

Audited  
Financial  
Statements

December 31,  
2021

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**Springettsbury Township**

# CONTENTS

	<b>PAGE</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1 - 3
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)</b>	4 - 12
<b>FINANCIAL STATEMENTS</b>	
Government -wide Financial Statements	
Statement of Net Position	13 - 14
Statement of Activities	15
Fund Financial Statements	
Governmental Funds	
Balance Sheet	16
Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balance	18
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	19
Proprietary Fund	
Statement of Net Position	20
Statement of Revenues, Expenses, and Changes in Fund Net Position	21
Statement of Cash Flows	22
Fiduciary Funds	
Statement of Fiduciary Net Position	23
Statement of Changes in Fiduciary Net Position	24
Notes to Financial Statements	25 - 54
<b>REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)</b>	
Budgetary Comparison Schedule - General Fund	55
Budgetary Comparison Schedule - ARPA Fund	56
Schedule of Changes in the Township's Net Pension Liability and Related Ratios - Police Pension Plan	57
Schedule of Contributions - Police Pension Plan	58
Schedule of Investment Returns - Police Pension Plan	59
Schedule of the Township's Other Post-Employment Benefits (OPEB) Liability	60
<b>SUPPLEMENTARY INFORMATION (UNAUDITED)</b>	
Budgetary Comparison Schedule - Capital Projects Funds	61
Budgetary Comparison Schedule - Nonmajor Governmental Funds	62
Combining Balance Sheets - Capital Projects Fund	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Capital Projects Fund	64
Combining Balance Sheets - Nonmajor Governmental Funds	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	66



Guidance You  
Can Count On.

## **INDEPENDENT AUDITOR'S REPORT**

Board of Supervisors  
Springettsbury Township  
York, Pennsylvania

### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Springettsbury Township, York County, Pennsylvania, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Springettsbury Township, York County, Pennsylvania's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Springettsbury Township as of December 31, 2021, 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 Springettsbury 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***

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 Springettsbury 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 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 Springettsbury 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 Springettsbury Township 's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's discussion and analysis, the General Fund Budgetary Comparison Schedule, the ARPA Fund Budgetary Comparison Schedule, Schedule of Changes in the Township's Net Pension Liability and Related Ratios – Police Pension Plan, Schedule of Contributions – Police Pension Plan, Schedule of Investment Returns – Police Pension Plan, and Schedule of the Township's Other Post-Employment Benefits (OPEB) Liability 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary

information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Springettsbury Township's basic financial statements. The budgetary schedules for the capital project funds and nonmajor governmental funds, as well as the combining capital projects fund and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 budgetary schedules for the capital project funds and nonmajor governmental funds, as well as the combining capital projects fund and nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Smith Elliott Kearns + Company, LLC*

York, Pennsylvania

June 14, 2022

**SPRINGETTSBURY TOWNSHIP**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2021**

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The Township prepares its financial reports in accordance with the Governmental Accounting Standards Board Statement 34. Statement 34 includes the Basic Financial presentations as well as this narrative referred to as the Management's Discussion and Analysis.

The discussion and analysis of Springettsbury Township's financial performance that follows provides a general presentation of the Township's financial performance for the year ended December 31, 2021.

The Management's Discussion and Analysis is designed to assist the reader in the following areas:

1. Focus upon significant financial issues
2. Provide an overview of the Township's financial activities
3. Identify changes in the Township's financial position
4. Identify any material deviations from the budget
5. Identify individual fund issues/concerns

Readers can also review the Independent Auditors' Report, the statements, and the various notes to gain a more complete understanding of the Township's financial performance.

***FINANCIAL HIGHLIGHTS***

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- The total assets and deferred outflows of the Township are \$ 127,893,484. Of this amount, \$ 64,344,803 represents the Township's business-type activities (sewer fund) and \$ 63,548,681 general governmental activities.
- The expenses of all Township functions/programs totaled \$ 27,110,561. These functions/programs are presented on page 15 of the financial statements.
- The General Fund Revenues were budgeted at \$ 14,690,495 and Actual Revenue was reported at \$ 17,067,371 for a positive variance of \$ 2,376,876.
- General Fund Expenditures were budgeted at \$ 14,575,027 and Actual Expenditures of \$ 16,035,867 for a negative variance of (\$ 1,460,840).
- General Fund Other Financing Sources (Uses) were budgeted at (\$ 115,468). Actual results were (\$ 463,527), for a negative variance of (\$ 348,059). \$ 919,399 of this amount was planned use of fund balance, which was not necessary, and \$412,229 of this amount was an unbudgeted refund of prior year expenses.
- Total General Fund budget versus actual results were a positive \$ 567,977 variance.

Most of the Township's basic services are reported in the Governmental Funds Statement which focuses on how money flows into and out of those funds and the balances left at year end that are available for future spending. As reported on page 18, the primary operating fund and most significant fund, the General Fund, had a fund balance of \$ 8,044,062 on January 1, 2021, and ended on December 31, 2021 with a fund balance of \$ 8,612,039, an increase of \$ 567,977. The total General Fund Revenues equaled \$ 17,067,371, Expenditures of \$ 16,035,867 and Other Financing Uses of (\$ 463,527).

The Statement of Net Position listed on pages 13 and 14 discloses that Total Current Assets for Governmental and Business Activities totals \$ 27,318,946 and Total Assets and Deferred Outflows of Resources at \$ 127,893,484. It also shows Total Current Liabilities of \$ 5,793,765 and Total Liabilities and Deferred Inflows of Resources of \$ 55,560,057.

**SPRINGETTSBURY TOWNSHIP**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2021**

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***FINANCIAL STATEMENTS***

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The Discussion and Analysis is intended to serve as an introduction to the Township's basic financial statements. These statements include 1) government overall financial statements, 2) fund level statements, 3) notes to the financial statements, and 4) supplementary information.

The Statement of Net Position and Statement of Activities provide information about the activities of the Township as a whole. Fund financial statements beginning on page 16 show how services have been financed. Fund financial statements also report the Township's operations in more detail by providing information about the Township's most significant funds.

One of the most important questions asked about the Township's finances can be stated as, "Is the Township as a whole better off or worse off as a result of the year end results?" The Statement of Net Position and the Statement of Activities report information about the Township in a way that assists in answering the question. These statements include all assets and liabilities using the accrual basis of accounting. This accounting is used in most private sector companies. All current year revenues and expenses are considered regardless of when cash is received or paid.

These two primary statements report the Township's net position and changes in them. One can think of the Township's net position - the difference between assets, deferred outflows, liabilities and deferred inflows- as one way to measure the Township's financial health or financial position. Over periods of time, increases or decreases in the Township's net position is an important indicator of whether its financial health is improving or deteriorating. One can also consider other non-financial factors such as changes in the property tax base and the condition of Township infrastructure in order to assess the overall condition of the Township more accurately.

In the Statement of Net Position and the Statement of Activities the Township is basically divided into two kinds of activities.

**Governmental Activities** - Most of the Township's basic services are reported here. This includes administration, community development, finance, fire, police, public works, and recreation. Property and Earned Income taxes, Licenses/Permits, Fines, and Intergovernmental revenues support most of these activities.

**Business-type Activities** - The Township charges a fee to its sewer utility customers to cover the cost of the sewer utility services the Township provides. Therefore, the Township's Sewer Utility operations are reported as the sole Business-type Activity. The Township services both the Township residents and other municipal users.

***MOST SIGNIFICANT FUNDS***

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The fund financial statements provide detailed information about the most significant funds of the Township. While some funds are required to be established by Township code, the Township Supervisors establish other funds to appropriate and manage Township expenditures for particular purposes (the Township's road maintenance program as part of the capital projects fund) or to demonstrate that the Township is meeting legal responsibilities for using specific Township monies (Liquid Fuels, Petitioned Street Lighting). The Township's two kinds of funds - governmental and proprietary use different accounting approaches.

**SPRINGETTSBURY TOWNSHIP**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2021**

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**Governmental Funds** - Most of the Township's basic services are reported in governmental funds which focus on how money flows into and out of these funds and the balances left at year end. These funds are reported using an accounting method referred to as modified accrual accounting. This method measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's general government operations and the basic services being provided.

**Proprietary Funds** - When the Township charges customers for services, these services are reported in proprietary funds. Proprietary funds are reported on the accrued basis which is the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

***THE TOWNSHIP AS TRUSTEE***

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Springettsbury Township as the local government entity is the trustee, or fiduciary, for the Police Pension and the Schenck (Recreation) Trust Fund. These fiduciary activities are reported in separate Statement of Fiduciary Net Position and changes in Fiduciary Net Position as shown on pages 23 and 24. These statements are excluded from the Township's other financial statements because the Township cannot use these assets to support its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their specific stated purposes.

Net Position at December 31, 2021 for the Fiduciary Funds was as follows:

- |                         |               |
|-------------------------|---------------|
| • Police Pension Fund   | \$ 23,966,319 |
| • Schenck Memorial Fund | \$ 90,976     |

***THE TOWNSHIP OVERALL***

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For the year ended 2021, a comprehensive analysis of Government-wide financial information is being presented to compare 2020 and 2021 financial results.

***Government-Wide Statements***

**Statement of Net Position**

The Township's combined net position for 2021 amounted to \$ 72,333,427. This was composed of \$ 42,471,767 of Business-type activities (sewer utility operations) and \$ 29,861,660 of Governmental activities.



**SPRINGETTSBURY TOWNSHIP**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2021**

The following table reflects the condensed Statement of Net Position:

	Primary Government 2021			Primary Government 2020		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Current and Other Assets	\$ 23,239,289	\$ 12,778,189	\$ 36,017,478	\$ 9,178,397	\$ 15,677,080	\$ 24,855,477
Capital Assets, Net	37,629,288	51,498,611	89,127,899	32,777,705	51,341,284	84,118,989
Deferred Outflows	2,680,104	68,003	2,748,107	2,278,696	79,496	2,358,192
Total Assets and Deferred Outflows	<u>\$ 63,548,681</u>	<u>\$ 64,344,803</u>	<u>\$ 127,893,484</u>	<u>\$ 44,234,798</u>	<u>\$ 67,097,860</u>	<u>\$ 111,332,658</u>
Current Liabilities	\$ 3,680,329	\$ 2,113,436	\$ 5,793,765	\$ 1,726,557	\$ 2,374,353	\$ 4,100,910
Other (Non-Current)	26,358,187	19,759,600	46,117,787	9,897,564	21,580,300	31,477,864
Deferred Inflows	3,648,505	-	3,648,505	3,553,716	-	3,553,716
Total Liabilities	33,687,021	21,873,036	55,560,057	15,177,837	23,954,653	39,132,490
Net Investment in Capital Assets	19,790,938	29,986,314	49,777,252	28,198,991	28,055,980	56,254,971
Restricted	1,084,316	8,698,532	9,782,848	785,792	8,682,936	9,468,728
Unrestricted	8,986,406	3,786,921	12,773,327	72,178	6,404,291	6,476,469
Total Net Position	<u>29,861,660</u>	<u>42,471,767</u>	<u>72,333,427</u>	<u>29,056,961</u>	<u>43,143,207</u>	<u>72,200,168</u>
Total Liabilities and Net Position	<u>\$ 63,548,681</u>	<u>\$ 64,344,803</u>	<u>\$ 127,893,484</u>	<u>\$ 44,234,798</u>	<u>\$ 67,097,860</u>	<u>\$ 111,332,658</u>

For more detailed information please refer to pages 13 and 14, Statement of Net Position.

**Statement of Activities**

For the year ended December 31, 2021, the governmental activities had program revenues of \$ 4,730,651, general revenues of \$ 14,030,101; expenses of \$ 17,956,052, resulting in an increase in net position of \$ 804,700. The business activities had program revenues of \$ 8,516,855; revenues on investments and sale of equipment \$ 26,747, transfers out of (\$ 60,533); expenses of \$ 9,154,509, resulting in a decrease in net position of (\$ 671,440).

