

# **AUDITED FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**



**SWATARA TOWNSHIP**

**DAUPHIN COUNTY, PENNSYLVANIA**

**Prepared by Brittany Yarzinsky,  
Finance Director**

SWATARA TOWNSHIP, PENNSYLVANIA  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

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SWATARA TOWNSHIP, PENNSYLVANIA  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

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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 units, each major fund, and the aggregate remaining fund information of Swatara Township (the "Township"), as of and for the year ended December 31, 2024, 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 units, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2024, 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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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 2024 the Township adopted the provisions of Governmental Accounting Standards Board's Statements No. 100, "*Accounting Changes and Error corrections – an amendment of GASB Statements No. 62*", Statement No. 101, "*Compensated Absences*", and Statement No. 102 "*Certain Risk Disclosures*". 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 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 changes in the net pension liability and related ratios – authority pension, schedule of employer contributions – last 10 years – authority pension, 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 64-73 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



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comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who is considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***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 nonmajor fund financial statements and nonmajor governmental fund 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.

*Zelenkofske Axelrod LLC*

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania  
March 16, 2026

SWATARA TOWNSHIP, PENNSYLVANIA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024

	Primary Government	Component
	Governmental Activities	Units
<b>Assets:</b>		
Cash and cash equivalents	\$ 4,802,802	\$ 10,654,273
Taxes receivable	2,065,065	-
Other receivables	1,033,246	3,556,423
<b>Restricted assets:</b>		
Cash and cash equivalents	19,028,272	2,897,102
Due from other governments	258,894	110,223
Prepaid expenses	-	24,761
Inventories	-	125,961
Pension asset	281,965	1,393,398
<b>Capital assets:</b>		
Nondepreciable	7,080,241	7,160,256
Depreciable, net	17,825,545	36,979,714
Purchased capacity, net of accumulated amortization	-	512,065
Total assets	52,376,030	63,414,176
<b>Deferred outflows of resources:</b>		
Loss on refunding	188,066	-
Pensions	4,393,930	417,019
OPEB	2,697,555	-
Total deferred outflows of resources	7,279,551	417,019
<b>Liabilities:</b>		
Accounts payable	805,128	2,378,112
Accrued payroll and expenses	91,960	4,351
Escrow deposits payable	300,793	66,104
Accrued interest payable	220,031	-
Due to other governments	106,353	323,409
Other current liabilities	44,367	-
Unearned revenue	483	10,075,208
<b>Noncurrent liabilities due within one year:</b>		
Current portion of OPEB liability	279,598	-
Current portion of loan payable	386,134	-
Current portion of notes payable	214,155	-
Current portion of bonds payable	550,000	184,000
Compensated absences	280,330	-
<b>Noncurrent liabilities due in more than one year:</b>		
OPEB liability	10,974,571	-
Loan payable	1,955,000	-
Notes payable	896,895	-
Bonds payable	23,140,791	2,307,000
Net pension liability	7,714,721	-
Compensated absences	1,588,539	378,087
Total liabilities	49,549,849	15,716,271
<b>Deferred inflows of resources:</b>		
Pensions	1,338,335	70,918
OPEB	4,486,028	-
Total deferred inflows of resources	5,824,363	70,918
<b>Net position:</b>		
Net investment in capital assets	18,441,201	36,283,684
<b>Restricted for:</b>		
Liquid fuels	482,065	-
Fire prevention	409,809	-
Ambulance	13,063	-
Debt service	26,482	-
Pension asset	1,017,377	-
Unrestricted	(16,108,628)	11,760,322
Total net position	\$ 4,281,369	\$ 48,044,006

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

SWATARA TOWNSHIP, PENNSYLVANIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024

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 Units
Primary government:						
Government activities:						
General government	\$ 2,497,205	\$ 734,542	\$ 21,289	\$ -	\$ (1,741,374)	\$ -
Public safety	13,576,884	1,925,508	1,373,591	-	(10,277,785)	-
Highway and street	5,010,872	2,260,760	883,415	-	(1,866,697)	-
Culture and recreation	1,175,118	4,450	4,100	-	(1,166,568)	-
Interest expense	824,293	-	-	-	(824,293)	-
Total primary government	<u>\$ 23,084,372</u>	<u>\$ 4,925,260</u>	<u>\$ 2,282,395</u>	<u>\$ -</u>	<u>(15,876,717)</u>	<u>-</u>
Component unit, Swatara Township	<u>\$ 9,368,358</u>	<u>\$ 14,847,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 5,479,616</u>
General revenues:						
Taxes:						
					5,489,788	-
					694,585	-
					4,038,439	-
					2,458,408	-
					994,879	-
Investment income:						
					1,101,422	263,589
					233,149	-
					385,880	-
					<u>15,396,550</u>	<u>263,589</u>
					(480,167)	5,743,205
					5,345,631	41,716,706
					(584,095)	584,095
					<u>4,761,536</u>	<u>42,300,801</u>
					<u>\$ 4,281,369</u>	<u>\$ 48,044,006</u>

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

SWATARA TOWNSHIP, PENNSYLVANIA  
BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2024

	General Fund	Fire Prevention Fund	Capital Reserve Fund	Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>						
Cash and cash equivalents	\$ 443,844	\$ 370,596	\$ 1,070,429	\$ -	\$ 2,917,933	\$ 4,802,802
Taxes receivable	1,966,639	48,672	-	-	49,754	2,065,065
Due from other funds	270	-	-	-	22,898	23,168
Due from other governments	258,894	-	-	-	-	258,894
Other receivables	748,854	72,512	211,880	-	-	1,033,246
Restricted cash and cash equivalents	308,143	-	-	18,720,129	-	19,028,272
<b>Total assets</b>	<b>\$ 3,726,644</b>	<b>\$ 491,780</b>	<b>\$ 1,282,309</b>	<b>\$ 18,720,129</b>	<b>\$ 2,990,585</b>	<b>\$ 27,211,447</b>
<b>Liabilities:</b>						
Accounts payable	\$ 455,369	\$ 38,525	\$ -	\$ 178,769	\$ 132,465	\$ 805,128
Accrued payroll	91,960	-	-	-	-	91,960
Escrow deposits payable	300,793	-	-	-	-	300,793
Due to other funds	-	-	-	-	23,168	23,168
Due to other governments	4,453	-	-	-	101,900	106,353
Other current liabilities	14,367	-	-	-	30,000	44,367
Unearned revenue	483	-	-	-	-	483
<b>Total liabilities</b>	<b>867,425</b>	<b>38,525</b>	<b>-</b>	<b>178,769</b>	<b>287,533</b>	<b>1,372,252</b>
<b>Deferred inflows of resources:</b>						
Unavailable revenue - property taxes	81,474	43,446	-	-	44,412	169,332
<b>Total deferred inflows of resources</b>	<b>81,474</b>	<b>43,446</b>	<b>-</b>	<b>-</b>	<b>44,412</b>	<b>169,332</b>
<b>Fund balances:</b>						
<b>Restricted:</b>						
Capital projects	-	-	-	18,541,360	2,137,030	20,678,390
Liquid fuels	-	-	-	-	482,065	482,065
Fire prevention	-	409,809	-	-	-	409,809
Ambulance	-	-	-	-	13,063	13,063
Debt service	-	-	-	-	26,482	26,482
<b>Assigned:</b>						
Capital projects	-	-	1,282,309	-	-	1,282,309
Unassigned	2,777,745	-	-	-	-	2,777,745
<b>Total fund balances</b>	<b>2,777,745</b>	<b>409,809</b>	<b>1,282,309</b>	<b>18,541,360</b>	<b>2,658,640</b>	<b>25,669,863</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,726,644</b>	<b>\$ 491,780</b>	<b>\$ 1,282,309</b>	<b>\$ 18,720,129</b>	<b>\$ 2,990,585</b>	<b>\$ 27,211,447</b>

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, 2024

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

Total fund balances - governmental funds	\$	25,669,863
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds:		
Capital assets		24,905,786
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		169,332
Pension assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds:		
		281,965
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		(220,031)
Compensated absences		(1,868,869)
Total OPEB liability		(11,254,169)
Loan payable		(2,341,134)
Lease payable		(1,111,050)
General obligation debt		(21,315,000)
Unamortized premium		(2,375,791)
Net pension liability		(7,714,721)
Deferred outflows of resources		7,279,551
Deferred inflows of resources		(5,824,363)
		(21,000,000)
Net position of governmental activities	\$	4,281,369

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, 2024

	General Fund	Fire Prevention Fund	Capital Reserve Fund	Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 10,896,159	\$ 1,444,988	\$ -	\$ -	\$ 1,477,083	\$ 13,818,230
License, fees, and permits	1,171,571	-	-	-	-	1,171,571
Fines and forfeits	101,506	-	-	-	-	101,506
Interest and rents	42,968	27,134	84,286	869,066	77,968	1,101,422
Intergovernmental	1,475,213	-	-	-	807,182	2,282,395
Department earnings	3,554,183	98,000	-	-	-	3,652,183
Miscellaneous	314,197	71,683	-	-	-	385,880
<b>Total revenues</b>	<b>17,555,797</b>	<b>1,641,805</b>	<b>84,286</b>	<b>869,066</b>	<b>2,362,233</b>	<b>22,513,187</b>
<b>Expenditures:</b>						
Current operations:						
General government	2,061,579	-	-	399,827	11,992	2,473,398
Public safety	11,241,472	1,198,886	-	-	99,840	12,540,198
Highway and street	3,794,942	-	-	-	558,162	4,353,104
Culture and recreation	557,001	-	-	-	-	557,001
Debt service:						
Principal	293,210	859,341	-	-	939,563	2,092,114
Interest and fiscal charges	48,849	50,136	-	-	920,085	1,019,070
Capital outlay	173,316	126,485	-	800,133	-	1,099,934
<b>Total expenditures</b>	<b>18,170,369</b>	<b>2,234,848</b>	<b>-</b>	<b>1,199,960</b>	<b>2,529,642</b>	<b>24,134,819</b>
Excess (deficiency) of revenues over (under) expenditures	(614,572)	(593,043)	84,286	(330,894)	(167,409)	(1,621,632)
<b>Other financing sources (uses):</b>						
Proceeds of capital asset sales	470,929	430,425	-	-	-	901,354
Transfers in	992,253	160,836	-	-	51,749	1,204,838
Transfers out	(212,585)	(162,232)	(800,000)	-	(30,021)	(1,204,838)
<b>Total other financing sources (uses)</b>	<b>1,250,597</b>	<b>429,029</b>	<b>(800,000)</b>	<b>-</b>	<b>21,728</b>	<b>901,354</b>
<b>Net changes in fund balances</b>	<b>636,025</b>	<b>(164,014)</b>	<b>(715,714)</b>	<b>(330,894)</b>	<b>(145,681)</b>	<b>(720,278)</b>
<b>Fund balances:</b>						
Fund balance, as previously presented	2,725,815	573,823	1,998,023	18,872,254	2,804,321	26,974,236
Restatement - error correction	(584,095)	-	-	-	-	(584,095)
Fund balance, as restated	2,141,720	573,823	1,998,023	18,872,254	2,804,321	26,390,141
<b>Fund balance - end of year</b>	<b>\$ 2,777,745</b>	<b>\$ 409,809</b>	<b>\$ 1,282,309</b>	<b>\$ 18,541,360</b>	<b>\$ 2,658,640</b>	<b>\$ 25,669,863</b>

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, 2024

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

Net change in fund balances - total governmental funds	\$ (720,278)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlays	1,099,934
Gain on disposal of capital assets	(668,205)
Depreciation expense	(1,675,719)

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	(142,131)
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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:

Principal payments on loans	379,373
Principal payments on long-term debt	875,000
Principal payments on notes payable	837,741

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	(333,669)
Change in accrued interest payable	1,804
Change in bond premium	224,317
Pension Expense	(816,024)
Change in accrued compensated absences	489,034

Change in net position of governmental activities	\$ (480,167)
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SWATARA TOWNSHIP, PENNSYLVANIA  
STATEMENT OF FIDUCIARY NET POSITION - POLICE PENSION  
DECEMBER 31, 2024

	Fiduciary Component Unit Police Pension
Assets:	
Cash and cash equivalents	\$ 332,851
Investments:	
Fixed income mutual funds	8,826,873
Equities - stocks	2,964
Other mutual funds	20,781,439
Accrued income	32,698
Total assets	29,976,825
Net position:	
Restricted for pensions	\$ 29,976,825

