400	5	0.53%				
Boyd and Mahoney Partners	\$ 84,056,300	6	0.52%				
Milton Hershey School	\$ 75,327,560	7	0.47%				
Prologis	\$ 67,878,700	8	0.42%	Prologis Grayson Road	\$ 8,691,900	8	0.50%
Penn State Health	\$ 52,373,600	9	0.29%				
First Industrial Reality Trust	\$ 44,344,200	10	0.28%				
				Walmart & Sams	\$ 15,926,100	1	0.91%
				S&H Partners LP	\$ 15,813,000	2	0.91%
				Union Deposit Corp	\$ 14,379,400	3	0.82%
				Emerald Pointe LP	\$ 12,100,700	4	0.69%
				Ivy Ridge Apartments	\$ 10,994,100	5	0.63%
				High Pointe Commons	\$ 10,599,100	6	0.61%
				Chambers Ridge Assoc.	\$ 10,260,200	7	0.59%
				SC Funding Group	\$ 8,400,000	8	0.48%
				Grand Prix Harrisburg	\$ 8,011,500	10	0.46%

Source: 2023 Dauphin County Tax Assessment and 2014 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
2023	\$ 5,859,398	\$ 5,567,113	95.01%	\$ -	\$ 5,567,113	95.01%
2022	\$ 5,859,397	\$ 5,760,943	98.32%	\$ 87,949	\$ 5,848,892	99.82%
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%

* 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
2023	\$ 1,041,025	\$ 1,561,555	\$ 2,602,580	\$ 17,620,003	14.77%
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%

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
2023	\$ 27,487,493	\$ 1,606,489,560	1.711%	27,824	\$ 987.91	4.01%
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%

* 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	\$ 118,560,000	26.03%		\$ 30,861,168	\$ 30,861,168
		Sub total		\$ 30,861,168	\$ 30,861,168
Dauphin County	\$ 124,129,156	8.60%		\$ 10,675,107	\$ 10,675,107
Total	\$ 269,999,807	Total	\$ 27,310,651	\$ 41,536,275	\$ 68,846,926

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

* Percentages are based upon 2020 Census for each Governmental Unit

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

Legal Debt Margin Calculation for Calendar Year 2023	
Average eligible revenues for the three year period ending	
12/31/2023 (borrowing base)	\$ 19,764,649
Debt limit (250% of borrowing base)	\$ 49,411,623
Debt applicable to limit:	
General obligation bonds and notes	\$ 27,333,774
Less: Amount set aside for repayment of general obligation debt	\$ 23,123
Total net debt applicable to limit	\$ 27,310,651
Legal debt margin	\$ 22,100,972

Last Ten Calendar Years				
Year	Debt Limit	Debt Outstanding	Legal Debt Margin	Total Net Debt as a percentage of Limit
2023	\$ 49,411,623	\$ 27,333,774	\$ 22,077,849	55.32%
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%

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

2023				2014			
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	Walmart	603	2.29%	5	Walmart	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

**Included Sams Club with Walmart

Table 13

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

<u>Function</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<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	5	4	4	3	3	3
Planning & Building	4	4	4	4	4	6	6	8	8	8
<u>Police</u>										
Officers	45	47	46	47	48	50	50	50	50	50
Civilians	2	2	2	2	5	2	2	4	4	4
<u>Fire</u>										
Fire Marshal	1	1	1	1	1	1	1	1	1	1
<u>Public works</u>										
	16	17	15	15	17	17	17	17	17	17
<u>Health</u>										
	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*
<u>Recreation</u>										
	2	2	4	4	4	4	4	4	4	4
Total	77	80	79	80	88	88	88	91	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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Total Incidents	20,438	20,419	17,815	17,813	17,139	17,281	17,908	16,214	14,952	17,739
Criminal Arrests	2,027	1,829	1,575	1,695	1,533	1,314	1,549	1,333	1,136	1,204
Traffic Citations/Warnings	3,237	3,446	2,372	2,584	2,541	2,585	2,243	2,485	2463	1505
Fire*										
Emergency Responses	1,159	1,146	1,340	1,275	1,173	1,164	1,093	1,150	1,257	1,350
Fires Reported; Buildings, Cars, etc.	184	170	169	165	155	158	159	147	123	90
Health**										
Restaurant Inspections	0	0	0	0	0	0	0	0	0	0
All Inspections	0	0	0	0	0	0	0	0	0	0
Buildings Codes (permits issued)										
Commercial (new)	11	7	13	15	2	13	3	5	26	19
Residential (new)	87	52	19	53	108	35	81	10	8	6
Demolition	18	10	12	13	2	9	6	9	13	49

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Volunteer Fire										
Fire Stations *	5	5	5	5	4*	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	1590	1590	1590	1590	1590	1590
Traffic Signals	36	36	36	36	36	36	36	36	36	36
Park and Recreation										
Acreage	107.44	170.44	170.44	170.44	170.44	170.44	170.44	170.44	170.44	170.44
Playgrounds	14	17	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