**SPRINGETTSBURY TOWNSHIP**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2021**

***Fund Level Financial Statements***

**Statement of Revenues and Expenditures and Changes in Fund Balance**

The following chart presents the Township's revenues and expenditures by fund type. They are shown in more detail on page 18 of the financial statements:

	2021			2020		
	General Fund	Other Funds	Governmental Funds	General Fund	Other Funds	Governmental Funds
<b>Revenues:</b>						
Real Estate Taxes and Penalties	\$ 3,555,592	\$ -	\$ 3,555,592	\$ 3,558,373	\$ -	\$ 3,558,373
Other Taxes	9,514,576	99,427	9,614,003	8,368,030	86,573	8,454,603
Intergovernmental Revenues	1,447,246	799,589	2,246,835	1,382,237	860,588	2,242,825
Charges for Services	1,849,532	-	1,849,532	1,390,400	-	1,390,400
Other	700,425	264,806	965,231	675,892	6,194	682,086
Total Revenues	17,067,371	1,163,822	18,231,193	15,374,932	953,355	16,328,287
<b>Expenditures:</b>						
General Government	1,662,366	-	1,662,366	2,208,776	-	2,208,776
Public Safety	7,564,674	192,978	7,757,652	7,187,227	143,504	7,330,731
Highways and Streets	1,726,250	6,368,395	8,094,645	1,215,959	1,294,362	2,510,321
Culture and Recreation	622,104	109,024	731,128	360,118	498	360,616
Debt Service	225,387	863,686	1,089,073	129,419	331,090	460,509
Employee Benefits, Insurances and Other	4,235,086	4,051	4,239,137	3,576,456	-	3,576,456
Total Expenditures	16,035,867	7,538,134	23,574,001	14,677,955	1,769,454	16,447,409
<b>Other Financing Uses:</b>						
Proceeds from capital lease	433,210	-	433,210	191,032	-	191,032
Proceeds (Refunds) from Long-Term Debt	-	16,741,957	16,741,957	-	-	-
Interfund Transfers	(1,342,953)	1,403,486	60,533	(928,208)	928,208	-
Refunds Expenditures/Revenues	412,229	-	412,229	314,935	-	314,935
Sale of Capital Assets	33,987	-	33,987	58,512	-	58,512
Total Other Financing Uses	(463,527)	18,145,443	17,681,916	(363,729)	928,208	564,479
Net Changes in Fund Balances	567,977	11,771,131	12,339,108	333,248	112,109	445,357
<b>Fund Balances:</b>						
January 1	8,044,062	(255,003)	7,789,059	7,710,814	(367,112)	7,343,702
December 31	\$ 8,612,039	\$ 11,516,128	\$ 20,128,167	\$ 8,044,062	\$ (255,003)	\$ 7,789,059

***GOVERNMENTAL FUNDS***

The net change in the fund balance for the General Fund was an increase of \$ 567,977, resulting in a fund balance at December 31, 2021 of \$ 8,612,039.

**SPRINGETTSBURY TOWNSHIP**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2021**

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***BUSINESS-TYPE ACTIVITIES***

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***Changes in Net Position***

Outlined below is the Statement of Revenues and Expenditures for the Business-type Activities (Proprietary Funds) of the Township - "Sewer Fund" for the year ended December 31:

	<b>2021</b>	<b>2020</b>
Charges for Services	\$ 8,158,817	\$ 8,095,104
Other	<u>17,486</u>	<u>17,522</u>
Total Operating Revenues	8,176,303	8,112,626
Operating Expenses:		
Cost of Services	4,958,789	5,111,636
Administration	335,000	335,000
Amortization and Depreciation	<u>3,390,943</u>	<u>3,168,439</u>
Total Operating Expenses	8,684,732	8,615,075
Operating Loss	(508,429)	(502,449)
Non Operating Revenues (Expenses):		
Tapping Fees	138,672	279,912
Investment Income	6,278	226,937
Bond Interest	(469,777)	(578,537)
Amortization	-	(10,581)
Gain or Loss on Sale of Assets	20,469	22,650
Transfers to General Fund	(60,533)	
Capital Contribution (noncash)	201,880	-
State and Federal Grant Revenue	-	229,150
Build America Bonds - Interest Subsidy	<u>-</u>	<u>96,928</u>
Total Non-Operating Revenues (Expenses)	(163,011)	266,459
Change in Net Position	(671,440)	(235,990)
Total Net Position - January 1	<u>43,143,207</u>	<u>43,379,197</u>
Total Net Position - December 31	<u>\$ 42,471,767</u>	<u>\$ 43,143,207</u>

The change in net position for the Sewer Fund business-type activities was a decrease of (\$ 671,440). Page 21 highlights these activities by specific numbers and analysis.

**SPRINGETTSBURY TOWNSHIP**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2021**

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***THE TOWNSHIP'S FUNDS***

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***Governmental and Business-Type Funds***

As of December 31, 2021, the governmental funds (refer to page 16) reported a combined fund balance of \$ 20,128,167. For the proprietary business-type funds at year end, the business-type fund (Sewer Fund) reported the net position at \$ 42,471,767 (refer to pages 20-21).

***Capital Assets, Debt Administration and Other Significant Liabilities***

**Capital Assets**

At the close of 2021, the Township's Governmental Activities had \$ 37,629,288 net invested in a broad range of capital assets. They include the Police Department Building, Public Works Facilities, Administration Building, Police and Public Works equipment, along with Park and Recreational land. More detail is shown in the notes to the financial statements as summarized on page 39.

At the close of 2021, the Township's Business-Type Activities (Sewer Fund) had net capital assets of \$ 51,498,611. These capital assets are summarized in the Notes to the Financial Statements and are shown on page 39.

**Debt**

At December 31, 2021, the Governmental long-term debt (bonds and notes) stood at \$ 20,007,000 and the sewer fund debt at \$ 21,580,300. See Note 9 in the Notes to the Financial Statements regarding Township debt paid and issued during 2021.

**Lease Obligation**

At December 31, 2021, the Governmental lease obligation stood at \$ 575,319, which is related to multiple fleet vehicles. See Note 9 in the Notes to the Financial Statements for additional information.

**Pension Liability**

The pension liability at December 31, 2021 was \$ 1,082,862. See Note 10 for further information regarding the Township's pension liability.

**Other Post-Employment Benefits (OPEB) Liability**

The OPEB liability at December 31, 2021 was \$ 4,484,748. See Note 12 for further information regarding the Township's OPEB liability.

**SPRINGETTSBURY TOWNSHIP**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2021**

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***BUDGET AND ECONOMIC HIGHLIGHTS***

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Over the course of the fiscal year, the Township Budget adapts to and sustains some necessary changes to its expenditure plans. This is achieved based upon the Township's continuing revenue resources and constant expenditure monitoring by departmental staff.

In 2020, the Township faced an unprecedented economic downturn due to the COVID-19 pandemic. Operational changes and budget reductions were authorized by the Board of Supervisors to adjust to the changing economic climate. To assist struggling businesses and residents, property tax deadlines were extended, and business taxes delayed easing the economic impact on the community. Township operations were adjusted, based on decreased revenue streams, or cancelled accordingly to meet federal and state health guidelines. In navigating the changing 2020 economy, the Township finished a challenging year with a surplus due to federal and state funding assistance for COVID-19.

In 2021, the Township's economic outlook began to rebound from the challenges of 2020. Tax revenues and general operations returned to pre-pandemic levels, with a resurgence in local business activity and economic redevelopment in the community. In addition, the Township's recreation special events and programming returned after a 2020 hiatus following COVID-19 federal and state health recommendations. Financial assistance for local governments was addressed in the passing of the American Rescue Plan Act (ARPA) of 2021. The Township was awarded \$ 2,811,415 in ARPA funding, payable in two equal installments in 2021 and 2022. Additional revenue was also collected from gaming revenues received from the Hollywood Casino, which opened in August 2021.

Future concerns that the Township must consider are the rising cost of health care and the effects of the Federal Affordable Care Act. The Township has benefitted from being a prosperous community with ample development and low taxes in recent decades, but as the community is near being built out and the expectations of services continue, decisions have to be made as to how to continue these services, while meeting the contractual and mandated expectations that are being proposed for local governments.

The Township's elected officials considered many factors when approving the Township Budget, the tax rate, fee schedules, and overall expenditure programs and plans for the new fiscal year. The prevailing economic conditions in the Township are always a major budgetary consideration due to the commercial base the Township maintains. Springettsbury Township has an economy concentrated in manufacturing, retail and service industries. Employment has been relatively stable compared to other areas in the Commonwealth. Business growth has been maintained. Continued business viability is anticipated. The trend in building permits issued remains positive and is an indicator of the steady economic development in the Township and the York area.

In addition, Springettsbury Township has experienced an increase in population growth from 21,564 in 1990, to 23,883 in 2000, to 26,668 in 2010, and 27,058 in 2020. This continuing growth factor strengthens the vitality of the Township as a commercial center. Additional dwelling units were planned and approved for development which will accommodate future residential growth. Commercial growth is shifting from a new "green field" development to a focus on re-development of existing properties. In 2020, the Board of Supervisors approved the redevelopment project to renovate the existing Administration Building and construct a new Police Station. In 2021, financing was secured through a bond issuance. Construction began on the project, with an estimated cost of \$ 17 million, in mid-2021, with an expected completion date of early 2023. Additional project funding, in the amount of \$ 3.5 million, was awarded through a PA Redevelopment Assistance Capital Program (RACP) grant.

**SPRINGETTSBURY TOWNSHIP**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2021**

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Increasing costs in the Township are due in large part to the rapidly growing costs of compliance with Federal and State mandates, contractual wage increases and investments in infrastructure construction, maintenance, repair and replacement. Township Supervisors continue to evaluate appropriate revenue sources through taxation and fees to offset the additional expenses of new projects required to comply with unfunded State and Federal mandates.

***CONTACTING TOWNSHIP FINANCIAL MANAGEMENT***

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This financial report is designed to present to our residents, taxpayers, customers, investors and creditors a general overview of Township finances. Our effort is to demonstrate the Township's accountability for the monies it receives and expends. If you have any questions about this report or need additional information, please contact Teresa Hummel, Director of Finance, 1501 Mount Zion Road, York, Pennsylvania 17402 or by telephone at (717) 757-3521.

**SPRINGETTSBURY TOWNSHIP**  
**Statement of Net Position**  
**December 31, 2021**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Development Authority
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 7,213,540	\$ 221,474	\$ 7,435,014	\$ 66,351
Investments	15,002,547	2,527,833	17,530,380	-
Taxes receivable, net	836,516	-	836,516	-
Internal balance	(564,437)	564,437	-	-
Accounts receivable	605,999	677,344	1,283,343	-
Other receivables	-	54,547	54,547	-
Prepaid expenses	145,124	34,022	179,146	-
<b>Total Current Assets</b>	<b>23,239,289</b>	<b>4,079,657</b>	<b>27,318,946</b>	<b>66,351</b>
<b>NONCURRENT ASSETS</b>				
<b>Other Assets</b>				
Restricted assets - investments	-	8,698,532	8,698,532	-
<b>Capital Assets</b>				
Capital assets not being depreciated				
Land and right of ways	4,414,547	1,826,785	6,241,332	-
Construction in progress	6,269,386	-	6,269,386	-
Capital assets net of depreciated				
Buildings	6,569,592	-	6,569,592	-
Improvements (other than buildings)	2,860,585	-	2,860,585	-
Machinery and equipment	926,805	1,475,078	2,401,883	-
Infrastructure assets	16,588,373	-	16,588,373	-
Collection lines	-	19,753,743	19,753,743	-
Treatment plant	-	28,443,005	28,443,005	-
<b>Total Capital Assets, Net</b>	<b>37,629,288</b>	<b>51,498,611</b>	<b>89,127,899</b>	<b>-</b>
<b>Total Noncurrent Assets</b>	<b>37,629,288</b>	<b>60,197,143</b>	<b>97,826,431</b>	<b>-</b>
<b>Total Assets</b>	<b>60,868,577</b>	<b>64,276,800</b>	<b>125,145,377</b>	<b>66,351</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amounts from pensions	1,931,876	-	1,931,876	-
Deferred amounts from other post-employment benefits	748,228	-	748,228	-
Bond refinancing charges	-	68,003	68,003	-
<b>Total deferred outflows of resources</b>	<b>2,680,104</b>	<b>68,003</b>	<b>2,748,107</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 63,548,681</b>	<b>\$ 64,344,803</b>	<b>\$ 127,893,484</b>	<b>\$ 66,351</b>

**SPRINGETTSBURY TOWNSHIP**  
**Statement of Net Position (Continued)**  
**December 31, 2021**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Development Authority
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 1,138,621	\$ 194,753	\$ 1,333,374	-
Retainage payable	88,334	-	88,334	-
Accrued salaries and wages	173,396	43,223	216,619	-
Payroll deductions and withholdings	19,668	-	19,668	-
Other current liabilities	1,646,943	54,760	1,701,703	-
Current portion of long-term debt	412,100	1,820,700	2,232,800	-
Current portion of capital lease liability	201,267	-	201,267	-
<b>Total current liabilities</b>	<b>3,680,329</b>	<b>2,113,436</b>	<b>5,793,765</b>	<b>-</b>
<b>NONCURRENT LIABILITIES</b>				
Notes payable, net of current portion	3,689,900	19,759,600	23,449,500	-
Bonds payable, net of current portion	16,726,625	-	16,726,625	-
Capital lease liability, net of current portion	374,052	-	374,052	-
Net pension liability	1,082,862	-	1,082,862	-
Other post-employment benefits liability	4,484,748	-	4,484,748	-
<b>Total noncurrent liabilities</b>	<b>26,358,187</b>	<b>19,759,600</b>	<b>46,117,787</b>	<b>-</b>
<b>Total liabilities</b>	<b>30,038,516</b>	<b>21,873,036</b>	<b>51,911,552</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amounts from pensions	2,745,571	-	2,745,571	-
Deferred amounts from other post employment benefits (OPEB)	902,934	-	902,934	-
<b>Total deferred inflows of resources</b>	<b>3,648,505</b>	<b>-</b>	<b>3,648,505</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>33,687,021</b>	<b>21,873,036</b>	<b>55,560,057</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	18,969,313	29,986,314	48,955,627	-
Restricted for:				
Highways	775,398	-	775,398	-
Capital projects	105,436	-	105,436	-
Library Fund	203,482	-	203,482	-
Sewer capital	-	8,698,532	8,698,532	-
Unrestricted	9,808,031	3,786,921	13,594,952	66,351
<b>Total net position</b>	<b>29,861,660</b>	<b>42,471,767</b>	<b>72,333,427</b>	<b>66,351</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 63,548,681</b>	<b>\$ 64,344,803</b>	<b>\$ 127,893,484</b>	<b>\$ 66,351</b>