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, 2024

	<u>Fiduciary Component Unit Police Pension</u>
Additions:	
Contributions:	
Employer - state aid	\$ 627,606
Employer - other	404,582
Employees	307,798
Other	145
Total contributions	<u>1,340,131</u>
Investment income:	
Interest and dividends	1,154,027
Net appreciation in fair value of investments	<u>1,158,417</u>
Total investment income/(loss)	<u>2,312,444</u>
Net investment income/(loss)	<u>2,312,444</u>
Total additions	<u>3,652,575</u>
Deductions:	
Benefit payments	<u>1,472,458</u>
Total deductions	<u>1,472,458</u>
Changes in net position	2,180,117
Beginning of year	<u>27,796,708</u>
End of year	<u><u>\$ 29,976,825</u></u>

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

SWATARA TOWNSHIP, PENNSYLVANIA  
 COMBINING STATEMENT OF NET POSITION  
 COMPONENT UNITS  
 DECEMBER 31, 2024

	Swatara Township Stormwater Authority	Swatara Township Authority	Total
<b>Assets:</b>			
Cash and cash equivalents	\$ 795,613	\$ 9,858,660	\$ 10,654,273
<b>Restricted assets:</b>			
Cash and cash equivalents	-	2,897,102	2,897,102
<b>Receivables:</b>			
Sewer rentals - net of \$100,000 reserve for abatements	-	3,067,879	3,067,879
Other receivables	455,596	32,948	488,544
Due from other governments	110,223	-	110,223
Inventories	-	125,961	125,961
Prepaid expenses	-	24,761	24,761
Pension asset	-	1,393,398	1,393,398
<b>Capital assets:</b>			
Nondepreciable	135,689	7,024,567	7,160,256
Depreciable, net	891,738	36,087,976	36,979,714
Purchased capacity, net of accumulated amortization	-	512,065	512,065
<b>Total assets</b>	<b>2,388,859</b>	<b>61,025,317</b>	<b>63,414,176</b>
<b>Deferred outflows of resources:</b>			
Pensions	-	417,019	417,019
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>417,019</b>	<b>417,019</b>
<b>Liabilities:</b>			
Accounts payable	7,430	2,370,682	2,378,112
Accrued payroll and expenses	-	4,351	4,351
Escrow deposits payable	-	66,104	66,104
Due to other governments	54,358	269,051	323,409
Unearned revenue	11,355	10,063,853	10,075,208
<b>Noncurrent liabilities due within one year:</b>			
Current portion of bonds and notes payable	-	184,000	184,000
<b>Noncurrent liabilities due in more than one year:</b>			
Bonds and notes payable	-	2,307,000	2,307,000
Compensated absences	-	378,087	378,087
<b>Total liabilities</b>	<b>73,143</b>	<b>15,643,128</b>	<b>15,716,271</b>
<b>Deferred inflows of resources:</b>			
Pensions	-	70,918	70,918
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>70,918</b>	<b>70,918</b>
<b>Net position:</b>			
Net investment in capital assets	1,027,427	35,256,257	36,283,684
Unrestricted	1,288,289	10,472,033	11,760,322
<b>Total net position</b>	<b>\$ 2,315,716</b>	<b>\$ 45,728,290</b>	<b>\$ 48,044,006</b>

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

SWATARA TOWNSHIP, PENNSYLVANIA  
 COMBINING STATEMENT OF ACTIVITIES  
 COMPONENT UNITS  
 FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Stormwater Authority	Authority	Total
<u>Stormwater Authority</u>							
Stormwater operations	\$ 903,563	\$ 1,757,403	\$ -	\$ -	\$ 853,840	\$ -	\$ 853,840
<u>Authority</u>							
Authority operations	8,464,795	13,090,571	-	-	-	4,625,776	4,625,776
Total component units	<u>\$ 9,368,358</u>	<u>\$ 14,847,974</u>	<u>\$ -</u>	<u>\$ -</u>	853,840	4,625,776	5,479,616
		General revenues:					
					15,503	248,086	263,589
					15,503	248,086	263,589
					869,343	4,873,862	5,743,205
					862,278	40,854,428	41,716,706
					584,095	-	584,095
					1,446,373	40,854,428	42,300,801
					<u>\$ 2,315,716</u>	<u>\$ 45,728,290</u>	<u>\$ 48,044,006</u>

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

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024

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 Stormwater Authority's Board and has the same finance director. 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 21.

Swatara Township Authority – The Township appoints a voting majority of the Authority's Board, and has the same finance director. The Authority finances the construction, maintenance and operation of the Township's wastewater utilities. The Authority issues separate financial statements annually which can be obtained from the 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 22.

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, 2024

**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 projects 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.

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, 2024, not all funds have been expended.

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).

*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, 2024

**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. 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, 2024

**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, 2024 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, 2024

**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.

*Notes Payable:*

The Township has notes payable for the financed purchases of equipment and vehicles. The Township recognizes a notes payable liability and capital asset for the equipment and vehicles in the government-wide financial statements.

Equipment and vehicles are reported with other capital assets and notes payable liability is 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.

*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.

SWATARA TOWNSHIP, PENNSYLVANIA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2024

**1. Summary of significant accounting policies (continued):**

*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.

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.

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**1. Summary of significant accounting policies (continued):**

*Adoption of Governmental Accounting Standards Boards Statements*

In 2024, the Township adopted the requirements of GASB issued Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*". The adoption of this statement had no effect on previously reported amounts.

In 2024, the Township adopted the requirements of GASB issued Statement No. 101, "*Compensated Absences*". The adoption of this statement had no effect on previously reported amounts.

In 2024, the Township adopted the requirements of GASB issued Statement No. 102, "*Certain Risk Disclosures*". The adoption of this statement had no effect on previously reported amounts.

*Pending changes in accounting principles*

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.

In September 2024, the GASB issued Statement No. 104, "*Disclosure of Certain Capital Assets*". The Township is required to adopt statement No. 104 for its calendar year 2026 financial statements.

In December 2025, the GASB issued Statement No. 105, "*Subsequent Events*". The Township is required to adopt the provisions of Statement No. 105 for its fiscal year 2027 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, 2024

**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 2024, certain budget amendments were made. Management is authorized to transfer appropriated amounts between line items within a fund. The Township does not prepare budgets for fiduciary and capital project funds.

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

**3. Real estate taxes:**

The Township is permitted by the Township Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 30 mills on every dollar of adjusted valuation for general Township purposes exclusive of the requirements for the payment of interest and principal on debt and other special purposes. For 2024, 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 \$1,550,146,250 as of December 31, 2024.

**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, 2024 were \$24,619,983. Of the \$24,619,983 in deposits, \$750,000 was covered by federal depository insurance and \$23,869,983 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, 2024, 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, 2024, 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	\$ 24,202,834
Insured by Federal Deposit Insurance Corporation (FDIC)	750,000
Petty Cash	45,835
Deposits in Transit	562
Outstanding Checks	(835,306)
Total cash and cash equivalents	<u>\$ 24,163,925</u>

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**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, 2024:

	<u>12/31/2024</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>
<b>Investments by fair value level</b>				
Debt securities				
Fixed income mutual funds	\$ 8,826,873	\$ 8,826,873	\$ -	\$ -
Total debt securities	<u>8,826,873</u>	<u>8,826,873</u>	<u>-</u>	<u>-</u>
Equity securities				
Cash equivalents - money market funds	332,851	332,851	-	-
Stocks	2,964	2,964	-	-
Other mutual funds	20,781,439	20,781,439	-	-
Total equity securities	<u>21,117,254</u>	<u>21,117,254</u>	<u>-</u>	<u>-</u>
Total investments by fair value	<u>29,944,127</u>	<u>\$ 29,944,127</u>	<u>\$ -</u>	<u>\$ -</u>
Accrued income	32,696			
Total investments and cash equivalents	<u>\$ 29,976,823</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, 2024, the Township had the following debt investments and maturities within police pension fund:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Fixed Income Mutual Funds	\$ 8,826,873	\$ -	\$ -	\$ 7,456,342	\$ 1,370,531
Total	<u>\$ 8,826,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,456,342</u>	<u>\$ 1,370,531</u>

SWATARA TOWNSHIP, PENNSYLVANIA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2024

**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.

As of December 31, 2024, Township police pension fund's investments in fixed income mutual funds were rated by Standard and Poor's as follows:

\$909,755	10% AA	\$488,139	6% BB+
\$4,306,567	49% AA-	\$279,133	3% BB-
\$882,392	10% A-	\$1,960,887	22% not rated

*Concentration of credit risk:*

The Township places no limit on the amounts invested in any one issuer. As of December 31, 2024 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, 2024

**5. Capital assets:**

	Balance January 1, 2023	Additions	Deletions	Transfers	Balance December 31, 2024
<b>Non-depreciable assets:</b>					
Land	\$ 3,403,314	\$ -	\$ -	\$ -	\$ 3,403,314
Construction in progress	3,473,899	203,028	-	-	3,676,927
<b>Total capital assets not being depreciated</b>	<b>6,877,213</b>	<b>203,028</b>	<b>-</b>	<b>-</b>	<b>7,080,241</b>
<b>Depreciable assets:</b>					
Buildings and improvements	11,087,254	-	-	-	11,087,254
Automotive equipment	11,187,118	215,724	(1,065,945)	-	10,336,897
Machinery and equipment	7,282,621	84,078	-	-	7,366,699
Bridges	6,253,335	-	-	-	6,253,335
Roads and street lights	53,515,668	597,104	-	-	54,112,772
<b>Total capital assets being depreciated</b>	<b>89,325,996</b>	<b>896,906</b>	<b>(1,065,945)</b>	<b>-</b>	<b>89,156,957</b>
<b>Less accumulated depreciation:</b>					
Buildings and improvements	5,914,461	263,917	-	-	6,178,378
Automotive equipment	7,038,807	615,458	397,740	-	7,256,525
Machinery and equipment	5,483,288	395,482	-	-	5,878,770
Bridges	3,018,518	124,347	-	-	3,142,865
Roads and streetlights	48,598,359	276,515	-	-	48,874,874
<b>Total accumulated depreciation</b>	<b>70,053,433</b>	<b>1,675,719</b>	<b>397,740</b>	<b>-</b>	<b>71,331,412</b>
<b>Total capital assets being depreciated net</b>	<b>19,272,563</b>	<b>(778,813)</b>	<b>(668,205)</b>	<b>-</b>	<b>17,825,545</b>
<b>Total net capital assets</b>	<b>\$ 26,149,776</b>	<b>\$ (575,785)</b>	<b>\$ (668,205)</b>	<b>\$ -</b>	<b>\$ 24,905,786</b>

Depreciation expense was charged to the governmental functions as follows:

General government	\$ 96,555
Public safety	648,725
Highway and street	834,941
Culture and recreation	95,498
<b>Total depreciation expense</b>	<b>\$ 1,675,719</b>

SWATARA TOWNSHIP, PENNSYLVANIA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2024

**6. Notes Payable:**

Governmental Activities:

In 2016, the Township entered into a 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%. During 2024, the Township elected to partially buyout a firetruck under the financing agreement. The balance of principal outstanding as of December 31, 2024 was \$699,036. Equipment associated with this financing agreement are valued at \$1,748,723 and are included in governmental activities capital assets.

In 2019, the Township entered into a 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, 2024 was \$0. Equipment associated with this financing agreement are valued at \$983,185 and are included in governmental activities capital assets.

In 2020, the Township entered into a financing agreement in the amount of \$445,113 to purchase equipment. Monthly principal and interest payments of \$23,524 are due through 2024. The balance of principal outstanding as of December 31, 2024 was \$0. Equipment associated with this financing agreement are valued at \$445,113 and are included in governmental activities capital assets.

In 2023, the Township entered into a 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, 2024 was \$148,103. Vehicles associated with this financing agreement are valued at \$203,305 and are included in governmental activities capital assets.

In 2023, the Township entered into a 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, 2024 was \$86,405. Vehicles associated with this financing agreement are valued at \$118,591 and are included in governmental activities capital assets.

In 2023, the Township entered into a 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, 2024 was \$177,506. Vehicles associated with this financing agreement are valued at \$228,695 and are included in governmental activities capital assets.