**SPRINGETTSBURY TOWNSHIP**  
**Statement of Activities**  
**Year Ended December 31, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Development Authority
<b>Governmental Activities</b>								
General government	\$ 1,725,037	\$ 975,482	\$ 116,946	\$ -	\$ (632,609)	\$ -	\$ (632,609)	\$ -
Public safety	7,945,666	1,859,962	11,645	-	(6,074,059)	-	(6,074,059)	-
Sanitation	-	-	85,546	-	85,546	-	85,546	-
Highways and streets	3,033,974	15,663	799,589	-	(2,218,722)	-	(2,218,722)	-
Culture and recreation	919,142	88,434	259,277	-	(571,431)	-	(571,431)	-
Employee benefits, insurance and other	3,704,704	-	518,107	-	(3,186,597)	-	(3,186,597)	-
Debt service	627,529	-	-	-	(627,529)	-	(627,529)	-
<b>Total governmental activities</b>	<b>17,956,052</b>	<b>2,939,541</b>	<b>1,791,110</b>	<b>-</b>	<b>(13,225,401)</b>	<b>-</b>	<b>(13,225,401)</b>	<b>-</b>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Sewer	9,154,509	8,314,975	-	201,880	-	(637,654)	(637,654)	-
<b>Total primary government</b>	<b>\$ 27,110,561</b>	<b>\$ 11,254,516</b>	<b>\$ 1,791,110</b>	<b>\$ 201,880</b>	<b>(13,225,401)</b>	<b>(637,654)</b>	<b>(13,863,055)</b>	<b>-</b>
<b>COMPONENT UNIT</b>								
Springettsbury Township Development Authority	\$ 2,576	\$ -	\$ -	\$ -	-	-	-	-
<b>Total Component Unit</b>	<b>\$ 2,576</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GENERAL REVENUES</b>								
Property taxes, levied for general purposes, net					3,578,402	-	3,578,402	-
Other taxes and franchise fees levied for specific purposes, net					9,614,003	-	9,614,003	-
Investment earnings					19,048	6,278	25,326	38
Miscellaneous income					311,899	-	311,899	-
Transfers					60,533	(60,533)	-	-
Sale of capital assets					33,987	20,469	54,456	-
Refunds of prior year expenditures					412,229	-	412,229	-
					<u>14,030,101</u>	<u>(33,786)</u>	<u>13,996,315</u>	<u>38</u>
<b>CHANGE IN NET POSITION</b>					<b>804,700</b>	<b>(671,440)</b>	<b>133,260</b>	<b>(2,538)</b>
<b>NET POSITION - BEGINNING</b>					<u>29,056,960</u>	<u>43,143,207</u>	<u>72,200,167</u>	<u>68,889</u>
<b>NET POSITION - ENDING</b>					<u>\$ 29,861,660</u>	<u>\$ 42,471,767</u>	<u>\$ 72,333,427</u>	<u>\$ 66,351</u>

**SPRINGETTSBURY TOWNSHIP**  
**Balance Sheet – Governmental Funds**  
**December 31, 2021**

	General Fund	ARPA Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,906,585	\$ -	\$ 180,456	\$ 1,126,499	\$ 7,213,540
Investments	1,346,631	1,405,961	12,249,955	-	15,002,547
Taxes receivable, net	834,771	-	-	1,745	836,516
Due from other funds	784,716	-	-	-	784,716
Accounts receivable	605,999	-	-	-	605,999
Prepaid expenditures	145,124	-	-	-	145,124
<b>Total Assets</b>	<b>\$ 9,623,826</b>	<b>\$ 1,405,961</b>	<b>\$ 12,430,411</b>	<b>\$ 1,128,244</b>	<b>\$ 24,588,442</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ 72,716	\$ -	\$ 1,261,708	\$ 14,729	\$ 1,349,153
Accounts payable	483,022	-	655,599	-	1,138,621
Retainage payable	-	-	88,334	-	88,334
Accrued salaries and wages	173,396	-	-	-	173,396
Payroll deductions and withholdings	19,668	-	-	-	19,668
Other liabilities	218,825	1,405,708	-	22,410	1,646,943
<b>Total Liabilities</b>	<b>967,627</b>	<b>1,405,708</b>	<b>2,005,641</b>	<b>37,139</b>	<b>4,416,115</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	44,160	-	-	-	44,160
<b>FUND BALANCES</b>					
Non-spendable	145,124	-	-	-	145,124
Restricted	203,482	-	105,436	775,397	1,084,315
Unassigned	8,263,433	253	10,319,334	315,708	18,898,728
<b>Total fund balances</b>	<b>8,612,039</b>	<b>253</b>	<b>10,424,770</b>	<b>1,091,105</b>	<b>20,128,167</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 9,623,826</b>	<b>\$ 1,405,961</b>	<b>\$ 12,430,411</b>	<b>\$ 1,128,244</b>	<b>\$ 24,588,442</b>

**SPRINGETTSBURY TOWNSHIP**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2021**

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**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** \$ 20,128,167

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund balance sheet, but are reported in the governmental activities of the Statement of Net Position.

Cost of assets	\$ 84,965,281	
Accumulated depreciation	<u>(47,335,993)</u>	37,629,288

Taxes receivable are not available soon enough to pay for the current period's expenditures, and therefore, are deferred in the fund balance sheet. However, these are recorded as revenue and receivable when earned for the government-wide statements.

44,160

Some liabilities are not due and payable in the current period and are therefore excluded from the fund balance sheet, but are included in governmental activities in the Statement of Net Position.

Bonds/notes payable	(20,828,625)	
Capital lease liability	(575,319)	
Net pension liability	(1,082,862)	
Deferred outflows related to net pension liability	1,931,876	
Deferred inflows related to net pension liability	(2,745,571)	
Other post-employment benefits (OPEB) liability	(4,484,748)	
Deferred outflows related to OPEB liability	748,228	
Deferred inflows related to OPEB liability	<u>(902,934)</u>	<u>(27,939,955)</u>

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** **\$ 29,861,660**

**SPRINGETTSBURY TOWNSHIP**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Governmental Funds**  
**Year Ended December 31, 2021**

	General Fund	ARPA Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Real estate taxes and penalties	\$ 3,555,592	\$ -	\$ -	\$ -	\$ 3,555,592
Other taxes	9,514,576	-	-	99,427	9,614,003
Licenses and permits	482,040	-	-	-	482,040
Fines and forfeits	152,244	-	-	-	152,244
Interest, rents and royalties	13,519	253	4,366	910	19,048
Intergovernmental revenues	1,447,246	-	-	799,589	2,246,835
Charges for services	1,849,532	-	-	-	1,849,532
Miscellaneous	52,622	-	-	259,277	311,899
<b>Total revenues</b>	<b>17,067,371</b>	<b>253</b>	<b>4,366</b>	<b>1,159,203</b>	<b>18,231,193</b>
<b>EXPENDITURES</b>					
General government	1,662,366	-	-	-	1,662,366
Public safety	7,564,674	-	192,978	-	7,757,652
Highways and streets	1,726,250	-	5,245,085	573,292	7,544,627
Other public works	-	-	-	550,018	550,018
Culture and recreation	622,104	-	-	109,024	731,128
Debt service	225,387	-	863,686	-	1,089,073
Employee benefits, insurance and other	4,235,086	-	-	4,051	4,239,137
<b>Total expenditures</b>	<b>16,035,867</b>	<b>-</b>	<b>6,301,749</b>	<b>1,236,385</b>	<b>23,574,001</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,031,504</b>	<b>253</b>	<b>(6,297,383)</b>	<b>(77,182)</b>	<b>(5,342,808)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from capital lease	433,210	-	-	-	433,210
Proceeds from long-term debt	-	-	20,007,000	-	20,007,000
Proceeds from bond premium	-	-	849,957	-	849,957
Refunding of long-term debt	-	-	(4,115,000)	-	(4,115,000)
Transfers in (out)	(1,342,953)	-	853,468	550,018	60,533
Sale of capital assets	33,987	-	-	-	33,987
Refunds of prior years expenditures	412,229	-	-	-	412,229
<b>Total other financing sources (uses)</b>	<b>(463,527)</b>	<b>-</b>	<b>17,595,425</b>	<b>550,018</b>	<b>17,681,916</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>567,977</b>	<b>253</b>	<b>11,298,042</b>	<b>472,836</b>	<b>12,339,108</b>
<b>FUND BALANCE (DEFICIT) - BEGINNING</b>	<b>8,044,062</b>	<b>-</b>	<b>(873,272)</b>	<b>618,269</b>	<b>7,789,059</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 8,612,039</b>	<b>\$ 253</b>	<b>\$ 10,424,770</b>	<b>\$ 1,091,105</b>	<b>\$ 20,128,167</b>

**SPRINGETTSBURY TOWNSHIP**  
**Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances –**  
**Governmental Funds to Statement of Activities**  
**Year Ended December 31, 2021**

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**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** \$ 12,339,108

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

Capital outlays are reported in governmental funds as expenditures.  
However, in the Statement of Activities, the cost of capital assets is allocated  
over their estimated useful lives as depreciation expense. This is the amount  
by which depreciation expense differs from capital outlays.

Depreciation expense	\$ (1,253,428)	
Capital outlays	<u>6,105,010</u>	4,851,582

Several of the capital asset additions were purchased via a lease  
agreement, which is considered a capital lease. In the governmental funds,  
this activity is recorded as an expense; however, in the Statement of  
Activities, the capital lease obligation is recorded as a liability.

New capital lease liability	(433,210)	
Payments on capital lease liability	<u>203,600</u>	(229,610)

Because some property taxes will not be collected for several months after the  
Township's fiscal year end, they are not considered "available" revenues in the  
governmental funds. The difference in tax revenue is :

22,812

Principal payments on long-term debt consumes current financial resources of  
governmental funds

235,000

Issuance of long-term debt provides current financial resources to the governmental  
funds, while the repayment of the principal of long-term debt consumes the current  
financial resources of the governmental funds; however, neither transaction has any  
effect on net position.

Bond/note issuance	(20,007,000)
Repayment of debt principal	3,880,000

Bond premiums are recorded as revenues in the governmental funds, but are recorded  
as long-term liabilities in the Statement of Net Position and accreted annually.

GOB Series 2021 premium	(849,957)
Current year amortization of bond premium	28,332

Some expenses reported in the Statement of Activities do not require the use of  
current financial resources and, therefore, are not reported as expenditures in  
the governmental funds. This is the difference between the amount (incurred)  
and the amount paid for:

Net pension liability	883,658
Deferred outflows related to pension liability	(26,564)
Deferred inflows related to pension liability	(249,326)
Other post-employment benefits (OPEB) liability	(655,844)
Deferred outflows related to OPEB liability	427,972
Deferred inflows related to OPEB liability	<u>154,537</u>

**Change in net position of governmental activities** \$ 804,700

**SPRINGETTSBURY TOWNSHIP**  
**Statement of Net Position – Proprietary Fund**  
**December 31, 2021**

	<u>Enterprise Fund</u> <u>Sewer Fund</u>
<b>ASSETS</b>	
CURRENT ASSETS	
Cash and cash equivalents	\$ 221,474
Investments	2,527,833
Due from other funds	629,863
Accounts receivable	677,344
Other receivables	54,547
Prepaid expenses	34,022
Total current assets	<u>4,145,083</u>
NONCURRENT ASSETS	
OTHER ASSETS	
Restricted assets - investments	8,698,532
CAPITAL ASSETS	
Capital assets not being depreciated	
Land and right of ways	1,826,785
Capital assets net of depreciated	
Machinery and equipment	1,475,078
Collection lines	19,753,743
Treatment plant	28,443,005
Total capital assets, net	<u>51,498,611</u>
Total noncurrent assets	<u>60,197,143</u>
Total assets	<u>64,342,226</u>
DEFERRED OUTFLOWS OF RESOURCES	
Bond refinancing charges	<u>68,003</u>
Total assets and deferred outflows of resources	<u>\$ 64,410,229</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	\$ 194,753
Accrued salaries and wages	43,223
Other accrued liabilities	54,760
Due to other funds	65,426
Current portion of long-term debt	1,820,700
Total current liabilities	<u>2,178,862</u>
NONCURRENT LIABILITIES	
Bonds and notes payable, net of current portion	<u>19,759,600</u>
Total noncurrent liabilities	<u>19,759,600</u>
Total liabilities	<u>21,938,462</u>
NET POSITION	
Net investment in capital assets	29,986,314
Restricted	8,698,532
Unrestricted	3,786,921
Total net position	<u>42,471,767</u>
Total liabilities and net position	<u>\$ 64,410,229</u>

**SPRINGETTSBURY TOWNSHIP**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund**  
**Year Ended December 31, 2021**

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	<u>Enterprise Fund</u> <u>Sewer Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 4,779,753
Charges for services - intergovernmental	3,379,064
Refund of prior year expenses	<u>17,486</u>
Total operating revenues	<u>8,176,303</u>
<b>OPERATING EXPENSES</b>	
Cost of services	4,964,507
Administration	335,000
Depreciation	<u>3,385,225</u>
Total operating expenses	<u>8,684,732</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(508,429)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Tapping fees	138,672
Investment earnings	6,278
Interest expense	(469,777)
Gain on sale of capital assets	20,469
Capital contributions (noncash)	<u>201,880</u>
Total nonoperating revenues (expenses)	<u>(102,478)</u>
<b>TRANSFER TO GENERAL FUND</b>	<u>(60,533)</u>
<b>CHANGE IN NET POSITION</b>	(671,440)
<b>NET POSITION - BEGINNING</b>	<u>43,143,207</u>
<b>NET POSITION - ENDING</b>	<u>\$ 42,471,767</u>

**SPRINGETTSBURY TOWNSHIP**  
**Statement of Cash Flows – Proprietary Fund**  
**December 31, 2021**

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	<u>Enterprise Fund</u> <u>Sewer Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from users	\$ 8,145,574
Cash payments to employees for services	(2,427,067)
Cash payments to suppliers for goods and services	<u>(3,158,149)</u>
Net cash provided (used) by operating activities	<u>2,560,358</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition, construction and improvement of capital assets	(3,567,242)
Proceeds from sale of capital assets	20,469
Tapping fees received	138,672
Principal payments	(1,784,500)
Debt interest payments	<u>(474,305)</u>
Net cash provided (used) by capital and related financing activities	<u>(5,666,906)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income	6,278
Purchase of investments	(17,589,762)
Sale of investments	<u>18,697,741</u>
Net cash provided (used) by investing activities	<u>1,114,257</u>
Net decrease in cash and cash equivalents	(1,992,291)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>2,208,047</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 215,756</u>
Operating loss	\$ (508,429)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Depreciation	3,385,225
Transfer to General Fund	(60,533)
Increase in accounts receivable	(30,729)
Decrease in prepaid expenses	16,887
Decrease in accounts payable	(299,093)
Increase in accrued salaries and benefits	5,970
Increase in due to other funds	<u>51,060</u>
Total adjustment	<u>3,068,787</u>
Net cash provided by operating activities	<u>\$ 2,560,358</u>



**SPRINGETTSBURY TOWNSHIP**  
**Statement of Fiduciary Net Position**  
**Year Ended December 31, 2021**

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	<b>Police Pension Fund</b>	<b>Schenck Trust Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 566,540	\$ 90,976
Investments	<u>23,399,779</u>	<u>-</u>
Total assets	<u>\$ 23,966,319</u>	<u>\$ 90,976</u>
<b>LIABILITIES</b>		
	\$ -	\$ -
<b>NET POSITION</b>		
Restricted for:		
Pension benefits	23,966,319	-
Other purposes	<u>-</u>	<u>90,976</u>
Total net position	<u>23,966,319</u>	<u>90,976</u>
Total liabilities and net position	<u>\$ 23,966,319</u>	<u>\$ 90,976</u>

**SPRINGETTSBURY TOWNSHIP**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended December 31, 2021**

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	<b>Police Pension Fund</b>	<b>Schenck Trust Fund</b>
<b>ADDITIONS</b>		
Municipal contributions	\$ 916,246	\$ -
Employee contributions	151,977	-
Investment income (loss)	<u>2,572,600</u>	<u>71</u>
Total additions	<u>3,640,823</u>	<u>71</u>
<b>DEDUCTIONS</b>		
Distributions and benefit payments	1,053,356	-
Miscellaneous expenses	<u>70,182</u>	<u>-</u>
Total deductions	<u>1,123,538</u>	<u>-</u>
Changes in net position	2,517,285	71
Net position - beginning	<u>21,449,034</u>	<u>90,905</u>
Net position - ending	<u>\$ 23,966,319</u>	<u>\$ 90,976</u>

# SPRINGETTSBURY TOWNSHIP

## Notes to Financial Statements

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### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The financial statements of Springettsbury Township have been prepared in accordance with generally accepted accounting principles (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 significant accounting policies are as follows:

#### ***Reporting Entity***

Springettsbury Township (“Township”), of the County of York, is a municipality located in York, Pennsylvania. It is a township of the second class based upon its population per square mile. The accompanying financial statements present the Township’s primary government and a component unit over which the Township exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Township’s Board of Supervisors (as distinct from legal relationships).

Control by, dependence on, or financial accountability to the Township is determined on the basis of budget adoption, taxing authority, outstanding debt collateralized by revenues or general obligations of the Township, obligations of the Township, obligation of the Township to finance any deficits that may occur, or receipt of significant subsidies from the Township.

The financial statements of the component unit have been included in the financial reporting entity as a discretely presented component unit.

#### ***Discretely Presented Component Unit***

The Township has one component unit: the Springettsbury Township Development Authority, which has been reported in the component unit’s column. Discretely presented component units are reported in a separate column to emphasize that they are legally separate from the Township. Audited financial statements of the Authority are available at the Township office.

#### ***Joint Venture***

Springettsbury Township and Spring Garden Township created York Area United Fire and Rescue (YAUFR), a joint venture, in 2008. In 2018, Manchester Township joined YAUFR. Manchester Township funds 38%, Springettsbury Township funds 37% and Spring Garden Township funds 25% of operating costs for fire services. The joint venture is not a component unit of Springettsbury Township. Audited financial statements for YAUFR are available at the Fire Company’s office located at 50 Commons Drive, York, Pennsylvania 17402.

#### ***Fund Accounting***

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Basis of Presentation***

**Government-wide financial statements** (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Township. As a general rule, the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately in the government-wide financial statements from business-type activities, which rely, to a significant extent on fees and charges for support.

The Statement of Activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the Township's governmental activities. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund financial statements** are also provided in the report for all of the governmental funds, proprietary fund, and the fiduciary funds of the Township. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Township's enterprise fund include sewer treatment and transportation from cost sharing by the Township and other user municipalities. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Township reports the following major funds:

***General Fund*** - It is the Township's primary operating fund. It accounts for all financial resources except those required to be in another fund. The Township's Library Fund and Escrow Fund are included in the General Fund, as they do not meet the requirements of a Fiduciary Fund pursuant to GASB standards.

***Capital Projects Fund*** - This fund is used to account for financial resources related to capital asset acquisitions, construction, and improvements. This fund includes the capital improvement fund and the storm water reserve fund.

***ARPA Fund*** - This fund is used to account for financial resources related to the American Rescue Plan Act (ARPA) Funds received and how those funds will be spent throughout the Township.

***Sewer Fund*** - This fund is the Township's one enterprise fund and accounts for the activities of the Township's sewer treatment plant operation.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Basis of Presentation (Continued)***

Additionally, the Township reports the following Nonmajor governmental funds:

***Special Revenue Funds*** - These funds account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The funds included in this category are:

- State Liquid Fuels Fund
- Petitioned Street Lighting Fund
- Subdivision Recreation Fund

***Fiduciary Funds*** - These funds are used to account for the assets held by the Township as a trustee or agent for individuals, private organizations and/or governmental units. The funds included in this category are:

***Pension Trust Fund*** - This fund provides benefits for Township police officers under a defined benefit pension plan. The principal revenue sources for this fund is state contributions and employer and employee contributions.

***Private Purpose Trust Fund*** - This fund is used to account for the assets held by the Township in a trustee capacity. This fund consists of the Schenck Trust Fund. The Schenck Trust Fund was established for the maintenance of park improvements.

***Measurement of Focus and Basis of Accounting***

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements regardless of measurement focus.

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets and deferred outflows of resources, less total liabilities and deferred inflows of resources) is used as a practical measure of economic resources and the Statement of Activities 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 Statement of Net Position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period, net of any allowance for uncollectible amounts. Revenue from

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Measurement of Focus and Basis of Accounting (Continued)***

federal, state and other grants designated for payment of specific expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as unearned revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

***Budgets and Budgetary Accounting***

An operating budget is adopted each year for the General Fund, Special Revenue Funds and the Capital Projects Funds on a modified accrual basis of accounting.

Appropriations lapse at the end of the year. In order to preserve a portion of an appropriation for which an expenditure has been committed by purchase order, contract, or other form of commitment, an encumbrance is recorded. Encumbrances outstanding at year-end would be reported as assigned fund balances. As of December 31, 2021, the Township had no encumbrances.

The Board of Supervisors may make new appropriations, supplementary appropriations and transfers from one appropriation to another during the fiscal year, provided it is within the current year's revenues or from funds made available from additional borrowings or available fund balance.

***Cash, Cash Equivalents and Investments***

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less.

All investments are stated at cost including accrued interest and unrealized gains, which approximates fair value.

***Prepaid Expenses***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items (consumption method) in both the government-wide and fund financial statements.

***Restricted Assets***

Restricted assets consist of cash and investments reserved in accordance with an intermunicipal agreement between the Township and Dallastown Borough, Manchester Township, Red Lion Borough, Spring Garden Township, Windsor Township, Windsor Borough, Yoe Borough and York Township for the purchase and/or replacement of capital assets associated with the operations of the Township's Waste Water Treatment Plant.

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or acquisition value at the date of donation. Infrastructure assets of the governmental activities acquired before January 1, 2003 were estimated by the Township engineer and projected at estimated historical cost by the Township.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Buildings	15 to 60
Improvements (other than buildings)	15 to 40
Machinery and equipment	3 to 20
Collection lines	5 to 50
Treatment plant	5 to 50
Transportation equipment	5 to 15
Furniture and fixtures	5 to 15
Infrastructure assets	20 to 75

Capital assets are recorded as expenditures at the time of purchase in the governmental funds. Accordingly, no depreciation has been provided on the fixed assets in those funds.

***Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Long-Term Obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activity columns in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and accordingly will not be recognized as an outflow of resources until then.

In addition to liabilities, the Statement of Net Position 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 position that applies to a future period and accordingly will not be recognized as an inflow of resources until that time.

***Compensated Absences***

Full-time, permanent employees and part-time employees, on a pro-rata basis, are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Township. Sick leave accrues to full-time, permanent employees and part-time employees, on a pro-rata basis, to specified maximums. Non-uniform and Teamsters employees receive none of their accumulated sick leave balance upon termination. Police officers are not entitled to their proportionate sick leave balance until they retire. However, these employees historically remain with the Township until retirement. Normal retirement age for police officers is age 50 and having 25 years of service. Police officer sick leave is paid at the officer's standard daily rate times the number of sick days, with a maximum of 19.5 days. The Township implemented a policy in 2005 to report a liability for those police officers that are within 5 years of retirement.

All vested vacation benefits attributable to the Township's governmental and proprietary funds are considered to be payable in the next fiscal year. Accordingly, vested vacation benefits are recorded as a liability in the respective funds. The sick leave termination benefit is included in the government-wide financial statements because benefits are recorded as a liability when there is an estimation made by management based on anticipated retirement of the employee.



**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Government-wide and Proprietary Fund Net Position***

Government-wide and proprietary fund net position is divided into three components:

- Net investment in capital assets - this component consists of 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 improvement of those capital assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of debt is included in the same net position component as the unspent proceeds. Deferred outflows of resources and deferred inflows of resources attributable to acquisition, construction, or improvement of assets or related debt also should be included in the component of net position.
- Restricted - consists of resources that are restricted by the Township for a specific purpose.
- Unrestricted - all other resources are reported in this category.

***Fund Balance Policy***

Governmental funds classify fund balance based on the relative strength of the spending constraints placed on the purpose for which resources can be used. The classifications are as follows:

**Nonspendable** - amounts that are not in spendable form (such as prepaid expenses) or required to be legally or contractually maintained intact,

**Restricted** - amounts that can be spent only for the specific purposes stipulated, through constitution, external resource providers, or through enabling legislation,

**Committed** - amounts that can be used only for the specific purposes determined by a formal action of the Board of Supervisors (the Township's highest level of decision-making authority). The Board of Supervisors is required to also take formal action to modify or rescind the commitment,

**Assigned** - amounts intended to be used by the Township for specific purposes that are neither restricted nor committed. Assignments can be made by the governing body itself or by its designee,

**Unassigned** - residual classification for the Township's General Fund and includes all spendable amounts not contained in the other classifications. Negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes.

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.

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Committed Fund Balance Policy***

The Township's committed fund balance are amounts required to be reported by the Board of Supervisors, either because of Township Policy or because of motions that passed at Board of Supervisor meetings. As of December 31, 2021, the Township did not have any committed fund balances.

***Minimum Fund Balance***

The Township has adopted a formal minimum fund balance policy. The Township will strive to maintain an unassigned General Fund balance of not less than ten percent (10%) of the budgeted expenditures for the year.

If the unassigned portion of the fund balance falls below the threshold of ten percent (10%) of the budgeted expenditures, the Board will pursue options of increasing revenue and decreasing expenditures, or a combination of both until the ten percent (10%) is attained.

***Interfund Transactions***

During the course of normal operations, the Township has numerous transactions between funds, including expenditures and transfers of resources to provide services and service debt. Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through various due from and due to accounts.