The financing agreements are backed by the full faith and credit of the Township and are collateralized by certain Township assets. These financing agreements 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 Notes Payable Liability as of 2024 is as follows:

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Due Within One Year
Notes Payable	\$ 1,948,791	\$ -	\$ 837,741	\$ 1,111,050	\$ 214,155

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

6. Notes Payable (continued):

The assets acquired through the financing agreements are as follows:

Assets:	
Automotive equipment	\$ 2,773,012
Machinery and equipment	954,600
Less: Accumulated depecciation	<u>(1,633,421)</u>
Total	<u>\$ 2,094,191</u>

The future principal and interest financed purchase payments as of December 31, 2024 are as follows:

Year	Principal	Interest	Total
2025	\$ 214,155	\$ 43,124	\$ 257,279
2026	207,621	31,102	238,723
2027	216,801	21,922	238,723
2028	156,746	13,073	169,819
2029	102,652	8,899	111,551
2030-2031	<u>213,075</u>	<u>9,063</u>	<u>222,138</u>
Totals	<u>\$ 1,111,050</u>	<u>\$ 127,183</u>	<u>\$ 1,238,233</u>

7. Compensated absences:

At December 31, 2024, 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 \$1,868,869.

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:

	<u>Compensated Absences</u>
Balance at beginning of year	\$ 2,357,903
Net change	<u>(489,034)</u>
Balance at end of year	<u>\$ 1,868,869</u>
Amounts due within one year	<u>\$ 280,330</u>

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**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, 2024, 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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	635,000	38,850	673,850
2030	660,000	19,800	679,800
Total	<u>\$ 3,635,000</u>	<u>\$ 526,400</u>	<u>\$ 4,161,400</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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 153,134	\$ 765	\$ 153,899

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**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
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	5,000	706,300	711,300
2030-2034	2,520,000	3,458,250	5,978,250
2035-2039	3,755,000	2,738,200	6,493,200
2040-2044	4,570,000	1,924,600	6,494,600
2045-2049	5,560,000	934,600	6,494,600
2050	1,250,000	50,000	1,300,000
Total	<u>\$ 17,680,000</u>	<u>\$ 12,638,150</u>	<u>\$ 30,318,150</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
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	105,000	7,517	112,517
2030-2032	327,000	11,449	338,449
	<u>\$ 834,000</u>	<u>\$ 66,659</u>	<u>\$ 900,659</u>

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**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.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 135,000	\$ 66,826	\$ 201,826
2026	139,000	60,264	199,264
2027	143,000	53,508	196,508
2028	148,000	46,558	194,558
2029	152,000	39,366	191,366
2030-2033	658,000	81,162	739,162
	<u>\$ 1,375,000</u>	<u>\$ 347,684</u>	<u>\$ 1,722,684</u>

The following is a summary of changes in long-term debt for the year ended December 31, 2024:

	<u>General Obligation Notes and Bonds</u>	<u>Bond Premium</u>	<u>Total Long- Term Debt</u>	<u>Infrastructure Loans (Direct Borrowing)</u>
Balance at beginning of year	\$ 22,190,000	\$ 2,600,108	\$ 24,790,108	\$ 2,720,507
Additions	-	-	-	-
Deletions	(875,000)	(224,317)	(1,099,317)	(379,373)
Balance at end of year	<u>\$ 21,315,000</u>	<u>\$ 2,375,791</u>	<u>\$ 23,690,791</u>	<u>\$ 2,341,134</u>
Amounts due within one year	<u>\$ 550,000</u>		<u>\$ 550,000</u>	<u>\$ 386,134</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, 2024

**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, 2024 is as follows:

Inactive plan members or beneficiaries currently receiving benefits	38
Active plan members	48
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 8.95% for the year ended December 31, 2024. 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, 2024

**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 2024, the Township contributed \$1,032,188 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, 2024 measurement date. The components of the net pension liability of the Township at December 31, 2024 were as follows:

Net pension liability of the Township	
Total pension liability	\$ 37,691,546
Plan fiduciary net position	(29,976,825)
Township's net pension liability	<u>\$ 7,714,721</u>
Plan fiduciary net position as a percentage of the total pension liability	79.53%

Changes in the Township's net pension liability for the year ended December 31, 2024 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2023	\$ 35,396,697	\$ 27,796,708	\$ 7,599,989
Changes for the year:			
Service Cost	920,805	-	920,805
Interest	2,846,502	-	2,846,502
Contributions - employer	-	1,032,188	(1,032,188)
Contributions - member	-	307,798	(307,798)
Net investment income	-	2,312,589	(2,312,589)
Benefit payments, including refunds or employee contributions	(1,472,458)	(1,472,458)	-
Net Changes	<u>2,294,849</u>	<u>2,180,117</u>	<u>114,732</u>
Balances at 12/31/2023	<u>\$ 37,691,546</u>	<u>\$ 29,976,825</u>	<u>\$ 7,714,721</u>

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**9. Police defined benefit pension plan (continued):**

*Actuarial assumptions:*

The total pension liability was measured as of December 31, 2024 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:

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

*Discount rate:*

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

The actuarial assumptions used in the January 1, 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, 2024

**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	\$ 11,270,296	\$ 7,714,721	\$ 2,876,764

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

For the year ended December 31, 2024, the Township recognized pension expense of \$2,161,495. At December 31, 2024 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	\$ 1,587,053	\$ 1,270,611
Change in assumptions	284,818	-
Net difference between projected and actual earnings on investments	1,718,923	-
Total	\$ 3,590,794	\$ 1,270,611

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

Year ended December 31:	
2025	\$ 971,603
2026	1,153,859
2027	(199,390)
2028	43,944
2029	91,814
Thereafter	258,353
Total	\$ 2,320,183

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**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, 2024

**10. Non-uniformed defined benefit pension plan:**

*Employees Covered by Benefit Terms:*

At January 1, 2023, 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 2024 the Township contributed \$258,731 and the employees contributed \$133,050 to the plan.

**B. Net Pension Liability**

The Township's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

*Actuarial assumptions:*

The total pension liability in the January 1, 2023 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 2.2%
Inflation	2.2%

Mortality rates Pre-Retirement for the January 1, 2023 valuation were based on the PUB-2010 General Employees. Mortality rates Post-Retirement were based on the RP-2006 Annuitant Table.

The actuarial assumptions used in the January 1, 2023 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, 2024

**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 January 1, 2023 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%	7.39%	4.89%
Domestic Equities (small capitalized firms)	8.0%	8.30%	5.80%
International Equities (international developed markets)	14.5%	7.68%	5.18%
International Equities (emerging markets)	3.0%	8.39%	5.89%
Global Equities	5.0%	6.61%	4.11%
Real estate	10.0%	6.38%	3.88%
Timber	5.0%	5.75%	3.25%
Fixed Income (Core Investment Grade)	24.0%	5.01%	2.51%
Fixed income (Opportunistic Credit)	5.0%	6.95%	4.45%
Cash	1.0%	3.39%	0.89%
Total Portfolio	100%		

Based on the aforementioned methodology, the PMRS Board established the System’s Long-Term Expected Rate of Return at 7.31%.

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, 2023, this rate is equal to 5.25%.

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**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, 2023.

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, 2024

**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 12/31/2022 (based on 12/31/22 measurement date)	\$ 13,640,806	\$ 13,174,155	\$ 466,651
Changes for the year:			
Service Cost	303,706	-	303,706
Interest	712,810	-	712,810
Changes of benefits	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions - employer	-	258,731	(258,731)
Contributions - member	-	133,050	(133,050)
Net investment income	-	1,412,589	(1,412,589)
Benefit payments, including refunds or employee contributions	(693,786)	(693,786)	-
Administrative expense	-	(39,238)	39,238
Net Changes	<u>322,730</u>	<u>1,071,346</u>	<u>(748,616)</u>
Balances at 12/31/2023 (based on 12/31/23 measurement date)	<u>\$ 13,963,536</u>	<u>\$ 14,245,501</u>	<u>\$ (281,965)</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)	\$ 1,298,236	\$ (281,965)

*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, 2024

**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, 2024, the Township recognized an increase in pension expense of \$(59,852). At December 31, 2024 the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 281,884	\$ 67,724
Changes in assumptions	80,760	-
Net difference between projected and actual earnings on pension plan investments	187,280	-
Contributions subsequent to the measurement date	253,212	-
Total	<u>\$ 803,136</u>	<u>\$ 67,724</u>

The \$253,212 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, 2024 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:	
2024	\$ 17,693
2025	195,734
2026	415,393
2027	(146,620)
2028	-
Thereafter	-
Total	<u>\$ 482,200</u>

**11. Commitments and Contingent liabilities:**

Concentration of labor risks - The Township currently employs a labor force of which 75% is covered by collective bargaining agreements. The uniformed and non-uniformed collective bargaining agreements have been extended through December 31, 2025.

Other matters - Several other matters have been turned over to the Township's insurance carrier as of December 31, 2024. 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, 2024 of \$300,793. 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, 2024

**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, 2024, 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, 2024.

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, 2024, the Township was limited in liability for claims to \$45,000 per enrollee. Actual claims paid for the year ended December 31, 2024 were \$2,958,953 less reimbursements of \$233,628, or net claims of approximately \$2,725,325.

**14. Restricted cash and cash equivalents:**

Restricted cash and cash equivalents of \$308,143 (general fund), and \$18,720,129 (bond fund) at December 31, 2024, 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, 2024

**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 \$11,254,169 was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2023.

*Actuarial assumptions and other inputs.* The Township's total OPEB liability was measured as of December 31, 2024 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	4.00%
Healthcare cost trend rates	7% in 2024 with 0.5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% 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, 2024

**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, 2024 were as follows:

	Total OPEB Liability
Balance at 12/31/2023 (Based on a 12/31/2022 measurement date)	\$ 10,000,147
Changes for the year:	
Service Cost	439,905
Interest	444,895
Differences between Expected and actual Experience	-
Changes in Assumptions	586,433
Benefit Payments	(217,211)
Net Changes	1,254,022
Balance at 12/31/2024 (Based on a 12/31/2024 measurement date)	\$ 11,254,169

Changes in assumptions reflect a change in the discount rate from 4.31% in 2023 to 4.00% in 2024 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 (3.00%) or 1-percentage-point higher (5.00%) than the current discount rate:

	1% Decrease 3.00%	Current Discount Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	\$ 13,157,051	\$ 11,254,169	\$ 9,723,267

SWATARA TOWNSHIP, PENNSYLVANIA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2024

**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 to 3%) or 1-percentage-point higher (8% decreasing to 5%) than the current healthcare cost trend rates:

	1% Decrease (6% decreasing to 3%)	Medical Trend Rate (7% decreasing to 4%)	1% Increase (8% decreasing to 5%)
Total OPEB Liability	\$ 9,414,331	\$ 11,254,169	\$ 13,616,344

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

For the year ended December 31, 2024, the Township recognized OPEB expense of \$613,267. At December 31, 2024, 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	\$ -	\$ 1,250,475
Changes in assumptions	2,417,957	3,235,553
Benefit payments subsequent to the measurement date	279,598	-
 Total	 \$ 2,697,555	 \$ 4,486,028

The \$279,598 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:	
2025	\$ (271,533)
2026	(271,533)
2027	(271,531)
2028	(259,649)
2029	(602,108)
Thereafter	(391,717)
Total	<u>\$ (2,068,071)</u>

SWATARA TOWNSHIP, PENNSYLVANIA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2024

**17. Interfund accounts:**

Individual funds “transfers in” and “transfers out” as of December 31, 2024 were as follows:

Transfers Out		Transfers In	
General Fund	\$ 212,585	General Fund	\$ 992,253
Fire Prevention	162,232	Fire Prevention	160,836
Capital Reserve	800,000	Capital Reserve	-
Nonmajor Governmental Funds	30,021	Nonmajor Governmental Funds	51,749
	\$ 1,204,838		\$ 1,204,838

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

Individual funds “Due from” and “Due to” as of December 31, 2024 were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 270	\$ -
Nonmajor Governmental Funds	22,898	23,168
Total	\$ 23,168	\$ 23,168

Due to and Due from’s are due to timing of receipts.

**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, 2024.

	Appropriations	Expenditures	Percent of Excess over Appropriations
General Fund	\$ 18,130,596	\$ 18,170,369	0.22%
Fire Prevention	\$ 1,901,498	\$ 2,234,848	17.53%

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

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**19. Correction of an Error in Previously Issued Financial Statements**

During fiscal year 2024, the Township determined that Due from other governments and revenue received by the Stormwater Authority were overstated by \$584,095 in the general fund for the fiscal year ended December 31, 2023. The effect of correcting the error is shown below:

	12/31/2023		12/31/2023
	As Previously	Error	As
	<u>Reported</u>	<u>Correction</u>	<u>Restated</u>
General Fund	\$ 2,725,815	\$ (584,095)	\$ 2,141,720
Governmental Activities	\$ 5,345,631	\$ (584,095)	\$ 4,761,536

**20. Subsequent Events**

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

**21. Component Unit, Swatara Township Stormwater Authority**

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

The financial statements of the Swatara Township Stormwater Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the Stormwater 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 Stormwater Authority. However, the Stormwater Authority is not fiscally independent, and as such, is a component unit of the Township.