**NOTE 2 DEPOSITS AND INVESTMENTS**

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The Commonwealth of Pennsylvania's "Second Class Township Code" and Act 10 of 2016 define allowable investments for Township funds as follows:

- United States Treasury Bills.
- Short-term obligations of the United States Government or its agencies or instrumentalities
- Deposits in savings accounts, time deposits, other than certificates of deposit, or share amounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, to the extent that the accounts are so insured and, for any amounts above the insured maximum, if approved collateral therefore is pledged by the depository.
- Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth or any political subdivision of the Commonwealth or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- Shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933, if the only investments at that company are in authorized investments for Township funds listed above.

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

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- Certificates of deposit purchased from institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, to the extent that the amounts are so insured. However, for any amounts above the insured maximum, the certificates of deposit shall be secured by a pledge or assignment of assets of the institution, and the collateral may include loans, including interest in pools of loans, secured by first mortgage liens on real property. Certificates of deposit purchased from commercial banks shall be limited to an amount equal to twenty percent of a bank's total capital and surplus. Certificates of deposit purchased from savings and loan associations or savings banks shall be limited to an amount equal to twenty percent of an institution's assets minus liabilities.
- Any investment authorized by 20 PA. Ch. 73 (relating to fiduciary investments). This paragraph is limited to investments for any pension or retirement fund.
- Obligations, participations, or other instruments of any Federal agency, instrumentality, or United States government-sponsored enterprises, if the debt obligations are rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.
- Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three years or less.
- Bills of exchange or time drafts drawn on or accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days maturity.
- Commercial paper issued by corporations or other business entities organized in accordance with federal or state law, with a maturity not to exceed 270 days.

***Deposits***

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a policy for custodial credit risk. As of December 31, 2021, the Township has a bank balance of \$ 9,310,698. Of this balance, \$ 750,000 is covered by FDIC insurance and the remaining balance of \$ 8,560,698 is collateralized by securities held by the pledging financial institution, not in the Township's name.

Pennsylvania Act 72 of 1971, as amended, 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; permitting assets to be pledged against deposits on a pooled basis and authorizing the appointment of custodians to act as the pledger of the assets. Based on the standards outlined in Act 72, the various banks utilized by the Township have pledged collateral on a pooled basis on behalf of the Township and all other governmental depositors in the respective financial institutions.

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

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**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

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***Investments***

As of December 31, 2021, the Township had the following investments:

<b>Investments</b>	<b>Average Credit Quality Rating</b>	<b>Fair Value</b>
PLGIT / Prime	AAAm	\$ 12,183,040
PLGIT / Reserve-Class	AAAm	12,699,241
Various CDs	Not rated	1,346,631
Commercial Paper	Not rated	199,863
Money Market Mutual Fund	AAAm	151,674

***Credit Risk - Investments***

The Township has an investment policy that limits its investment choices to certain credit ratings.

Included in investments are pooled investments in the Pennsylvania Local Government Investment Trust (PLGIT) – Prime and Reserve Class. PLGIT is an external investment pool. These funds operate similarly to mutual funds and consist of short-term money market instruments and seek to maintain a constant net asset value of \$ 1 per share.

***Interest Rate Risk – Investments***

The various CDs, commercial paper and money market mutual fund all have maturity dates of less than one year.

The Township does have an investment policy that limits its investment choices to certain credit ratings.

***Policies Followed by PLGIT***

**Regulatory Oversight**

The operation of PLGIT is governed by an eleven-member Board of Trustees. The Trustees must be employees or elected officials of a local government or school district and are elected at the annual meeting of investors. The Trustees have exclusive and absolute control over the affairs of the Trust and its' assets, subject to rights of the Investors, as provided in the Declaration of Trust.

PLGIT is not registered with the Securities and Exchange Commission (SEC); however, PLGIT follows investment procedures similar to those followed by SEC registered money market funds.

**Valuation of Investments**

Portfolios are valued using the net asset value per share. The net asset value per share is computed by dividing the total value of securities and other assets of the portfolio less liabilities, by the outstanding shares of the portfolio.

The Township has no limitations or restrictions on withdrawals on accounts held at PLGIT.

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

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**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

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***Municipal Pension Plan***

Investments held by the trustees of the pension plan are as follows:

<b>Investments</b>	<b>Investment Maturities</b>	<b>Fair Value</b>
Common stocks	N/A	\$ 6,238,787
Equity funds	Less than one year	7,893,650
Fixed income	N/A	9,267,342

***Credit Risk – Pension Plan***

The Township has an investment policy that limits its investment choices to certain credit ratings. All of the investments noted in the fixed income category above are rated as Baa3 and above by Moody’s and BBB- and above by S&P.

***Investments – Fair Value Measurements***

Generally accepted accounting principles define fair value, describe a framework for measuring fair value, and require disclosure about fair value measurements. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. The established framework includes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level input that is significant to the fair value measurement of the asset or liability. Classification of assets and liabilities within the hierarchy considers the markets in which the assets and liabilities are traded, and reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available.

The levels of the hierarchy and those investments included in each are as follows:

**Level 1** – Represented by quoted prices available in an active market. Level 1 securities include highly liquid government bonds, treasury securities, mortgage products and exchange traded equities and mutual funds.

**Level 2** – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data, such as quoted prices for similar securities and quoted prices in inactive markets and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states, and political subdivisions and certain corporate, asset backed securities, swap agreements, and life insurance contracts.

**Level 3** - Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity’s own assumptions about the market risk. Level 3 securities would include hedge funds, private equity securities, and those with internally developed values.

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

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**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

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***Investments – Fair Value Measurements (Continued)***

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value on the statement of net position, as well as the general classifications of such instruments pursuant to the valuation hierarchy.

**Common stocks** – listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the mean of the last bid and ask prices on such exchange.

**Equity funds** –listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the mean of the last bid and ask prices on such exchange.

**Fixed income** - based on pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

**Commercial paper** - consists of various corporations. These investments are generally valued at the most recent price of the equivalent yield quotes for such securities, or those of comparable maturity, quality, and type.

The following table sets forth, by level within fair value hierarchy, the financial assets that were accounted for at fair value on a recurring basis as December 31, 2021:

<b>Investment</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
FNB Wealth Management				
Common Stocks	\$ 6,238,787	\$ -	\$ -	\$ 6,238,787
Equity Funds	7,893,650	-	-	7,893,650
Fixed Income	-	9,267,342	-	9,267,342
Fulton Financial Advisors				
Commerical Paper	-	199,863	-	199,863
	<u>\$ 14,132,437</u>	<u>\$ 9,467,205</u>	<u>\$ -</u>	<u>\$ 23,599,642</u>

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

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**NOTE 3 RESTRICTED ASSETS – PROPRIETARY FUND**

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Capital Improvement Reserve - Sewer - Investments \$ 8,698,532

The capital improvement reserve consists of investments reserved in accordance with an intermunicipal agreement for capital necessary for the purchase and/or replacement of capital assets associated with the operations of Springettsbury Township Wastewater Treatment Plant. The capital improvement reserve is accumulated from a depreciation charge to the connecting municipalities along with a 5% surcharge on transportation, shared pumping station expenses and debt service costs.

**NOTE 4 PROPERTY AND SPECIAL ASSESSMENT TAXES**

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Based upon assessed valuations provided by the County, property taxes are collected by the elected tax collector. Springettsbury Township’s tax rate for the year ended December 31, 2021 was 1.70 mills (\$ 1.70 per \$ 1,000 assessed valuation). The Township levies assessments for streetlight usage to various areas of the Township. The assessments are based on a flat rate and are collected by the elected tax collector.

Property taxes and special assessment taxes levied for 2021 were due as follows:

February 15	Levy Date
February 16 to April 17	2% Discount Period
April 17 to June 14	Face Payment Period
Beginning June 15	10% Penalty Period
January 15	Lien Date

Springettsbury Township, in accordance with accounting principles generally accepted in the United States of America, recognized the delinquent and unpaid taxes receivable reduced by an allowance for uncollectible taxes as determined by management. A portion of the net amount to be collectible, which was measurable and available within 60 days, was recognized as revenue and the balance is unavailable revenue within the governmental fund financial statements.

The balances at December 31, 2021 are as follows:

	<b>Taxes</b>	<b>Tax Revenue</b>	<b>Deferred Inflow -</b>
	<b>Receivable</b>	<b>Recognized</b>	<b>Unavailable</b>
			<b>Revenue</b>
Earned income	\$ 493,483	\$ 493,483	\$ -
Local services	121,343	121,343	-
Real estate	84,717	40,557	44,160
Real estate transfer	125,561	125,561	-
Mercantile and business privilege	<u>11,412</u>	<u>11,412</u>	<u>-</u>
	<u>\$ 836,516</u>	<u>\$ 792,356</u>	<u>\$ 44,160</u>

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

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**NOTE 5 INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS**

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Due from/to other funds consist of the following at December 31, 2021:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 784,716	\$ 72,716
Capital Improvements Fund	-	1,261,708
Subdivision Recreation Fund	-	14,729
Enterprise Fund	<u>629,863</u>	<u>65,426</u>
	<u>\$ 1,414,579</u>	<u>\$ 1,414,579</u>

The General Fund owes the Sewer Fund for cash receipts that were not disbursed prior to December 31, 2021.

The Capital Improvements Fund owes the Sewer Fund for the purchase of the Camp Security site. Payments are made monthly. The Capital Improvements Fund also owes the General Fund for building renovation bills paid and not reimbursed by December 31, 2021.

Other balances are due from/to funds based on reimbursements not made or receipts not transferred to the appropriate fund by December 31, 2021

Interfund transfers were as follows in 2021:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 1,342,953
MS4 (Stormwater) Fund	550,018	-
Capital Improvements Fund	853,468	-
Sewer Fund	<u>-</u>	<u>60,533</u>
	<u>\$ 1,403,486</u>	<u>\$ 1,403,486</u>

Transfers from the general fund to other funds were budgeted transfers to set aside funds for future capital expenditures and MS4 (stormwater) needs.

A transfer from the sewer fund reimbursed the general fund for the use of leased vehicles.



**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

**NOTE 6 CHANGES IN CAPITAL ASSETS**

A summary of capital assets of the Business-type Activities as of December 31, 2021, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Land and Right of Ways	\$ 1,826,785	\$ -	\$ -	\$ 1,826,785
Collection Lines	35,283,674	824,422	-	36,108,096
Treatment Plant	57,249,583	9,805,051	(289,159)	66,765,475
Machinery and Equipment	4,783,279	214,276	(86,057)	4,911,498
Construction in Progress	7,264,932	-	(7,264,932)	-
<b>Total Capital Assets</b>	<b>106,408,253</b>	<b>10,843,749</b>	<b>(7,640,148)</b>	<b>109,611,854</b>
Less: Accumulated Depreciation				
Collection Lines	15,645,182	709,176	-	16,354,358
Treatment Plant	36,112,372	2,484,988	(274,896)	38,322,464
Machinery and Equipment	3,309,415	191,061	(64,055)	3,436,421
<b>Total Accumulated Depreciation</b>	<b>55,066,969</b>	<b>3,385,225</b>	<b>(338,951)</b>	<b>58,113,243</b>
<b>Total Capital Assets (Business-Type Activities), Net</b>	<b>\$ 51,341,284</b>	<b>\$ 7,458,524</b>	<b>\$ (7,301,197)</b>	<b>\$ 51,498,611</b>

A summary of capital assets of the Governmental Activities as of December 31, 2021, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Land and Right of Ways	\$ 4,414,547	\$ -	\$ -	4,414,547
Buildings	11,793,138	-	-	11,793,138
Construction in Progress	1,010,898	5,353,186	(94,698)	6,269,386
Improvements (Other than Buildings)	5,926,336	396,301	-	6,322,637
Machinery and Equipment	3,572,039	450,222	(171,279)	3,850,982
Infrastructure	52,314,592	-	-	52,314,592
<b>Total Capital Assets</b>	<b>79,031,550</b>	<b>6,199,709</b>	<b>(265,977)</b>	<b>84,965,282</b>
Less: Accumulated Depreciation				
Buildings	4,927,347	296,199	-	5,223,546
Improvements (Other than Buildings)	3,293,543	168,509	-	3,462,052
Machinery and Equipment	2,828,050	267,406	(171,279)	2,924,177
Infrastructure	35,204,905	521,314	-	35,726,219
<b>Total Accumulated Depreciation</b>	<b>46,253,845</b>	<b>1,253,428</b>	<b>(171,279)</b>	<b>47,335,994</b>
<b>Total Capital Assets (Governmental Activities), Net</b>	<b>\$ 32,777,705</b>	<b>\$ 4,946,281</b>	<b>\$ (94,698)</b>	<b>\$ 37,629,288</b>

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

**NOTE 6 CHANGES IN CAPITAL ASSETS (CONTINUED)**

The Governmental Activities construction in progress at December 31, 2021 consisted of expenses related to renovations on the administrative building and police station. An additional \$ 11,000,000 is expected to be spent on this project in 2022.

Depreciation expense was charged to functions/programs of the Township as follows:

Governmental Activities:		
General government	\$	62,671
Public safety		188,014
Highways and streets		814,729
Culture and recreation		<u>188,014</u>
Total depreciation expense - governmental activities	\$	<u>1,253,428</u>
Business-type activities:		
Sewer	\$	<u>3,385,225</u>

**NOTE 7 RESTRICTED NET POSITION**

Business-type activities restricted net position represents amounts restricted in accordance with an intermunicipal agreement for the purchase and replacement of capital assets related to the operations of the Township's Wastewater Treatment Plant.

**NOTE 8 FUND BALANCE**

***Restricted Fund Balance***

The Township's restricted fund balances are amounts restricted by outside parties. As of December 31, 2021, the Township's restricted fund balance was \$ 1,084,315; of which \$ 775,397 is restricted for use by the Commonwealth of Pennsylvania for Highway Aid purposes, \$ 105,436 is restricted for future capital purposes and \$ 203,482 is restricted for library purposes.

**NOTE 9 LONG-TERM LIABILITIES**

The changes in long-term liabilities during the year ended December 31, 2021 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Long-term Portion
<b>Governmental Activities</b>						
Bonds						
(A) General Obligation Bonds, Series of 2016	\$ 4,115,000	\$ -	\$ (4,115,000)	\$ -	\$ -	\$ -
Direct borrowings						
(C) General Obligation Bonds, Series of 2021	-	16,060,000	-	16,060,000	155,000	15,905,000
(D) General Obligation Note, Series of 2021	-	3,947,000	-	3,947,000	257,100	3,689,900
(E) Capital leases	345,709	433,210	(203,600)	575,319	201,267	374,052
Bond premium	-	849,957	(28,332)	821,625	28,332	793,293
	<u>\$ 4,460,709</u>	<u>\$ 21,290,167</u>	<u>\$ (4,346,932)</u>	<u>\$ 21,403,944</u>	<u>\$ 641,699</u>	<u>\$ 20,762,245</u>
Total long-term liabilities						
<b>Business-Type Activities</b>						
Direct borrowings						
(B) General Obligation Note, Series of 2020	\$ 23,364,800	\$ -	\$ (1,784,500)	\$ 21,580,300	\$ 1,820,700	\$ 19,759,600
Total long-term liabilities	<u>\$ 28,171,218</u>	<u>\$ 42,580,334</u>	<u>\$ (6,363,364)</u>	<u>\$ 64,388,188</u>	<u>\$ 3,104,098</u>	<u>\$ 61,284,090</u>

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

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**NOTE 9 LONG-TERM LIABILITIES (CONTINUED)**

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- (A) General Obligation Bond, Series of 2016 - On May 31, 2016, the Township issued a general obligation bond in the amount of \$ 5,150,000. The proceeds of the bond were to refinance the General Obligation Note, Series of 2015, to pay the costs of issuing the bond, and for capital projects. The bond bears a fixed rate of interest of 2.35% per annum and was scheduled to mature in June 2035. In the event of default, the bank reserves the right to exercise the remedies set forth in the bond document. The bond was refunded by General Obligation Note, Series A of 2021 during the year ended December 31, 2021.
- (B) General Obligation Note, Series of 2020 - On May 15, 2020, the Township issued general obligation notes in the amount of \$ 24,203,000. The proceeds of the note were to advance refund the General Obligations Bonds 2010 (B) and General Obligation Notes, Series 2014 (C) and 2019 (D) and pay the costs of issuing the note. In the event of default, the bank reserves the right to exercise the remedies set forth in the loan document. The note bears a fixed rate of interest of 2.03% per annum and is scheduled to mature in June 2033.
- (C) General Obligation Bonds, Series of 2021 - On April 27, 2021, the Township issued general obligation bonds in the amount of \$ 16,060,000. The proceeds of the bonds were to finance improvements to the administration and police buildings and to pay the costs and expenses related to the issuance of the bonds. The bond bears a rate of interest varying from (5% - 2%) per annum and is scheduled to mature in November 2050. In the event of default, the holders of the bonds have the right to exercise certain remedies set forth in the bond document.
- (D) General Obligation Note, Series of 2021 - On November 30, 2021, the Township issued general obligation notes in the amount of \$ 3,947,000. The proceeds of the note were to advance refund the General Obligations Bonds, Series of 2016, and pay the costs of issuing the note. The bond bears a fixed rate of interest of 1.711% per annum and is scheduled to mature in November 2035. In the event of default, interest will be charged at 3% above the current interest rate on any outstanding payments until the payment default has been cured.

As a result of the refunding, the Township will have the following benefits:

1) Cash flow gain	\$ 215,156
2) Economic gain	\$ 193,782

- 1) Represents the difference between the cash flows required to service the old debt and the new debt, less bond issue costs.
- 2) Represents the difference in present values of the old debt and net debt, less bond issue costs.

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

**NOTE 9 LONG-TERM LIABILITIES (CONTINUED)**

(E) Annually, the Township enters into capital lease agreements for multiple fleet vehicles on a rotating schedule. A total of 27 vehicles have been leased by the Township since 2018. The lease terms range from thirty-six to sixty months and monthly payments range from \$ 416 to \$ 1,744. Total principal payments on these vehicles during the year ending December 31, 2021 was \$ 203,600. The outstanding liability for these vehicles at December 31, 2021 is \$ 575,319.

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 2021 are as follows:

Governmental Activities							
Bonds				Direct Borrowings			
Year ended December 31,	Principal	Interest	Total	Year ended December 31,	Principal	Interest	Total
2022	\$ 155,000	\$ 460,420	\$ 615,420	2022	\$ 458,367	\$ 112,410	\$ 570,777
2023	315,000	452,670	767,670	2023	421,377	104,403	525,780
2024	330,000	436,920	766,920	2024	372,488	86,671	459,159
2025	350,000	420,420	770,420	2025	339,005	72,738	411,743
2026	365,000	402,920	767,920	2026	293,082	55,620	348,702
2027-2031	2,130,000	1,720,850	3,850,850	2027-2031	1,414,100	178,060	1,592,160
2032-2036	2,600,000	1,304,900	3,904,900	2032-2035	1,223,900	52,845	1,276,745
2037-2041	3,155,000	999,782	4,154,782				
2042-2046	3,530,000	628,226	4,158,226		\$ 4,522,319	\$ 662,747	\$ 5,185,066
2047-2050	3,130,000	189,960	3,319,960				
	<u>\$ 16,060,000</u>	<u>\$ 7,017,068</u>	<u>\$ 23,077,068</u>				

Enterprise Fund - Direct Borrowings			
Year ended December 31,	Principal	Interest	Total
2022	\$ 1,820,700	\$ 438,080	\$ 2,258,780
2023	1,857,600	401,120	2,258,720
2024	1,895,500	363,410	2,258,910
2025	1,933,900	324,932	2,258,832
2026	1,973,200	285,674	2,258,874
2027-2031	10,483,500	811,020	11,294,520
2032-2033	1,615,900	33,310	1,649,210
	<u>\$ 21,580,300</u>	<u>\$ 2,657,546</u>	<u>\$ 24,237,846</u>

***Bond Refinancing Charges***

In the event that advance refunding of debt results in a defeasance, full accrual basis of accounting requires that the amounts deposited in escrow in excess of the net carrying amount of the old debt are to be amortized over the life of the old debt or the life of the new debt, whichever is shorter. The amortization of this charge will be recognized as a component of interest expense. The Township has one bond refinancing charge that is amortizing, utilizing the straight-line method, with amortization through 2027. For the year ended December 31, 2021, the Township amortized \$ 11,493 as a component of interest expense.

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

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**NOTE 10 PENSION PLANS**

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***Police Pension Plan***

**Plan Description**

Springettsbury Township currently has a single employer defined benefit police pension plan for full-time police employees. The Police Pension Plan was established by and enrolled in the Pennsylvania Municipal Ordinance Retirement Law, Act of February 1, 1974, P.L. 34, No. 15.

**Eligibility Requirements and Benefits Descriptions**

All full-time members of the police force of Springettsbury Township are eligible to join the Plan upon employment. A participant is eligible for normal retirement after attainment of age 50 and completion of 25 years of service. A participant's benefits vest upon completion of 12 years of service. The vested benefit is a deferred pension beginning at normal retirement equal to the benefit accrued to the date of termination.

The normal retirement pension is payable monthly during the participant's lifetime, with payments continuing after the participant's death to the surviving spouse equal to 50% of the amount payable to the participant. The amount of monthly pension is equal to 50% of average monthly pay plus \$ 50 per year for each year of service in excess of 25 years of service subject to a maximum increment of \$ 100.

Average monthly pay is based upon the last 36 months of employment. Pay is defined as wages as reported on a federal W-2, excluding officer in charge pay.

If a participant is disabled in the line of duty, they are eligible for disability pension. The disability pension is equal to 50% of the member's average monthly pay at the time of disability, offset by any Social Security disability payments.

**Contributions and Funding Policy**

The plan is funded through state allocations from the General Municipal Pension System State Aid Program, public contributions and through member contributions. Based on the actuarial report, the plan is currently underfunded, and the member contribution rate is 5%.

"Contributions required" are estimates prepared by municipal officials. The estimated contributions may contain immaterial errors which will not affect the long-term funding of the plan. The minimum funding requirements are based on the results of the most recent actuarial valuation report updated to reflect changes in payroll and expenses.

**Plan Membership**

Membership of the plan as of December 31, 2021 consisted of:

Inactive members or beneficiaries currently receiving benefits	28
Inactive members entitled to but not yet receiving benefits	3
Active members	<u>31</u>
Total	<u>62</u>

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

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**NOTE 10 PENSION PLANS (CONTINUED)**

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***Police Pension Plan (Continued)***

**Net Pension Liability**

The net pension liability was measured as of December 31, 2021, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2021. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

**Actuarial Assumptions**

The total pension liability in the January 1, 2019 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

Inflation	3.00%	
Salary increases	5.00%	(average, including inflation)
Investment rate of return	6.75%	(including inflation)
Postretirement cost of living increase	3.00%	

Mortality rates were based on the PubS-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	43.00%	5.50% - 7.50%
International Equity	11.00%	4.50% - 6.50%
Fixed Income	42.00%	1.00% - 3.00%
Cash	4.00%	0.00% - 1.00%

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. 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.

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

**NOTE 10 PENSION PLANS (CONTINUED)**

***Police Pension Plan (Continued)***

**Discount Rate (Continued)**

	Increase (Decrease)			Plan Fiduciary Net Position as a % of Total Pension Liability
	Total Pension	Plan Fiduciary	Net Pension	
	Liability	Net Position	Liability	
	(a)	(b)	(a) - (b)	
Balances at December 31, 2020	\$ 23,412,510	\$ 21,445,990	\$ 1,966,520	91.60%
Service Cost	592,548	-	592,548	
Interest Cost	1,616,838	-	1,616,838	
Changes for Experience	(250,470)	-	(250,470)	
Changes of Assumptions	727,709	-	727,709	
Contributions - employer	-	916,246	(916,246)	
Contributions - member	-	151,977	(151,977)	
Net Investment Income	-	2,507,960	(2,507,960)	
Benefit Payments, including refunds of member contributions	(1,058,282)	(1,058,282)	-	
Administrative Expense	-	(5,900)	5,900	
Net Changes	<u>1,628,343</u>	<u>2,512,001</u>	<u>(883,658)</u>	
Balances at December 31, 2021	<u>\$ 25,040,853</u>	<u>\$ 23,957,991</u>	<u>\$ 1,082,862</u>	95.68%

**Deferred Outflows / Inflows of Resources**

As of December 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 623,376
Change of assumptions	1,526,292	-
Difference between projected and actual investment earnings	<u>405,584</u>	<u>2,122,195</u>
	<u>\$ 1,931,876</u>	<u>\$ 2,745,571</u>

The amounts reported above will be recognized in pension expense as follows:

Year ended December 31:

2022	\$ (133,995)
2023	(539,578)
2024	(233,421)
2025	(43,058)
2026	68,177
2027	<u>68,180</u>
	<u>\$ (813,695)</u>

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

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**NOTE 10 PENSION PLANS (CONTINUED)**

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***Police Pension Plan (Continued)***

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

The following presents the net pension liability of the Plan, calculated using the discount rate of 6.75%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(5.75%)</b>	<b>Discount Rate</b>	<b>(7.75%)</b>
	<b>(6.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
Plan's Net Pension Liability	\$ 4,520,686	\$ 1,082,862	\$ 1,739,335

**Payables to the Pension Plan**

As of December 31, 2021, the Township had no payables to the pension plan.

***Non-Uniformed Pension Plan***

The Non-uniformed Plan, a single employer defined contribution plan, was established in 1985 by Township Resolution 85-09. The Township has delegated the authority to manage certain plan assets to International City Management Association (ICMA). The Plan is to be funded through state and employer contributions and employee wage deductions.

Non-uniformed employees over the age of 21 are eligible to participate after 6 months of service. A participant is eligible for normal retirement after attainment of age 59.5. Participants become 20% vested in the Township's contributions after three years of employment. An additional 20% is vested for each additional year of employment. A participant becomes fully vested after seven years of employment. Each participant is required to contribute 2% of gross pay. Employer contributions equal 9.0% of employee's gross pay for non-teamster members, and 9.5% for employees that are teamster members. For the year ended December 31, 2021, the Township contributed \$ 260,647 to the Non-Uniformed Pension Plan.