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

The Stormwater 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.

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**21. Component Unit, Swatara Township Stormwater Authority (continued)**

*Measurement Focus and Basis of Accounting, and Financial Statement Presentation (continued):*

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

*Receivables:*

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

*Capital assets:*

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

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

Automotive equipment	7 years
Infrastructure	25 - 50 years

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**21. Component Unit, Swatara Township Stormwater Authority (continued)**

**Summary of significant accounting policies (continued)**

*Net position classifications:*

Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Stormwater Authority does not have any restricted net position as of year-end.
- 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 Stormwater 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 2024, the Stormwater Authority adopted the requirements of GASB issued Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*". The adoption of this statement did not result in a modification of reported amounts.

In 2024, the Stormwater Authority adopted the requirements of GASB issued Statement No. 101, "*Compensated Absences*". The adoption of this statement did not result in a modification of reported amounts.

In 2024, the Authority adopted the requirements of GASB issued Statement No. 102, "*Certain Risk Disclosures*". The adoption of this statement did not result in a modification of previously reported amounts.

*Pending changes in accounting principles:*

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

In September 2024, the GASB issued Statement No. 104, "*Disclosure of Certain Capital Assets*". The Stormwater Authority is required to adopt statement No. 104 for its calendar year 2026 financial statements.

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

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**21. Component Unit, Swatara Township Stormwater Authority (continued)**

**Deposits and investments:**

*Custodial credit risk, deposits:*

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

At December 31, 2024, the Stormwater Authority had cash deposits with a carrying amount of \$790,085, an undeposited cash amount of \$5,528, and a bank balance of \$799,662, of which \$549,662 was not covered by federal depository insurance.

**Capital Assets:**

The following is a summary of changes in capital assets for the year ended December 31, 2024:

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024
Non-depreciable Assets:				
Construction in progress	\$ 81,818	\$ 53,871	\$ -	\$ 135,689
Total Capital Assets Not Being Depreciated	81,818	53,871	-	135,689
Depreciable Assets:				
Automotive equipment	68,830	109,450	-	178,280
Infrastructure	819,236	-	-	819,236
Total Capital Assets Being Depreciated	888,066	109,450	-	997,516
Less Accumulated Depreciation:				
Automotive equipment	26,631	12,439	-	39,070
Infrastructure	33,939	32,769	-	66,708
Total Accumulated Depreciation	60,570	45,208	-	105,778
Total Capital Assets Being Depreciated Net	827,496	64,242	-	891,738
Total Net Capital Assets	\$ 909,314	\$ 118,113	\$ -	\$ 1,027,427

**Due to Swatara Township:**

The Stormwater Authority reimburses the Township for various payroll, employee benefits, and other operating expenditures during the course of the year. As of December 31, 2024, the Stormwater Authority owed the Township \$54,358.

**Risk management:**

The Stormwater 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, 2024 there have been no claims reported.

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**21. Component Unit, Swatara Township Stormwater Authority (continued)**

**Correction of an Error in Previously Issued Financial Statements**

During fiscal year 2024, the Stormwater Authority determined that accounts payable and expenses reimbursed by the Township were overstated by \$584,095 in for the fiscal year ended December 31, 2023. The effect of correcting that error is shown below:

12/31/2023 As Previously Reported	Error Correction	12/31/2023 As Restated
\$ 862,278	\$ 584,095	\$ 1,446,373

**Subsequent Events**

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

**22. Component Unit, Swatara Township Authority**

**Summary of Significant Accounting Policies**

The Swatara Township Authority (the "Authority") was incorporated on December 8, 1947, under the Municipality Authorities Act of 1945 and pursuant to a resolution by the Board of Commissioners of the Township of Swatara (the "Township") for the construction and maintenance of sewer systems within Swatara Township.

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

*Reporting Entity*

The Authority's financial statements include the operations of all entities for which the Authority exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Criteria provided in GASB codifications have been considered, and there are no agencies or entities which should be presented with the Authority. However, the Township is financially accountable for the Authority's fiscal matters, and consequently, the Authority is a component unit of the Township. The Township is financially accountable because the Township appoints a voting majority of the Authority's governing body and guarantees the Authority's outstanding debt.

*Fund Financial Statements*

Separate, columnar, financial information is provided for the Authority's proprietary fund activity consisting of the treatment plant facility (Treatment Plant) and the sewer collection systems (Swatara). All material interfund activities and balances have been eliminated in combination.

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

The Authority complies with U.S. GAAP and applies all relevant GASB pronouncements.

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

## 22. Component Unit, Swatara Township Authority (continued)

### Summary of Significant Accounting Policies (continued)

#### *Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)*

The proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when obligations are incurred, regardless of timing of related cash flows. Grants and similar items are recognized as revenues when all eligibility requirements imposed by providers are met. Net position (total assets minus total liabilities) is used as a practical measure of economic resources, and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations, and accumulated depreciation is reported on the Statements of Net Position – Proprietary Fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally results from providing services and producing and delivering goods in connection with proprietary funds' principal ongoing operations. The principal operating revenues of the Authority's sewer collection systems consist of sewer charges. Operating expenses include sewer system costs, supplies, administrative costs and depreciation of capital assets. All revenues or expenses not meeting these classifications are reported as nonoperating revenues and expenses

#### *Budget and Budgetary Accounting*

An operating budget is adopted prior to the beginning of each year for each proprietary fund; these budgets are prepared on the modified accrual basis of accounting.

#### *Assets, Liabilities and Net Position*

Cash Equivalents: For purposes of the Statements of Cash Flows – Proprietary Fund, the Authority considers all highly-liquid debt investments with original maturities of three months or less to be cash equivalents.

Inventories: Inventories are valued at cost, determined by applying the FIFO (first-in, first-out) method and are expensed when used.

Investments: Investment are stated at fair value.

Accounts Receivable and Bad Debts: The Authority invoices residential and commercial customers and other governments for services; substantially all customers within Swatara Township, Lower Paxton Township and Hummelstown Borough, Pennsylvania. Receivables for sewer rents are carried at original billed amounts, less an estimate made for abatements (doubtful receivables) based on management's regular review of all outstanding balances. Quarterly, penalties are charged and recognized as revenue on unpaid accounts. The Authority liens the properties of customers who are significantly in arrears on sewer payments. Generally, all delinquent receivables are expected to be collected through legal measures available to the Authority.

Capital Assets and Depreciation: Capital assets; including property, plant and equipment and infrastructure; are stated at cost except for donated capital assets which are reported at their estimated fair values when donated. Management considers various factors in capitalizing assets; including assets' estimated useful lives which range from five to 50 years, costs and extents to which assets are parts of larger, capital projects. The Authority's policy excludes costs of normal maintenance and repairs that do not add to the values of capital assets or materially extend assets' useful lives. Depreciation is provided on the straight-line method over the estimated useful lives of various assets or groups of assets as determined by management.

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

## 22. Component Unit, Swatara Township Authority (continued)

### Summary of Significant Accounting Policies (continued)

#### *Assets, Liabilities and Net Position*

Deferred Outflows (Inflows) of Resources – Pensions: The Authority recognizes differences between expected and actual experience and projected and actual investment earnings and contributions made subsequent to the measurement date of December 31, 2024, as deferred outflows or inflows of resources. These amounts are amortized over the average remaining services lives of active and inactive members.

Long-Term Obligations: Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position – Proprietary Fund. Bond premiums and discounts are deferred and amortized over terms of related bonds. Bond insurance is deferred as a prepaid expense and amortized over bond terms. Other issuance costs, withheld or not withheld from debt proceeds received, are reported as debt service expenditures.

Compensated Absences: Under the terms of the Authority's employment agreements, employees are granted certain accumulated benefits such as unpaid vacation and sick pay. Twelve sick days per year (1 day per month) and up to 120 unused sick days are permitted to be carried over to future years. Upon retirement or work-related disability, employees are reimbursed for a maximum of 90 days of earned, but unused, sick leave days at pay rates in effect at retirement or disability. A long-term liability is accrued in the Statements of Net Position – Proprietary Fund unless retirements are likely within the upcoming year.

Net Position: The Authority maintains the following net position classifications:

**Net Investment in Capital Assets:** Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

**Restricted:** Consists of restricted assets reduced by liabilities related to those assets, which restriction constraints placed on the use either by external groups, such as credits, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

**Unrestricted:** Net amount of assets and liabilities that are not include in the determination of net investment in capital assets or the restricted component of net position.

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.

Pension Plan: The Authority provides a separate defined benefit pension plan for qualified employees. It is the Authority's policy to fund the normal costs of the defined benefit pension plan as required through an actuarial valuation.

Use of Estimates: Preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

## 22. Component Unit, Swatara Township Authority (continued)

### Summary of Significant Accounting Policies (continued)

#### *Adoption of Governmental Accounting Standards Board Statements*

The Authority adopted the remaining provisions of GASB Statement No. 99, "Omnibus 2022", and the provisions of GASB Statement No. 100, "Accounting Changes and Error Corrections- an amendment of GASB Statement No. 62", GASB Statement No. 101, "Compensated Absences", and GASB Statement No. 102, "Certain Risk Disclosures".

The adoption of these GASB Statements did not result in modification of previously reported amounts.

#### *Pending Changes in Accounting Principles*

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

In September 2024, the GASB issued Statement No. 104, "Disclosure of Certain Capital Assets". The Authority is required to adopt Statement No. 104 for its calendar year 2026 financial statements.

In December 2025, the GASB issued Statement No. 105, "Subsequent Events". The Authority is required to adopt Statement No. 105 for its calendar year 2027 financial statements.

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

### Deposits

Statutes authorize the Authority to invest in the following:

- U.S. Treasury Bills
- Short-term obligations of the U.S. Government and Federal agencies
- Insured savings and checking accounts and Certificates of Deposit in banks, savings and loan associations and credit unions
- General obligation bonds of the Federal Government, the Commonwealth of Pennsylvania or any state agency, or any Pennsylvania political subdivision
- Shares of investment companies, investments of which are restricted to the above categories
- Pension Trust Funds may invest in any investment authorized by Pennsylvania Common Law and other Pennsylvania statutes

The Authority's deposit and investment policies adhere to the state statutes and prudent business practices. There were no deposit or investment transactions during the year that violated either state statutes or Authority policies.

The Authority's deposits are either insured or collateralized. All deposits that exceed Federal depository insurance coverage are collateralized. All deposits that exceed Federal depository insurance coverage are collateralized under the Pooling Method. Under the Pooling Method, all uninsured deposits are collateralized with securities maintained in conformity with Act 72 of 1971. Act 72 of 1971 is an act standardizing the procedures for pledges of assets to secure deposits of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis; and authorizing the appointment of custodians to act as pledgors of the assets. The Authority has no policy regarding custodial credit risk for deposits.

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**22. Component Unit, Swatara Township Authority (continued)**

**Deposits (continued)**

The Authority's cash equivalents of \$11,606,691 were not subject to custodial credit risk as they were invested with the Pennsylvania Local Government Investment Trust (PLGIT). PLGIT issues separately audited financial statements that are available to the public. The fair value of the Authority's position in the external investment pool is equivalent to the value of the pool shares. PLGIT does not place any limitations or restrictions on withdrawals for the program. The Commonwealth of Pennsylvania provides external regulatory oversight for the external investment pools.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. As of December 31, 2024, the Authority's deposits were exposed to custodial credit risk as follows:

	2024		
	Carrying Amount	Bank Balance	Financial Institution
FDIC insured	\$ 250,000	\$ 250,000	Orrstown Bank
FDIC insured	66,104	66,104	Wilmington Trust
Uninsured and collateralized by assets maintained in conformity with Act 72	832,267	1,113,819	Orrstown Bank
Investments in Pennsylvania Local Government Investment Trust (PLGIT)	11,606,691	11,606,953	PLGIT
Petty cash	700	-	
	<u>\$ 12,755,762</u>	<u>\$ 13,036,876</u>	

**Restricted Cash**

The Authority requires developers to pay a deposit before opening construction on new sewer facilities. The Authority holds these funds in escrow at a financial institution. Upon contract completion and acceptance of the sewer lines by the Authority, the funds are refunded to the developer. At December 31, 2024, deposits of \$66,104 were held in escrow.