The Non-uniformed Plan is not considered a Fiduciary Fund of the Township pursuant to GASB standards; therefore, it is not included in the Township's financial statements.

**NOTE 11 DEFERRED COMPENSATION PLAN**

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The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.



**NOTE 12 POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

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***Plan Description***

The Township's post-employment healthcare plan is a single employer defined benefit healthcare plan. The Township provides certain health care benefits to retired police and certain retired fire employees as required by union contracts. Medical (until age 65), dental, vision and prescription benefits require 50% co-pay by the retiree. The cost of retiree's retirement benefit is recognized as an expenditure at the time premiums are paid. Types of OPEB provided are governed by the respective Collective Bargaining Agreements of the police and the firefighters. The Township has not established a separate OPEB Plan Fund and is on the pay-as-you-go basis. The defined benefits OPEB plan estimated obligation is included in the Township's basic financial statements.

The Township transferred its OPEB plan for current firefighters to the York Area United Fire and Rescue (YAUFR) effective January 1, 2011. The Township maintains an OPEB plan for all former firefighters that retired prior to the formation of YAUFR.

***Police Officers***

**Eligibility Requirements and Benefits Descriptions**

An officer is eligible for coverage after attainment of age 50 and completion of 25 years of service or upon becoming permanently disabled as a result of work-related injury. An officer will be eligible for coverage upon early retirement after 20 years of service; however, the officer must pay 105% of the premiums. An eligible officer may receive medical (PPO), dental, prescription drug and vision benefits currently provided to active officers. For pre-January 1, 2005 retirees, medical coverage ceases upon Medicare eligibility; however, prescription drug, dental and vision benefits can continue for life. For post-January 1, 2005 retirees, all coverage ceases at an earlier of ten years or Medicare eligibility, but the coverage can continue until Medicare eligibility if the retiree pays 105% of the premium. Benefits are available to the retiree, spouse, and eligible dependents.

For post-January 1, 2005 retirees, the retiree or disabled officer must pay the Township an amount equal to 20% of the cost of any insurance premiums. If a retiree or disabled officer elects prescription drug coverage only, then they must pay an amount equal to 75% of the cost of any insurance premium. After 10 years of benefits received, the retiree or disabled officer must pay 105% of any insurance premiums to continue coverage. All benefits cease at Medicare eligibility for post-January 1, 2005 retirees. Retirees who retired prior to January 1, 2005 must pay the Township an amount equal to 50% of the cost of any insurance premiums until Medicare age. If a retiree or disabled officer elects prescription drug coverage only, then they must pay an amount equal to 75% of any insurance premium.

A retired officer shall not be eligible for medical, dental, prescription and/or vision coverage if the officer and/or spouse has comparable coverage elsewhere. If a retired officer loses their eligibility due to having comparable coverages and later loses the comparable coverages, the retired officer will be eligible to participate in the Township's postretirement benefits if the retiree pays 25% (50% for pre-January 1, 2005 retirees) of the cost of any insurance premiums. Upon death of a retired or disabled officer, the spouse and dependents may continue to be covered as described above. Spouse coverage shall cease upon remarriage.

**NOTE 12 POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)**

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***Police Officers (Continued)***

**Benefits Payable Upon Death of a Police Officer on Active Duty**

The spouse and eligible dependents of an active Police Officer Killed in the Line of Duty may receive medical, dental, prescription drug, and vision benefits, provided they pay to the Township the same amount of cost sharing as active police officers. As the health benefits and obligations/requirements for active officers change, the benefits and obligations/requirements for the spouse shall likewise change correspondingly. The spouse may continue coverage until remarriage, death or Medicare eligibility. Dependent coverage will continue until they are no longer eligible as a dependent under the current insurance plan.

***Paid Firemen***

**Eligibility Requirements and Benefits Descriptions**

All former firefighters that retired prior to the formation of YAUFRR are eligible. A retired firefighter may receive medical (PPO), dental, and prescription drug benefits currently provided to active firefighters. Medical coverage (PPO) ceases upon Medicare eligibility or if the retiree obtains coverage elsewhere; however, prescription drug, dental, and vision benefits can continue for life. Benefits are available to the retiree, spouse, and eligible dependents. Upon death of a retiree, benefits continue to the spouse and eligible dependents.

Cost Sharing: The retiree must pay the Township an amount equal to 50% of the cost of any insurance premiums. When the retiree reaches Medicare eligibility, the spouse may continue in the Medical (PPO) plan until the spouse reaches Medicare eligibility if the spouse contributes the COBRA rate for coverage.

**Actuarial Methods and Assumptions**

- Discount rate – 1.93%, Based on S&P Municipal Bond 20-Year High Grade Rate Index at January 1, 2021.
- Salary - An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases were assumed to be 5.0%.
- Withdrawal - sample rates are as follows:

<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>
20	5.50%	35	2.50%	50	0.00%
25	5.00%	40	1.00%	55	0.00%
30	4.00%	45	0.50%	60	0.00%

- 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.

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

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**NOTE 12 POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)**

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***Paid Firemen (Continued)***

**Actuarial Methods and Assumptions (Continued)**

- Disability - SOA 1987 Group LTD Table - Males, 6-month elimination. Sample rates are as follows:

<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>
20	0.0764%	35	0.1242%	50	0.5396%
25	0.0854%	40	0.1760%	55	0.9770%
30	0.0986%	45	0.2944%	60	1.4774%

- Retirement - Latest of age 53, age at the completion of 25 years of service, or age on valuation date
- Percent of Eligible Retirees Electing Coverage in Plan
  - Police - Before age 62, 50% of eligible retirees are assumed to elect medical, prescription drug, dental and vision coverage on retiring. Upon attainment of age 62-65, 100% of eligible retirees are assumed to elect medical, dental, prescription drug, and vision coverage. Vested Former Members are assumed to elect coverage at age 62 or age at valuation date, if later.
  - Paid Firemen - Not applicable.
- Percent Married at Retirement and Spouse Age at Retirement - 80% are assumed to be married and have a spouse covered at retirement. Wives are assumed to be 2 years younger than their husbands.
- Non-spouse Dependents - none assumed.
- Per Capita Claims Cost - The per capita claims cost for medical and prescription drug is based on the expected portion of the group’s overall cost attributed to individuals in the specified age and gender brackets. Dental and vision costs are assumed to not vary with age or gender. Post-65 claims only include prescription drug coverage, since retirees cannot continue medical coverage past age 65. The resulting costs are as follows:

<b>Age</b>	<b>Medical and Prescription Drug Combined</b>	
	<b>Males</b>	<b>Females</b>
45-49	\$ 8,975	\$ 12,962
50-54	11,886	14,649
55-59	14,477	15,329
60-64	18,892	17,609
65+	1,890	1,890

- Retiree Contributions - Retiree contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate.
- Health Care Cost Trend Rate – 5.5% in 2020 through 2023. Rate gradually decrease from 5.4% in 2024 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

**NOTE 12 POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)**

***Paid Firemen (Continued)***

**Actuarial Methods and Assumptions (Continued)**

- Actuarial Value of Assets - equal to the market value of assets.
- Actuarial Cost Method - Entry Age Normal - Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets. Actuarial gains and losses serve to reduce or increase the Unfunded Accrued Liability.
- Participant Data - Based on census information as of January 1, 2020.

**Changes in Assumptions**

The discount rate changed from 3.26% to 1.93%.

**Plan Membership**

Membership of the plan as of December 31, 2021 consisted of:

	Police	Paid Firemen	Total
Active Participants	30	-	30
Vested Former Participants	5	-	5
Retired Participants	12	3	15
Total	<u>47</u>	<u>3</u>	<u>50</u>

Annual payroll for active police is \$ 2,807,137. There are no active firemen.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resourced Relate to OPEB**

The Township's total OPEB liability was measured as of January 1, 2021 using an actuarial valuation based on census information as of January 1, 2021. The plan has no assets that are accumulated in a trust that meets the criteria established in GASB Statement No. 75. At December 31, 2021, the Township reported a total OPEB liability of \$ 4,484,748.

The table below summarizes the OPEB liability and OPEB expense:

	<b>Total OPEB / Net OPEB Liability</b>	<b>OPEB Expense</b>
Police	\$ 4,284,931	\$ 250,017
Paid Firemen	<u>199,817</u>	<u>14,992</u>
Total	<u>\$ 4,484,748</u>	<u>\$ 265,009</u>

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

**NOTE 12 POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)**

**Changes in the Total OPEB Liability**

	<b>Police</b>	<b>Paid Firemen</b>	<b>Total</b>
Balances at December 31, 2020	\$ 3,650,931	\$ 177,973	\$ 3,828,904
Service Cost	201,481	-	201,481
Interest Cost	122,717	5,666	128,383
Changes of Assumptions	472,386	23,856	496,242
Benefit Payments	<u>(162,584)</u>	<u>(7,678)</u>	<u>(170,262)</u>
Net Changes	<u>634,000</u>	<u>21,844</u>	<u>655,844</u>
Balances at December 31, 2021	<u>\$ 4,284,931</u>	<u>\$ 199,817</u>	<u>\$ 4,484,748</u>

At December 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB:

	<b>Police</b>		<b>Paid Firemen</b>		<b>Total</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 693,413	\$ 18,487	\$ -	\$ 18,487	\$ 693,413
Change of assumptions	498,566	209,521	39,501	-	538,067	209,521
Benefit payments subsequent to the measurement date	<u>183,698</u>	<u>-</u>	<u>7,976</u>	<u>-</u>	<u>191,674</u>	<u>-</u>
	<u>\$ 682,264</u>	<u>\$ 902,934</u>	<u>\$ 65,964</u>	<u>\$ -</u>	<u>\$ 748,228</u>	<u>\$ 902,934</u>

The amount of \$ 191,674 is reported as deferred outflows of resources related to OPEB resulting from Township benefit payments subsequent to the measurement date and will be recognized as a reduction in the total OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended December 31:

2022	\$ (64,855)
2023	(64,855)
2024	(64,855)
2025	(64,855)
2026	(87,056)
Thereafter	<u>96</u>
	<u>\$ (346,380)</u>

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

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**NOTE 12 POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)**

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**Sensitivity of Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Plan, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease (0.93%)</b>	<b>Current Discount Rate (1.93%)</b>	<b>1% Increase (2.93%)</b>
Plan's Total OPEB Liability	\$ 4,920,124	\$ 4,484,748	\$ 4,094,611

**Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rate**

The following presents the total OPEB liability of the Plan, as well as what the Plan's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
Plan's Total OPEB Liability	\$ 3,926,522	\$ 4,484,748	\$ 5,148,843

**Payables to the OPEB Plan**

As of December 31, 2021, the Township had no payables to the OPEB plan.

**NOTE 13 CONTINGENCIES**

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***Litigation***

In the normal course of operations, the Township is involved in various civil disputes. Management is of the opinion that any unfavorable outcome resulting from these actions would not have a material effect on the Township's financial position and/or would be covered by the Township's insurance.

***Grant Programs***

The Township participates in various federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Township is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

***Health Insurance***

The Township is a member of the Intergovernmental Insurance Cooperative (IIC) through which it self-insures for employee health claims. These claims are administered by Highmark Blue Shield. During the year ended December 31, 2021 the Township remitted their contracted monthly amount to IIC who pays the funds directly to Highmark Blue Shield. Under the shared pooling agreement with IIC, the Township's claims may exceed their monthly contributions and no additional payments are required to cover their underpayment. The Township has a limited liability of \$ 55,000 per covered person on the plan, with a Stop Loss coverage thereafter.

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

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**NOTE 13 CONTINGENCIES (CONTINUED)**

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***Health Insurance (Continued)***

Employee contributions are recorded as reimbursements in the respective funds. Township contributions for monthly claims liability are shown in the General and Sewer funds for the year ended December 31, 2021. As of December 31, 2021, there are no additional assessments relating to the health plan.

***Workers' Compensation***

The Township participates in the Susquehanna Municipal Trust, which is a cooperative voluntary trust arrangement for 66 member municipalities. This agreement states that the Township pays an annual premium to the Trust for the purpose of seeking prevention or lessening of claims due to injuries of employees of the members and pooling workers' compensation and occupational disease insurance risks, reserves, claims, and losses and providing self-insurance and re-insurance thereof.

It is the intent of the members of the Trust that the Trust will utilize funds contributed by the members to provide self-insurance and reimbursement to the members for their obligations to pay compensation as required under the Workers' Compensation Act and the Pennsylvania Occupational Disease Act and to purchase excess and aggregate insurance. The Trust is limited in liability up to \$ 1,000,000 for a claim over its life. As of December 31, 2021, the Township is not aware of any additional assessments relating to the Trust.

The Township is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Township has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous year. During the year ended December 31, 2021, no settlements exceeded insurance coverage.

**NOTE 14 COMMITMENTS**

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In 2021, the City of York entered into an asset purchase agreement with Pennsylvania-American Water Company (PAWC) to acquire the wastewater system that provides public wastewater collection and treatment service to customers in the City of York, and public wastewater treatment and conveyance service to various surrounding areas including Springettsbury Township. A new proposed agreement between PAWC and the Township is in process to extend the Township's capacity of 4.8 MGD to begin in 2022. The agreement will continue the annual payment of \$30,000 commencing on July 1, 2022, for a three-year period, through July 1, 2024.