The Authority maintains each participant's capital contribution for the dryer upgrade project in a restricted fund for use by the Authority for the dryer upgrade project expenses. At December 31, 2024, deposits of \$2,830,998 were restricted for future use by the Authority for the dryer upgrade project.

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**22. Component Unit, Swatara Township Authority (continued)**

**Capital Assets**

Capital asset activity for the year ended December 31, 2024, was as follows:

	<u>Balance</u> <u>January 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2024</u>
Capital assets, not being depreciated				
Construction in progress	\$ 2,589,611	\$ 4,434,956	\$ -	\$ 7,024,567
	<u>2,589,611</u>	<u>4,434,956</u>	<u>-</u>	<u>7,024,567</u>
Capital assets, being depreciated				
Maintenance equipment	11,036,334	237,188	(607,255)	10,666,267
Building improvements	6,785,152	-	-	6,785,152
Land improvements	328,394	-	-	328,394
Sewer system	50,431,577	666,309	(21,616)	51,076,270
Computer system	103,851	-	-	103,851
	<u>68,685,308</u>	<u>903,497</u>	<u>(628,871)</u>	<u>68,959,934</u>
Less accumulated depreciation for:				
Maintenance equipment	(10,131,298)	(152,533)	591,729	(9,692,102)
Building improvements	(3,636,482)	(191,587)	-	(3,828,069)
Land improvements	(153,188)	(10,329)	-	(163,517)
Sewer system	(18,044,147)	(1,053,135)	11,196	(19,086,086)
Computer system	(101,768)	(416)	-	(102,184)
Total accumulated depreciation	<u>(32,066,883)</u>	<u>(1,408,000)</u>	<u>602,925</u>	<u>(32,871,958)</u>
Total capital assets being depreciated, net	<u>36,618,425</u>	<u>(504,503)</u>	<u>(25,946)</u>	<u>36,087,976</u>
	<u>\$ 39,208,036</u>	<u>\$ 3,930,453</u>	<u>\$ (25,946)</u>	<u>\$ 43,112,543</u>
Purchased capacity, net	\$ 7,643,815	\$ -	\$ -	\$ 7,643,815
Accumulated depreciation	(6,540,233)	(591,517)	-	(7,131,750)
Purchased capacity, net	<u>\$ 1,103,582</u>	<u>\$ (591,517)</u>	<u>\$ -</u>	<u>\$ 512,065</u>

Purchased capacity is reduced by \$4,186,502 to reflect internally purchased capacity by Swatara Township Authority.

**Purchased Capacity and Unearned Revenues**

Swatara Purchased Capacity

Swatara participated in the construction and subsequent upgrades of the treatment plant facility by providing cash toward the project costs. Participation gave Swatara reserved rights to use a percentage of the facilities. Consequently, an asset is recorded for the cash outlays, which are based upon the percentage of capacity "owned". These costs are amortized, or expenses, on the straight-line method over the estimated useful lives of various underlying assets representing the capacity purchased. At times, amortization is accelerated for impairment when underlying treatment plan assets are retired before expirations of their anticipated useful lives. Purchased capacity, net of accumulated amortization, at December 31, 2024 is \$4,698,567.

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**22. Component Unit, Swatara Township Authority (continued)**

**Purchased Capacity and Unearned Revenues**

Treatment Plant Purchased Capacity Revenues

Treatment plant purchased capacity revenues are payments by municipalities participating in the Inter-Municipal Agreement (including Swatara) to construct and upgrade the plant, but which have not yet been recognized as revenue. Capacity revenue is recognized annually, using the straight-line method, over the estimated useful lives of various treatment plant assets purchased. Unamortized treatment plant purchased capacity revenue is \$14,250,355 at December 31, 2024.

**Commitments**

During the year ended December 31, 2024, long-term obligations changed as follows:

	January 1, 2024	Increases	Decreases	December 31, 2024	Due within One Year
Long-term liabilities:					
Series A 2021	\$ 2,671,000	\$ -	\$ (180,000)	\$ 2,491,000	\$ 184,000
Accrued compensated absences	157,557	220,530	-	378,087	-
Unearned revenues	11,845,147	-	(1,781,294)	10,063,853	-
<b>Total long-term liabilities</b>	<b>\$ 14,673,704</b>	<b>\$ 220,530</b>	<b>\$ (1,961,294)</b>	<b>\$ 12,932,940</b>	<b>\$ 184,000</b>

Unearned revenues are reduced by \$4,186,502 to reflect internally purchased capacity by Swatara Township Authority.

Sewer Revenue Note, Series A – On May 10, 2021, the Authority obtained a term loan from Orrstown Bank in the amount of \$3,000,000. The proceeds are to be used to finance various capital projects of the Authority including the Authority's portion of a new biosolids/sludge dryer and to pay the costs of issuance on the note. This loan is secured by all Authority revenues, receipts and moneys derived from or in connection with the sewer system by or on behalf of the Authority, on a parity basis with future outstanding debt. Interest on this loan is fixed for ten years at 2.35% per annum; thereafter, to float at 79% of Wall Street Journal Prime minus 0.50% (floor of 2.17%). Interest is payable semi-annually on February 15<sup>th</sup> and August 15<sup>th</sup> beginning on February 15, 2022. Annual principal installments range from \$153,000 to \$237,000 with final maturity on February 15, 2036.

The annual debt service requirements to maturity, including principal and interest, for long-term debt, as of December 31, 2024, are as follows:

Year	Principal	Interest	Total Debt Service
2025	\$ 184,000	\$ 56,376	\$ 240,376
2026	188,000	52,005	240,005
2027	193,000	47,529	240,529
2028	197,000	42,947	239,947
2029	202,000	38,258	240,258
2030-2034	1,061,000	140,502	1,201,502
2035-2036	466,000	14,644	480,644
	<b>\$ 2,491,000</b>	<b>\$ 392,261</b>	<b>\$ 2,883,261</b>

SWATARA TOWNSHIP, PENNSYLVANIA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2024

## 22. Component Unit, Swatara Township Authority (continued)

### Commitments

#### Sewer Transmission Agreement

On February 15, 1975, the Authority entered into an agreement with the Borough of Steelton (Steelton) to permit the Oberlin-Enhaut-Bressler Sewer Basin to discharge and convey sewage through Steelton's sewer system. The Authority agreed to compensate Steelton with transmission charges based on a proportionate share of Steelton's annual operating, maintenance and administrative expenses.

#### Dryer Replacement Project

In April 2022, the Authority placed an order for the Dryer Replacement Project equipment in the amount of \$4,183,814. This does not include cost of engineering services or installation. Costs will be shared with the participating municipalities. Equipment has been received, but at December 31, 2024, the equipment was still being installed and had not yet been put into service.

#### Litigation

In the ordinary course of business, legal actions are asserted against the Authority which, if successful, might require payment of damages. Litigation is subject to uncertainties, and outcome is not predictable with any assurance. Consequently, no provision for contingent losses has been reflected in the financial statements.

### Pension Plan

#### Plan Description

Swatara Township Authority participates in an agent multiple-employer, public-employee pension plan through the Pennsylvania Municipal Retirement System (PMRS). PMRS was created by the Pennsylvania General Assembly in 1974 with the passage of the Pennsylvania Municipal Retirement Law, Act of 1974, P.L. 34, No. 15 for the purpose of administering sound, cost effective pension plans on a contract basis for local government employees throughout the Commonwealth. Responsibility for the organization and administration of PMRS is vested in an eleven-member Pennsylvania Municipal Retirement Board (PMRB).

Membership in PMRS is optional and the Authority has the rights to establish or amend its own benefits and employee contribution rates subject to PMRS Board approval. The Authority may terminate participation in PMRS upon a 75% favorable vote of its Plan members. PMRS is required to maintain and provide annual accounting records of asset accounts allocable to the Authority. All investment decisions and actuarial assumptions related to the Authority's pension assets are the responsibility of the PMRB. PMRS issues a separate Annual Comprehensive Financial Report (ACFR) for the Plan. The ACFR is available on the PMRS website at [www.pMrs.state.pa.us](http://www.pMrs.state.pa.us).

The Authority's actuarial asset accounts held by PMRS (hereinafter referred to as "the Plan") are subject to funding requirements of the Pennsylvania Municipal Pension Plan funding Standard and Recovery Act (Act 205 of 1984, as amended). Act 205 requires performance of an actuarial valuation of the Plan every other year. The Plan's most recent actuarial valuation was performed on January 1, 2023.

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**22. Component Unit, Swatara Township Authority (continued)**

**Pension Plan (continued)**

Plan Description (continued)

The Plan provides retirement, disability, death and survivor benefits to plan members and their beneficiaries. Cost of living allowances are provided at the discretion of the Plan. Act 205 requires that annual contributions be based upon the plan’s Minimum Municipal Obligation (MMO). The MMO is based upon the Plan’s biennial, actuarial valuation. In accordance with the Plan’s governing resolution, members are required to contribute 5.50% of compensation to the Plan. The Plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program; this allocation must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205. Administrative costs; including the investment manager, custodial trustee and actuarial services; are charged to the Plan and funded through investment earnings. There are no assets legally reserved for purposes other than the payment of member benefits. There are no long-term contracts for contributions.

Employer Contributions

The Authority makes annual contributions in amounts equal to or greater than the annual required contribution calculated by the Plan’s actuary. Cash contributions made by the Authority and recognized by the plan amounted to \$0 for 2024. Pension expense (revenue) recorded in the Authority’s Statements of Revenues, Expenses and Changes in Net Position – Proprietary Fund totaled (\$161,479), for the years ended December 31, 2024. Contribution rates and actuarial assumptions used to determine the annual required contribution and total pension liabilities are presented in Required Supplementary Information.

Plan Benefits

All full-time employees of the Authority may participate in the Plan. Members become fully vested in the Plan after one year of service if hired prior to January 1, 2005, or five years of service if hired on or after January 1, 2005. Upon death of an active member, the member’s beneficiary receives the present value of the active member’s accrued benefit. At retirement, a member may select a survivor benefit. Members are eligible for normal retirement at age 62 with five years of credited service, or at age 57 with 30 years of credited service.

Participants are eligible for early retirement at age 55 with 25 years of credited service. Retirement benefits are calculated at 2% times credited service multiplied by the member’s Final Average Salary (FAS). FAS is calculated based upon the member’s highest three years of annualized salary. There is no social security offset.

Plan members covered by the benefit terms as of January 1, 2023, are as follows:

Inactive employees or beneficiaries currently receiving benefits	16
Inactive employees entitled to but not yet receiving benefits	12
Active employees	15
Total members	<u>43</u>

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**22. Component Unit, Swatara Township Authority (continued)**

**Pension Plan (continued)**

Investment Fair Value

PMRS's ACFR provides the following information about the Plan's fair value methodology. Investments are reported at fair value. Fair value is the amount that the Plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at last reported sale prices. Equity index funds are valued at the net asset value of units held based upon values of underlying investments determined by quoted-market prices.

Fixed income pooled funds are valued at the net asset value of units held based on yields currently available on comparable securities or issues with similar credit ratings of underlying investments. Fair value of real estate investments is based on independent appraisals every three years. In years for which an appraisal is not performed, real estate investments and investments that do not have an established market value are reported at estimated, fair values. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on a trade-date basis. Interest income is recorded on the accrual basis, and dividends are recorded on the ex-dividend date.

PMRS measures investments at fair value in accordance with applicable accounting standards which provide for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

There are three levels to the fair value hierarchy. Level 1 inputs to valuation methodology are unadjusted, quoted prices for identical assets in active markets; Level 2 inputs are significant, other observable inputs for similar assets; and Level 3 inputs are unobservable. The Authority's pension assets are pooled with those of other participating municipalities within the PMRS Plan; therefore, information related to the Plan's Level inputs must be obtained from PMRS's separately issued ACFR.

Investment Policy: Members of the PMRS Board are trustees of the Plan's assets and have exclusive responsibility for management of such assets and have the full power to invest the Plan's assets, subject to terms, conditions, limitations and restrictions imposed by the Commonwealth upon fiduciaries. The PMRS Board adopted a Statement of Investment Policy. This policy, and applicable state law, establishes guidelines for PMRS's permissible investments.

At December 31, 2023, the PMRS Board established target-asset allocation and long-term expected real rates-of-return as follows:

Asset Class	Target Allocation	Long-Term, Expected Real- Rates-of-Return
Domestic equities (large capitalized firms)	24.5%	4.89%
Domestic equities (small capitalized firms)	8.0%	5.80%
International equities (international develope	14.5%	5.18%
International equities (emerging markets)	3.0%	5.89%
Global equities	5.0%	4.11%
Real estate	10.0%	3.88%
Timber	5.0%	3.25%
Fixed income (core investment grade)	24.0%	2.51%
Fixed income (opportunistic credit)	5.0%	4.45%
Cash	1.0%	0.89%
	100.0%	4.81%

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

## 22. Component Unit, Swatara Township Authority (continued)

### Pension Plan (continued)

In addition to determining the Plan's long-term expected rate-of-return, PMRS also develops a long-term expected rate-of-return for individual participating municipalities. The long-term expected rate-of-return for individual participating municipalities is also referred to as the Regular Interest Rate. Under the laws of the Commonwealth of Pennsylvania (Act 15 of 1974), PMRS is obligated to apply the Regular Interest Rate. Under the laws of the Commonwealth of Pennsylvania (Act 15 of 1974), PMRS is obligated to apply the Regular Interest Rate to the Authority's actuarial-assets accounts held by PMRS. Therefore, under the law, the Authority's long-term expected rate-of-return is equal to the Regular Interest Rate, which was 5.25% at December 31, 2023.

The PMRS Board's investment objective is to benefit PMRS member municipalities by adding value to their assets. The Boards' goal is to have the fund earn at least 2% more annually than the average annual inflation rate over a long period of time.

Rate-of-Return: For the year ended December 31, 2023, the annual, money-weighted rates-of-return on Plan investments, net of Plan investment expense, was 10.98%. The money-weighted rates-of-return express investment performance net of investment expense, adjusted for changing amounts invested.

Concentrations of Credit Risk: The Authority places no limit on the amounts invested in any one issuer. More than 5% of the Authority's investments are held with PMRS. Those investments comprise 100% of the Authority's total investments.

Custodial Credit Risk: Custodial credit risk is the risk of loss whereby PMRS would not be able to recover the value of the Plan's investments or collateral securities because of a failure of the Plan's custodian. PMRS has concluded that because the Plan's custodian is the State Treasurer, the Plan's investments are not exposed to custodial credit risk. Additionally, the Treasury Department formally adopts written investment policies which address custodial credit risk. The Plan's exposure to risk of loss of investments due to errors and omissions by its advisors and investment managers is covered within PMRS's contracts with those parties which require the advisors and investment managers to be insured and bonded for such risks.

### Pension Liabilities

At December 31, 2024, the Authority reported a net pension asset of \$1,393,398 which is based upon the most recent actuarial valuation date of January 1, 2023, with liabilities measured as of December 31, 2023. The actuarial assumptions used in the most recent valuation are based on the PMRS Experience Study for the period covering January 1, 2014 through December 31, 2018. The Net Pension Asset does not reflect changes in benefits or assumptions after January 1, 2024.

The beginning balance of the net pension assets as of December 31, 2022, was estimated in the amount of \$915,524 and is based upon the January 1, 2023 actuarial valuation with liabilities measured as of December 31, 2022 and rolled forward to December 31, 2023. Actuarial assumptions used to determine the Net Pension Asset are presented in Required Supplementary Information.

The Authority's Total Pension Liability (TPL) as calculated by the Plan's actuary amounted to \$9,200,033 as of December 31, 2024. The discount rate used to measure the TPL for the Pension Plan was 5.25% as of January 1, 2023. There have been no changes in the discount rate since the prior measurement date. Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL.

SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**22. Component Unit, Swatara Township Authority (continued)**

**Pension Plan (continued)**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following is a sensitivity analysis of the net pension liability to the changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 5.25% as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (4.25%) or one-percentage point higher (6.25%) than the current discount rate:

	Current Discount		
	1% Decrease 4.25%	Rate 5.25%	1% Increase 6.25%
Total pension liability	\$ 10,399,601	\$ 9,200,033	\$ 8,191,598
Plan fiduciary net position	10,593,431	10,593,431	10,593,431
Net pension asset	<u>\$ (193,830)</u>	<u>\$ (1,393,398)</u>	<u>\$ (2,401,833)</u>
Plan fiduciary net position as a percentage of the total pension liability	101.86%	115.15%	129.32%

The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current contribution rate and that contributions from the Authority will continue to be made based on minimum actuarially determined amounts. Based on those assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate-of-return on plan investments was applied to all periods of projected benefit payments to determine the Plan's total pension asset or liability.

The following is a schedule of changes in Total Pension Liability, Fiduciary Net Position and Net Pension Liability:

	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability
Balances at December 31, 2022 (based on 12/31/23 measurement date)	\$ 9,101,778	\$ 10,017,302	\$ (915,524)
Changes for the year			
Service cost	131,112	-	131,112
Interest	471,653	-	471,653
Contributions - employee	-	52,401	(52,401)
PMRS investment income	-	511,524	(511,524)
Market value investment income*	-	546,244	(546,244)
Benefit payments	(504,510)	(504,510)	-
PMRS administrative expense	-	(880)	880
Additional administrative expense	-	(28,650)	28,650
Net Changes	<u>98,255</u>	<u>576,129</u>	<u>(477,874)</u>
Balances at December 31, 2023 (based on 12/31/24 measurement date)	<u>\$ 9,200,033</u>	<u>\$ 10,593,431</u>	<u>\$ (1,393,398)</u>

\*Reflects the net investment income/(loss) of \$553,379 and the income/(loss) due to the difference between expected and actual asset values of (\$7,135), which includes the impact from allocation of assets in support of the underlying retiree liabilities.

SWATARA TOWNSHIP, PENNSYLVANIA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2024

**22. Component Unit, Swatara Township Authority (continued)**

**Pension Plan (continued)**

The plan's actuaries have certified that the pension information presented herein is in accordance with generally recognized and accepted actuarial principles and practices that are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board; however, future actuarial measurements could differ significantly from current measurements due to plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, and changes in plan provisions or applicable law.

Deferred Outflows/Inflows of Resources Related to the Pension Plan

The Plan recognizes the impact of investment gains or losses over a period of five years. The impact of experience gains or losses and assumption changes on the total pension liability are recognized in the collective pension expense over the average expected remaining service life of all active and inactive members. As of the valuation date, there were experience gains or losses between the beginning of year and end of year liabilities because liabilities are based upon two different valuation dates. However, there were no assumption changes in the measurement date. At December 31, 2024, the Authority reported deferred outflows and inflows of resources from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of
Differences between expected and actual experience	\$ 70,918	\$ 200,314
Changes in assumptions	-	53,150
Net difference between projected and actual earnings on pension plan investments	-	163,555
	\$ 70,918	\$ 417,019

The amounts reported as deferred outflows and inflows above will be recognized in pension expense (revenue) as follows:

Year	Amount
2024	\$ (11,797)
2025	157,100
2026	310,046
2027	(109,248)
2028	-
	\$ 346,101

On August 31, 2022, the Authority closed the defined benefit plan to all new members effective June 4, 2021, and opened a cash balance plan for all new full-time employees. The cash balance plan has required municipal contributions equal to 4.50% of each member's compensation and optional after-tax employee contributions not to exceed 20.00% of compensation.

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SWATARA TOWNSHIP, PENNSYLVANIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024

**22. Component Unit, Swatara Township Authority (continued)**

**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 commercial insurance for all major categories of risk. There have been no significant reductions in insurance coverage from the prior year nor have any settlements exceeded insurance coverage for the current or three previous years.

**Subsequent Events**

Subsequent events for Swatara Township Authority as of and for the year ended December 31, 2024, were evaluated through January 5, 2026, and no material subsequent events exist that require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>										
Service cost	\$ 920,805	\$ 872,801	\$ 823,935	\$ 780,981	\$ 749,000	\$ 709,953	\$ 700,562	\$ 753,461	\$ 640,706	\$ 607,304
Interest	2,846,502	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
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	(1,472,458)	(1,528,609)	(1,373,667)	(1,213,433)	(1,158,097)	(1,137,740)	(996,242)	(876,149)	(827,105)	(894,689)
<b>Net change in total pension liability</b>	<b>2,294,849</b>	<b>2,074,522</b>	<b>1,969,454</b>	<b>1,702,571</b>	<b>1,830,103</b>	<b>4,775,288</b>	<b>(638,853)</b>	<b>1,664,104</b>	<b>1,475,309</b>	<b>1,017,579</b>
<b>Total pension liability - beginning</b>	<b>35,396,697</b>	<b>33,322,175</b>	<b>31,352,721</b>	<b>29,650,150</b>	<b>27,820,047</b>	<b>23,044,759</b>	<b>23,683,612</b>	<b>22,019,508</b>	<b>20,544,199</b>	<b>19,526,620</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 37,691,546</b>	<b>\$ 35,396,697</b>	<b>\$ 33,322,175</b>	<b>\$ 31,352,721</b>	<b>\$ 29,650,150</b>	<b>\$ 27,820,047</b>	<b>\$ 23,044,759</b>	<b>\$ 23,683,612</b>	<b>\$ 22,019,508</b>	<b>\$ 20,544,199</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 1,032,188	\$ 1,003,224	\$ 953,320	\$ 912,146	\$ 819,704	\$ 786,598	\$ 756,982	\$ 705,080	\$ 702,513	\$ 660,568
Contributions - employee	307,798	298,527	290,909	282,010	265,737	257,118	252,577	273,143	207,072	231,930
Net investment income	2,312,589	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
Benefit payments, including refunds of employee contributions	(1,472,458)	(1,528,609)	(1,373,667)	(1,213,433)	(1,158,097)	(1,137,740)	(996,242)	(876,149)	(827,105)	(894,689)
Administrative expense	-	(87,234)	(1,250)	(10,125)	(7,175)	(8,225)	(13,775)	(86,440)	(68,806)	(19,050)
Other	-	30,101	-	23,480	-	-	31,487	736,553	44,795	-
<b>Net change in plan fiduciary position</b>	<b>2,180,117</b>	<b>2,910,971</b>	<b>(4,547,505)</b>	<b>3,017,443</b>	<b>2,116,799</b>	<b>3,804,505</b>	<b>(1,229,208)</b>	<b>3,460,074</b>	<b>1,020,218</b>	<b>25,659</b>
<b>Plan fiduciary net position - beginning</b>	<b>27,796,708</b>	<b>24,885,737</b>	<b>29,433,242</b>	<b>26,415,799</b>	<b>24,299,000</b>	<b>20,494,495</b>	<b>21,723,703</b>	<b>18,263,629</b>	<b>17,243,411</b>	<b>17,217,752</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>29,976,825</b>	<b>27,796,708</b>	<b>24,885,737</b>	<b>29,433,242</b>	<b>26,415,799</b>	<b>24,299,000</b>	<b>20,494,495</b>	<b>21,723,703</b>	<b>18,263,629</b>	<b>17,243,411</b>
<b>Township's net pension liability - ending (a) - (b)</b>	<b>\$ 7,714,721</b>	<b>\$ 7,599,989</b>	<b>\$ 8,436,438</b>	<b>\$ 1,919,479</b>	<b>\$ 3,234,351</b>	<b>\$ 3,521,047</b>	<b>\$ 2,550,264</b>	<b>\$ 1,959,909</b>	<b>\$ 3,755,879</b>	<b>\$ 3,300,788</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>79.53%</b>	<b>78.53%</b>	<b>74.68%</b>	<b>93.88%</b>	<b>89.09%</b>	<b>87.34%</b>	<b>88.93%</b>	<b>91.72%</b>	<b>82.94%</b>	<b>83.93%</b>
<b>Covered payroll</b>	<b>\$ 5,227,367</b>	<b>\$ 5,429,517</b>	<b>\$ 5,293,962</b>	<b>\$ 5,121,218</b>	<b>\$ 4,809,953</b>	<b>\$ 4,633,300</b>	<b>\$ 4,382,975</b>	<b>\$ 4,370,912</b>	<b>\$ 4,288,995</b>	<b>\$ 4,218,485</b>
<b>Township net pension liability as a percentage of covered payroll</b>	<b>147.58%</b>	<b>139.98%</b>	<b>159.36%</b>	<b>37.48%</b>	<b>67.24%</b>	<b>75.99%</b>	<b>58.19%</b>	<b>44.84%</b>	<b>87.57%</b>	<b>78.25%</b>

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined employer contributions	\$ 1,032,188	\$ 1,003,224	\$ 953,320	\$ 912,146	\$ 819,704	\$ 786,598	\$ 756,982	\$ 705,080	\$ 702,513	\$ 660,568
Contributions in relation to the actuarially determined employer contribution	1,032,188	1,003,224	953,320	912,146	819,704	786,598	756,982	705,080	702,513	660,568
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	\$ 5,227,367	\$ 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
Employer contributions as a percentage of covered payroll	19.75%	18.48%	18.01%	17.81%	17.04%	16.98%	17.27%	16.13%	16.38%	15.66%

**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-2020 to reflect mortality improvement.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	8.95%	12.82%	-14.92%	12.05%	9.62%	19.76%	-5.24%	14.58%	5.70%	0.61%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service Costs	\$ 303,706	\$ 321,325	\$ 316,670	\$ 301,124	\$ 293,888	\$ 273,549	\$ 257,732	\$ 232,247	\$ 263,455	\$ 238,736
Interest	712,810	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	(693,786)	(667,146)	(750,729)	(518,657)	(587,306)	(481,329)	(485,853)	(496,661)	(437,445)	(515,077)
<b>Net Change in Total Pension Liability</b>	<b>322,730</b>	<b>796,727</b>	<b>224,595</b>	<b>485,913</b>	<b>325,615</b>	<b>514,830</b>	<b>346,623</b>	<b>564,207</b>	<b>466,371</b>	<b>467,799</b>
Total Pension Liability - beginning	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	9,448,126
<b>Total Pension Liability - ending (a)</b>	<b>\$ 13,963,536</b>	<b>\$ 13,640,806</b>	<b>\$ 12,844,079</b>	<b>\$ 12,619,484</b>	<b>\$ 12,133,571</b>	<b>\$ 11,807,956</b>	<b>\$ 11,293,126</b>	<b>\$ 10,946,503</b>	<b>\$ 10,382,296</b>	<b>\$ 9,915,925</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 258,731	\$ 230,943	\$ 235,975	\$ 241,964	\$ 223,036	\$ 204,794	\$ 203,511	\$ 186,560	\$ 178,149	\$ 123,189
Contributions - Member	133,050	132,364	127,971	132,998	130,241	121,814	111,997	109,780	111,503	99,023
Net Investment Income	1,412,589	(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	(693,786)	(667,146)	(750,729)	(518,657)	(588,526)	(481,329)	(485,853)	(496,661)	(437,445)	(515,077)
Administrative Expense	(39,238)	(35,945)	(37,505)	(27,761)	(20,164)	(25,607)	(25,260)	(26,952)	(22,369)	(19,135)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>1,071,346</b>	<b>(2,022,460)</b>	<b>1,314,640</b>	<b>1,393,096</b>	<b>1,931,770</b>	<b>(597,357)</b>	<b>1,501,536</b>	<b>598,574</b>	<b>(220,429)</b>	<b>194,577</b>
Plan Fiduciary Net Position - beginning	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	9,080,208
<b>Plan Fiduciary Net Position - ending (b)</b>	<b>\$ 14,245,501</b>	<b>\$ 13,174,155</b>	<b>\$ 15,196,615</b>	<b>\$ 13,881,975</b>	<b>\$ 12,488,879</b>	<b>\$ 10,557,109</b>	<b>\$ 11,154,466</b>	<b>\$ 9,652,930</b>	<b>\$ 9,054,356</b>	<b>\$ 9,274,785</b>
<b>Township's Net Pension (Asset) Liability - ending (a) - (b)</b>	<b>\$ (281,965)</b>	<b>\$ 466,651</b>	<b>\$ (2,352,536)</b>	<b>\$ (1,262,491)</b>	<b>\$ (355,308)</b>	<b>\$ 1,250,847</b>	<b>\$ 138,660</b>	<b>\$ 1,293,573</b>	<b>\$ 1,327,940</b>	<b>\$ 641,140</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>102.02%</b>	<b>96.58%</b>	<b>118.32%</b>	<b>110.00%</b>	<b>102.93%</b>	<b>89.41%</b>	<b>98.77%</b>	<b>88.18%</b>	<b>87.21%</b>	<b>93.53%</b>
<b>Covered Payroll</b>	<b>\$ 2,105,735</b>	<b>\$ 2,351,130</b>	<b>\$ 2,221,714</b>	<b>\$ 2,615,997</b>	<b>\$ 2,226,641</b>	<b>\$ 2,062,934</b>	<b>\$ 1,965,329</b>	<b>\$ 1,842,249</b>	<b>\$ 1,900,369</b>	<b>\$ 1,729,025</b>
<b>Township's Net Pension Liability as a Percentage of Covered Payroll</b>	<b>-13.39%</b>	<b>19.85%</b>	<b>-105.89%</b>	<b>-48.26%</b>	<b>-15.96%</b>	<b>60.63%</b>	<b>7.06%</b>	<b>70.22%</b>	<b>69.88%</b>	<b>37.08%</b>

\*\* - 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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 258,731	\$ 258,512	\$ 230,943	\$ 235,975	\$ 241,964	\$ 222,976	\$ 204,711	\$ 203,448	\$ 186,460	\$ 178,129
Contribution in Relation to the Actuarially Determined Contribution	<u>258,731</u>	<u>258,512</u>	<u>230,943</u>	<u>235,975</u>	<u>241,964</u>	<u>223,036</u>	<u>204,794</u>	<u>203,511</u>	<u>186,560</u>	<u>178,149</u>
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60)</u>	<u>\$ (83)</u>	<u>\$ (63)</u>	<u>\$ (100)</u>	<u>\$ (20)</u>
Covered Payroll	\$ 2,259,646	\$ 2,105,735	\$ 2,351,130	\$ 2,221,714	\$ 2,615,997	\$ 2,226,641	\$ 2,062,934	\$ 1,965,329	\$ 1,842,249	\$ 1,900,369
Contribution as a percentage of Covered Payroll	11.45%	12.28%	9.82%	10.62%	9.25%	10.02%	9.93%	10.36%	10.13%	9.37%

Notes to Schedule:

Valuation Date: January 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 EMPLOYER CONTRIBUTIONS - LAST 10 YEARS  
 SWATARA TOWNSHIP AUTHORITY  
 (REQUIRED SUPPLEMENTARY INFORMATION)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined employer contributions	\$ -	\$ -	\$ 10,059	\$ 16,012	\$ 72,994	\$ 70,896	\$ 164,803	\$ 171,549	\$ 215,128	\$ 224,148
Contributions in relation to the actuarially determined employer contribution	-	-	125,000	125,040	125,020	125,080	164,803	171,549	1,515,148	224,268
Employer contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (114,941)</u>	<u>\$ (109,028)</u>	<u>\$ (52,026)</u>	<u>\$ (54,184)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,300,020)</u>	<u>\$ (120)</u>
Covered payroll	\$ 1,010,881	\$ 952,749	\$ 1,086,855	\$ 1,176,103	\$ 1,269,465	\$ 1,390,883	\$ 1,335,318	\$ 1,340,344	\$ 1,361,643	\$ 1,230,869
Employer contributions as a percentage of covered payroll	0.00%	0.00%	11.50%	10.63%	9.85%	8.99%	12.34%	12.80%	111.27%	18.22%

**Notes to Schedule**

Valuation date: January 1, 2022

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 based on the amortization periods in Act 205  
 Asset valuation method: Based on the municipal reserves  
 Inflation: 2.20%  
 Salary increases: Age-related scale with merit and inflation component. For 2021 and 2022, merit based increases are assumed to be 0%.  
 COLA increases: 2.20% for those eligible for a COLA  
 Pre-Retirement Mortality: Males: PUB-2010 General Employees male table  
 Females: PUB-2010 General Employees female table  
 Post-Retirement Mortality: Males: RP-2006 annuitant male table  
 Females: RP-2006 annuitant female table  
 Mortality Improvement: Base mortality described above projected from the applicable table's base year to 2023 using Mortality Improvement Scale MP-2018.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service cost	\$ 131,112	\$ 152,153	\$ 164,647	\$ 173,253	\$ 189,824	\$ 181,736	\$ 182,420	\$ 180,579	\$ 145,244	\$ 170,067
Interest	471,653	445,414	437,484	421,057	406,760	399,786	380,935	365,683	312,508	313,845
Changes of benefit terms	-	29,356	-	80,633	-	-	-	-	692,940	-
Differences between expected and actual experience	-	333,858	-	(133,124)	-	(185,788)	-	81,611	-	(279,669)
Changes of assumptions	-	-	-	159,446	-	-	-	191,447	5,639	-
Transfers	-	-	-	-	(33,032)	-	-	-	-	-
Benefit payments	(504,510)	(377,035)	(498,572)	(263,974)	(317,258)	(193,686)	(213,267)	(214,679)	(234,720)	(173,590)
Net Change in Total Pension Liability	98,255	583,746	103,559	437,291	246,294	202,048	350,088	604,641	921,611	30,653
Total Pension Liability - beginning	9,101,778	8,518,032	8,414,473	7,977,182	7,730,888	7,528,840	7,178,752	6,574,111	5,652,500	5,621,847
Total Pension Liability - ending (a)	\$ 9,200,033	\$ 9,101,778	\$ 8,518,032	\$ 8,414,473	\$ 7,977,182	\$ 7,730,888	\$ 7,528,840	\$ 7,178,752	\$ 6,574,111	\$ 5,652,500
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ -	\$ 125,000	\$ 125,000	\$ 125,000	\$ 124,180	\$ 163,983	\$ 170,709	\$ 1,514,308	\$ 223,388	\$ 484,160
Contributions - PMRS assessment	-	-	40	20	900	820	840	840	880	-
Contributions - employee	52,401	59,777	64,686	69,821	81,536	76,938	79,628	81,185	75,790	51,442
PMRS investment income	511,524	497,066	479,218	468,891	467,050	418,060	393,104	349,333	308,655	276,838
Market value investment income	546,244	(1,762,629)	786,680	711,771	1,195,449	(818,861)	857,003	57,936	(314,246)	(84,626)
Transfers	-	-	-	-	(33,032)	-	-	-	-	-
Benefit payments	(504,510)	(377,035)	(498,572)	(263,974)	(317,258)	(193,686)	(213,267)	(214,679)	(234,720)	(173,590)
PMRS administrative expense	(880)	(840)	(880)	(840)	(900)	(820)	(840)	(820)	(900)	(820)
Additional administrative expense	(28,650)	(26,263)	(27,142)	(20,429)	(16,144)	(18,656)	(18,078)	(17,114)	(12,867)	(10,617)
Net Change in Plan Fiduciary Net Position	576,129	(1,484,924)	929,030	1,090,260	1,501,781	(372,222)	1,269,099	1,770,989	45,980	542,787
Plan Fiduciary Net Position - beginning	10,017,302	11,502,226	10,573,196	9,482,936	7,981,155	8,353,377	7,084,278	5,313,289	5,267,309	4,724,522
Plan Fiduciary Net Position - ending (b)	10,593,431	10,017,302	11,502,226	10,573,196	9,482,936	7,981,155	8,353,377	7,084,278	5,313,289	5,267,309
Authority's Net Pension (Asset) Liability - ending (a) - (b)	\$ (1,393,398)	\$ (915,524)	\$ (2,984,194)	\$ (2,158,723)	\$ (1,505,754)	\$ (250,267)	\$ (824,537)	\$ 94,474	\$ 1,260,822	\$ 385,191
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	115.15%	110.06%	135.03%	125.65%	118.88%	103.24%	110.95%	98.68%	80.82%	93.19%
Covered Payroll	\$ 952,749	\$ 1,086,855	\$ 1,176,103	\$ 1,269,465	\$ 1,390,883	\$ 1,335,318	\$ 1,340,344	\$ 1,361,643	\$ 1,230,869	\$ 1,501,096
Authority's Net Pension Liability as a Percentage of Covered Payroll	-146.25%	-84.24%	-253.74%	-170.05%	-108.26%	-18.74%	-61.52%	6.94%	102.43%	25.66%

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service Cost	\$ 439,905	\$ 728,805	\$ 793,823	\$ 552,593	\$ 467,626	\$ 542,671	\$ 451,026
Interest	444,895	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	586,433	(3,384,798)	(1,096,674)	2,690,997	740,778	(34,591)	766,984
Benefit payments, including refunds of employee contributions	(217,211)	(225,176)	(200,960)	(239,093)	(225,929)	(209,236)	(155,326)
Net change in total OPEB liability	1,254,022	(3,485,890)	(225,950)	2,765,367	1,344,557	(142,351)	1,386,379
Total OPEB liability - beginning	10,000,147	13,486,037	13,711,987	10,946,620	9,602,063	9,744,414	8,358,035
Total OPEB liability - ending (a)	\$ 11,254,169	\$ 10,000,147	\$ 13,486,037	\$ 13,711,987	\$ 10,946,620	\$ 9,602,063	\$ 9,744,414
Covered-employee payroll	\$ 5,261,190	\$ 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	213.91%	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 discount rate changed from 4.31% in 2023 to 4.00% in 2024.

The Township adopted GASB 75 on a prospective basis in 2018; therefore only seven 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.

YEAR ENDED DECEMBER 31, 2024  
 (REQUIRED SUPPLEMENTARY INFORMATION)

	<u>Budgeted amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 11,190,777	\$ 11,190,777	\$ 10,896,159	\$ (294,618)
Licenses, fees and permits	1,405,594	1,405,594	1,171,571	(234,023)
Fines and forfeits	120,201	120,201	101,506	(18,695)
Interest and rents	442,472	442,472	42,968	(399,504)
Intergovernmental	1,762,410	1,762,410	1,475,213	(287,197)
Department earnings	1,170,897	1,170,897	3,554,183	2,383,286
Miscellaneous	62,991	62,991	314,197	251,206
Total revenues	<u>16,155,342</u>	<u>16,155,342</u>	<u>17,555,797</u>	<u>1,400,455</u>
Expenditures:				
Current operations:				
General government:				
Administration	1,400,777	1,400,777	1,584,777	(184,000)
Tax collector/treasurer	14,000	14,000	14,552	(552)
Municipal buildings	444,529	444,529	403,669	40,860
Business privilege	107,459	107,459	58,581	48,878
Total general government	<u>1,966,765</u>	<u>1,966,765</u>	<u>2,061,579</u>	<u>(94,814)</u>
Public safety:				
Police	10,334,730	10,334,730	10,144,934	189,796
Fire	185,952	185,952	285,388	(99,436)
Planning/zoning	904,219	904,219	811,150	93,069
Total Public Safety	<u>11,424,901</u>	<u>11,424,901</u>	<u>11,241,472</u>	<u>183,429</u>
Highway and street:				
Sanitation	419,478	419,478	128,559	290,919
Storm sewers and drains	-	-	1,212,805	(1,212,805)
Highway maintenance	3,689,723	3,689,723	2,453,578	1,236,145
Total highway and street	<u>4,109,201</u>	<u>4,109,201</u>	<u>3,794,942</u>	<u>314,259</u>
Culture and recreation:				
Recreation	629,729	629,729	557,001	72,728
Total culture and recreation	<u>629,729</u>	<u>629,729</u>	<u>557,001</u>	<u>72,728</u>
Debt Service	-	-	342,059	(342,059)
Capital outlay	-	-	173,316	(173,316)
Total expenditures	<u>18,130,596</u>	<u>18,130,596</u>	<u>18,170,369</u>	<u>(39,773)</u>
Excess (Deficiency) of revenues over/ (under) expenditures	<u>(1,975,254)</u>	<u>(1,975,254)</u>	<u>(614,572)</u>	<u>1,360,682</u>
Other financing sources/(uses):				
Proceeds of capital asset sales	10,380	10,380	470,929	460,549
Proceeds of debt issuance	1,454,961	1,454,961	-	(1,454,961)
Transfer in	-	-	992,253	992,253
Transfer out	-	-	(212,585)	(212,585)
Total other financing sources/(uses)	<u>1,465,341</u>	<u>1,465,341</u>	<u>1,250,597</u>	<u>(214,744)</u>
Net change in fund balances	<u>\$ (509,913)</u>	<u>\$ (509,913)</u>	<u>\$ 636,025</u>	<u>\$ 1,145,938</u>

SWATARA TOWNSHIP, PENNSYLVANIA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL Page 73  
FIRE PREVENTION FUND  
YEAR ENDED DECEMBER 31, 2024  
(REQUIRED SUPPLEMENTARY INFORMATION)

	<u>Budgeted amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 1,436,401	\$ 1,436,401	\$ 1,444,988	\$ 8,587
Interest and rents	35,000	35,000	27,134	(7,866)
Department earnings	25,000	25,000	98,000	73,000
Miscellaneous	-	-	71,683	71,683
Total revenues	<u>1,496,401</u>	<u>1,496,401</u>	<u>1,641,805</u>	<u>145,404</u>
Expenditures:				
Current operations:				
Public safety	1,287,615	1,287,615	1,198,886	88,729
Debt Service:				
Principal	546,383	546,383	859,341	(312,958)
Interest and fiscal charges	17,500	17,500	50,136	(32,636)
Capital outlay	50,000.00	50,000.00	126,485	(76,485)
Total expenditures	<u>1,901,498</u>	<u>1,901,498</u>	<u>2,234,848</u>	<u>(333,350)</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(405,097)</u>	<u>(405,097)</u>	<u>(593,043)</u>	<u>(187,946)</u>
Other financing sources (uses):				
Proceeds of capital asset sales	-	-	430,425	430,425
Transfers in	-	-	160,836	160,836
Transfers out	-	-	(162,232)	162,232
Total other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>429,029</u>	<u>753,493</u>
Net change in fund balance	<u>\$ (405,097)</u>	<u>\$ (405,097)</u>	<u>\$ (164,014)</u>	<u>\$ 565,547</u>

## OTHER SUPPLEMENTARY INFORMATION

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 (.067 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 (.890 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, 2024

	Liquid Fuels Fund	Capital Projects Fund	Ambulance Fund	Debt Service Fund	American Rescue Plan Act Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>						
Cash and cash equivalents	\$ 613,322	\$ 2,261,888	\$ 20,939	\$ 21,784	\$ -	\$ 2,917,933
Taxes receivable	-	-	3,485	46,269	-	49,754
Due from other funds	22,898	-	-	-	-	22,898
<b>Total assets</b>	<b>\$ 636,220</b>	<b>\$ 2,261,888</b>	<b>\$ 24,424</b>	<b>\$ 68,053</b>	<b>\$ -</b>	<b>\$ 2,990,585</b>
<b>Liabilities:</b>						
Accounts payable	\$ 124,155	\$ 60	\$ 8,250	\$ -	\$ -	\$ 132,465
Due to other funds	-	22,898	-	270	-	23,168
Due to other governments	-	101,900	-	-	-	101,900
Other current liabilities	30,000	-	-	-	-	30,000
<b>Total liabilities</b>	<b>154,155</b>	<b>124,858</b>	<b>8,250</b>	<b>270</b>	<b>-</b>	<b>287,533</b>
<b>Deferred inflows of resources:</b>						
Unavailable revenue - property taxes	-	-	3,111	41,301	-	44,412
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>3,111</b>	<b>41,301</b>	<b>-</b>	<b>44,412</b>
<b>Fund balances:</b>						
<b>Restricted:</b>						
Liquid fuels	482,065	-	-	-	-	482,065
Capital projects	-	2,137,030	-	-	-	2,137,030
Ambulance	-	-	13,063	-	-	13,063
Debt service	-	-	-	26,482	-	26,482
<b>Total fund balances</b>	<b>482,065</b>	<b>2,137,030</b>	<b>13,063</b>	<b>26,482</b>	<b>-</b>	<b>2,658,640</b>
<b>Total liabilities and fund balances</b>	<b>\$ 636,220</b>	<b>\$ 2,261,888</b>	<b>\$ 24,424</b>	<b>\$ 68,053</b>	<b>\$ -</b>	<b>\$ 2,990,585</b>

SWATARA TOWNSHIP, PENNSYLVANIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Liquid Fuels Fund	Capital Projects Fund	Ambulance Fund	Debt Service Fund	American Rescue Plan Act Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ 103,434	\$ 1,373,649	\$ -	\$ 1,477,083
Interest and rents	16,551	51,461	832	9,103	21	77,968
Intergovernmental	807,182	-	-	-	-	807,182
<b>Total revenues</b>	<b>823,733</b>	<b>51,461</b>	<b>104,266</b>	<b>1,382,752</b>	<b>21</b>	<b>2,362,233</b>
<b>Expenditures:</b>						
Current operations:						
General government	-	-	-	11,992	-	11,992
Public safety	-	-	99,840	-	-	99,840
Highway and street	554,438	3,724	-	-	-	558,162
Debt service:						
Principal	187,563	227,000	-	525,000	-	939,563
Interest and fiscal charges	1,528	54,407	-	864,150	-	920,085
<b>Total expenditures</b>	<b>743,529</b>	<b>285,131</b>	<b>99,840</b>	<b>1,401,142</b>	<b>-</b>	<b>2,529,642</b>
Excess (deficiency) of revenues over (under) expenditures	80,204	(233,670)	4,426	(18,390)	21	(167,409)
<b>Other financing sources (uses):</b>						
Transfers in	30,000	-	-	21,749	-	51,749
Transfers out	(30,000)	-	-	-	(21)	(30,021)
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,749</b>	<b>(21)</b>	<b>21,728</b>
<b>Net changes in fund balances</b>	<b>80,204</b>	<b>(233,670)</b>	<b>4,426</b>	<b>3,359</b>	<b>-</b>	<b>(145,681)</b>
<b>Fund balances:</b>						
Beginning of year	401,861	2,370,700	8,637	23,123	-	2,804,321
End of year	\$ 482,065	\$ 2,137,030	\$ 13,063	\$ 26,482	\$ -	\$ 2,658,640

SWATARA TOWNSHIP, PENNSYLVANIA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL  
 LIQUID FUELS FUND  
 YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest and rents	\$ 20,000	\$ 20,000	\$ 16,551	\$ (3,449)
Intergovernmental	799,156	799,156	807,182	8,026
Total revenues	<u>819,156</u>	<u>819,156</u>	<u>823,733</u>	<u>4,577</u>
Expenditures:				
Current operations:				
Highway and street	582,200	582,200	554,438	27,762
Debt Service:				
Principal	424,173	424,173	187,563	236,610
Interest	47,844	47,844	1,528	46,316
Total Expenditures	<u>1,054,217</u>	<u>1,054,217</u>	<u>743,529</u>	<u>310,688</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(235,061)</u>	<u>(235,061)</u>	<u>80,204</u>	<u>315,265</u>
Other financing sources:				
Transfers in	-	-	30,000	30,000
Transfers out	-	-	(30,000)	(30,000)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (235,061)</u>	<u>\$ (235,061)</u>	<u>\$ 80,204</u>	<u>\$ 315,265</u>

SWATARA TOWNSHIP, PENNSYLVANIA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL  
 AMBULANCE FUND  
 YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 101,467	\$ 101,467	\$ 103,434	\$ 1,967
Interest and rents	650	650	832	182
Total revenues	<u>102,117</u>	<u>102,117</u>	<u>104,266</u>	<u>2,149</u>
Expenditures				
Current operations:				
Public safety	99,000	99,000	99,840	(840)
Total Expenditures	<u>99,000</u>	<u>99,000</u>	<u>99,840</u>	<u>(840)</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>3,117</u>	<u>3,117</u>	<u>4,426</u>	<u>1,309</u>
Net change in fund balance	<u>\$ 3,117</u>	<u>\$ 3,117</u>	<u>\$ 4,426</u>	<u>\$ 1,309</u>

SWATARA TOWNSHIP, PENNSYLVANIA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL  
DEBT SERVICE FUND  
YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted amounts</u>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 1,359,534	\$ 1,359,534	\$ 1,373,649	\$ 14,115
Interest and rents	9,600	9,600	9,103	(497)
Total revenues	<u>1,369,134</u>	<u>1,369,134</u>	<u>1,382,752</u>	<u>13,618</u>
Expenditures:				
Current operations:				
General government	-	-	11,992	(11,992)
Debt Service:				
Principal	525,000	525,000	525,000	-
Interest	864,150	864,150	864,150	-
Total expenditures	<u>1,389,150</u>	<u>1,389,150</u>	<u>1,401,142</u>	<u>(11,992)</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(20,016)</u>	<u>(20,016)</u>	<u>(18,390)</u>	<u>1,626</u>
Other financing sources:				
Transfer in	-	-	21,749	21,749
Total other financing sources	<u>-</u>	<u>-</u>	<u>21,749</u>	<u>21,749</u>
Net change in fund balance	<u>\$ (20,016)</u>	<u>\$ (20,016)</u>	<u>\$ 3,359</u>	<u>\$ 23,375</u>