**SPRINGETTSBURY TOWNSHIP**  
**Notes to Financial Statements**

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**NOTE 15 SUBSEQUENT EVENTS**

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In December 2021, the Township received notification of a grant awarded from the Redevelopment Assistance Capital Program (RACP). The RACP grant is a Commonwealth grant program administered by the PA Office of the Budget for the acquisition and construction of regional economic, cultural, civic, recreational and historical improvement projects. Springettsbury Township was awarded a \$3,500,000 grant to supplement funding for the renovated Administration Building project and new Police Station.

The Township also received a Multi-Modal Transportation grant from the Commonwealth Financing Authority. The grant, in the amount of \$836,326, will support the Davies Drive Railway Crossing project, expected to be completed in late 2022 or early 2023.



**REQUIRED SUPPLEMENTARY INFORMATION**

**SPRINGETTSBURY TOWNSHIP**  
**Budgetary Comparison Schedule - General Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<b>Actual (Budgetary Basis)</b>	<b>Variance Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Real estate taxes and penalties	\$ 3,608,715	\$ 3,608,715	\$ 3,555,592	\$ (53,123)
Other taxes	8,040,000	8,040,000	9,514,576	1,474,576
Licenses and permits	449,000	449,000	482,040	33,040
Fines and forfeits	198,500	198,500	152,244	(46,256)
Interest, rents, and royalties	35,002	35,002	13,519	(21,483)
Intergovernmental revenues	934,530	934,530	1,447,246	512,716
Charges for services	1,420,748	1,420,748	1,849,532	428,784
Miscellaneous	<u>4,000</u>	<u>4,000</u>	<u>52,622</u>	<u>48,622</u>
Total revenues	14,690,495	14,690,495	17,067,371	2,376,876
<b>EXPENDITURES</b>				
General government	2,570,891	2,570,891	1,662,366	908,525
Public safety	9,229,139	9,229,139	7,564,674	1,664,465
Highways and streets	1,802,552	1,802,552	1,726,250	76,302
Culture and recreation	714,315	714,315	622,104	92,211
Debt service	-	-	225,387	(225,387)
Employee benefits, insurance and other	<u>258,130</u>	<u>258,130</u>	<u>4,235,086</u>	<u>(3,976,956)</u>
Total expenditures	<u>14,575,027</u>	<u>14,575,027</u>	<u>16,035,867</u>	<u>(1,460,840)</u>
Excess of revenues over expenditures	<u>115,468</u>	<u>115,468</u>	<u>1,031,504</u>	<u>916,036</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Use of fund balance	919,399	919,399	-	(919,399)
Proceeds from capital lease	-	-	433,210	433,210
Transfers out	(1,342,867)	(1,342,867)	(1,342,953)	(86)
Other financing sources	308,000	308,000	33,987	(274,013)
Refund of prior year expenses	<u>-</u>	<u>-</u>	<u>412,229</u>	<u>412,229</u>
Total other financing sources (uses)	<u>(115,468)</u>	<u>(115,468)</u>	<u>(463,527)</u>	<u>(348,059)</u>
Changes in fund balance	<u>\$ -</u>	<u>\$ -</u>	567,977	<u>\$ 567,977</u>
<b>FUND BALANCE - beginning</b>			<u>8,044,062</u>	
<b>FUND BALANCE - ending</b>			<u>\$ 8,612,039</u>	

**SPRINGETTSBURY TOWNSHIP**  
**Budgetary Comparison Schedule - ARPA Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and royalties	\$ -	\$ -	\$ 253	\$ 253
<b>EXPENDITURES</b>				
None	-	-	-	-
Changes in fund balance	<u>\$ -</u>	<u>\$ -</u>	253	<u>\$ 253</u>
<b>FUND BALANCE - beginning</b>			<u>-</u>	
<b>FUND BALANCE - ending</b>			<u>\$ 253</u>	

# SPRINGETTSBURY TOWNSHIP

## Schedule of Changes in the Township's Net Position Liability and Related Ratios - Police Pension Plan

	2021	2020	2019	2018	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>							
Service cost	\$ 592,548	\$ 607,138	\$ 578,227	\$ 502,580	\$ 478,648	\$ 499,093	\$ 475,327
Interest	1,616,838	1,563,939	1,481,579	1,401,762	1,331,002	1,247,999	1,183,604
Changes for experience	(250,470)	-	(472,759)	-	(369,444)	-	-
Changes in assumptions	727,709	-	1,178,422	-	611,087	-	-
Benefit payments	<u>(1,058,282)</u>	<u>(986,843)</u>	<u>(837,432)</u>	<u>(872,351)</u>	<u>(842,816)</u>	<u>(804,011)</u>	<u>(784,975)</u>
<b>NET CHANGES IN TOTAL PENSION LIABILITY</b>	1,628,343	1,184,234	1,928,037	1,031,991	1,208,477	943,081	873,956
<b>TOTAL PENSION LIABILITY - beginning of year</b>	<u>23,412,510</u>	<u>22,228,276</u>	<u>20,300,239</u>	<u>19,268,248</u>	<u>18,059,771</u>	<u>17,116,690</u>	<u>16,242,734</u>
<b>TOTAL PENSION LIABILITY - end of year</b>	<u>25,040,853</u>	<u>23,412,510</u>	<u>22,228,276</u>	<u>20,300,239</u>	<u>19,268,248</u>	<u>18,059,771</u>	<u>17,116,690</u>
<b>PLAN FIDUCIARY NET POSITION</b>							
Contributions - employer	916,246	882,291	940,554	725,315	728,359	770,318	719,203
Contributions - plan members	151,977	156,244	154,458	148,371	135,121	140,823	147,908
Net investment income	2,507,960	2,432,011	2,660,969	(808,165)	1,943,977	613,087	(186,581)
Benefit payments	(1,058,282)	(986,843)	(837,432)	(872,351)	(842,816)	(804,011)	(784,975)
Administrative expense	<u>(5,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,780)</u>	<u>(16,420)</u>	<u>(2,550)</u>
<b>NET CHANGES IN PLAN FIDUCIARY NET POSITION</b>	2,512,001	2,483,703	2,945,631	(806,830)	1,950,861	703,797	(106,995)
<b>PLAN FIDUCIARY NET POSITION - beginning of year</b>	<u>21,445,990</u>	<u>18,962,287</u>	<u>16,016,656</u>	<u>16,823,486</u>	<u>14,872,625</u>	<u>14,168,828</u>	<u>14,275,823</u>
<b>PLAN FIDUCIARY NET POSITION - end of year</b>	<u>23,957,991</u>	<u>21,445,990</u>	<u>18,962,287</u>	<u>16,016,656</u>	<u>16,823,486</u>	<u>14,872,625</u>	<u>14,168,828</u>
<b>TOWNSHIP'S NET PENSION LIABILITY</b>	<u>\$ 1,082,862</u>	<u>\$ 1,966,520</u>	<u>\$ 3,265,989</u>	<u>\$ 4,283,583</u>	<u>\$ 2,444,762</u>	<u>\$ 3,187,146</u>	<u>\$ 2,947,862</u>
Plan fiduciary net position as a percentage of the total pension liability	95.68%	91.60%	85.31%	78.90%	87.31%	82.35%	82.78%
Covered payroll	\$ 2,970,220	\$ 3,044,437	\$ 2,841,417	\$ 2,889,962	\$ 2,787,651	\$ 2,759,220	\$ 2,617,369
Net pension liability as a percentage of covered payroll	36.46%	64.59%	114.94%	148.22%	87.70%	115.51%	112.63%

Note: This schedule will be expanded to show multi-year trends as additional information becomes available in the future.

**SPRINGETTSBURY TOWNSHIP**  
**Schedule of Contributions – Police Pension Plan**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 916,246	\$ 882,291	\$ 940,554	\$ 725,315	\$ 728,359	\$ 707,491	\$ 719,203	\$ 640,060	\$ 620,661	\$ 612,225
Contributions in relation to the actuarially determined contribution	<u>916,246</u>	<u>882,291</u>	<u>940,554</u>	<u>725,315</u>	<u>728,359</u>	<u>770,318</u>	<u>719,203</u>	<u>640,060</u>	<u>620,661</u>	<u>612,225</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (62,827)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,970,220	\$ 3,044,437	\$ 2,841,417	\$ 2,889,962	\$ 2,787,651	\$ 2,759,220	\$ 2,617,369	N/A	N/A	N/A
Contributions as a percentage of covered payroll	30.85%	28.98%	33.10%	25.10%	26.13%	27.92%	27.48%	N/A	N/A	N/A

N/A = Not Available

**SPRINGETTSBURY TOWNSHIP**  
**Schedule of Investment Returns - Police Pension Plan**

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	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Annual money-weighted rate of return, net of investment expense	11.82%	13.00%	16.75%	-4.87%	13.19%	4.29%	-1.36%	5.03%	12.91%	10.16%

**SPRINGETTSBURY TOWNSHIP**  
**Schedule of the Township's Other Post-Employment Benefits (OPEB) Liability**

	2021	2020	2019	2018
Beginning liability	\$ 3,828,904	\$ 4,538,708	\$ 4,406,409	\$ 3,986,483
Service cost	201,481	245,687	256,080	223,825
Interest	128,383	171,485	146,154	153,489
Differences between expected and actual experience	-	(899,902)	-	-
Changes in assumptions	496,242	(91,808)	(200,983)	177,612
Benefit payments	<u>(170,262)</u>	<u>(135,266)</u>	<u>(68,952)</u>	<u>(135,000)</u>
Net changes	<u>655,844</u>	<u>(709,804)</u>	<u>132,299</u>	<u>419,926</u>
Ending liability	<u>\$ 4,484,748</u>	<u>\$ 3,828,904</u>	<u>\$ 4,538,708</u>	<u>\$ 4,406,409</u>
Covered-employee payroll	\$ 2,807,137	\$ 2,807,137	\$ 2,786,631	\$ 2,786,631
Total OPEB liability as a % of covered-employee payroll	159.76%	136.40%	162.87%	158.13%

**SUPPLEMENTARY INFORMATION**



**SPRINGETTSBURY TOWNSHIP**  
**Budgetary Comparison Schedules – Capital Project Funds**  
**Year Ended December 31, 2021**

	<b>Capital Improvement Fund</b>		<b>Storm Water Reserve Fund</b>		<b>Total</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>						
Interest, rents and royalties	\$ -	\$ 4,284	\$ 750	\$ 82	\$ 750	\$ 4,366
Contributions from private sources	<u>479,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>479,608</u>	<u>-</u>
Total revenues	<u>479,608</u>	<u>4,284</u>	<u>750</u>	<u>82</u>	<u>480,358</u>	<u>4,366</u>
<b>EXPENDITURES</b>						
Public safety	192,978	192,978	-	-	192,978	192,978
Highways and streets	14,188,008	5,245,085	-	-	14,188,008	5,245,085
Other public works	28,000	-	-	-	28,000	-
Debt service	<u>631,490</u>	<u>863,686</u>	<u>-</u>	<u>-</u>	<u>631,490</u>	<u>863,686</u>
Total expenditures	<u>15,040,476</u>	<u>6,301,749</u>	<u>-</u>	<u>-</u>	<u>15,040,476</u>	<u>6,301,749</u>
(Deficiency) of revenues over expenditures	<u>(14,560,868)</u>	<u>(6,297,465)</u>	<u>750</u>	<u>82</u>	<u>(14,560,118)</u>	<u>(6,297,383)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer in	853,468	853,468	-	-	853,468	853,468
Proceeds from long-term debt	13,707,400	20,856,957	-	-	13,707,400	20,856,957
Refunding of long-term debt	<u>-</u>	<u>(4,115,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,115,000)</u>
Total other financing sources (uses)	<u>14,560,868</u>	<u>17,595,425</u>	<u>-</u>	<u>-</u>	<u>14,560,868</u>	<u>17,595,425</u>
Net change in fund balances	-	11,297,960	750	82	750	11,298,042
<b>FUND BALANCE (DEFICIT) - beginning</b>	<u>(1,028,001)</u>	<u>(978,626)</u>	<u>103,919</u>	<u>105,354</u>	<u>(924,082)</u>	<u>(873,272)</u>
<b>FUND BALANCE (DEFICIT) - ending</b>	<u><u>\$ (1,028,001)</u></u>	<u><u>\$ 10,319,334</u></u>	<u><u>\$ 104,669</u></u>	<u><u>\$ 105,436</u></u>	<u><u>\$ (923,332)</u></u>	<u><u>\$ 10,424,770</u></u>

**SPRINGETTSBURY TOWNSHIP**  
**Budgetary Comparison Schedules – Nonmajor Governmental Funds**  
**Year Ended December 31, 2021**

	State Liquid Fuels Fund		Petitioned Street Lighting Fund		Subdivision Recreation Fund		Water Quality MS4		Total	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
<b>REVENUES</b>										
Other taxes	\$ -	\$ -	\$ 86,500	\$ 99,427	\$ -	\$ -	\$ -	\$ -	86,500	\$ 99,427
Interest, rents and royalties	14,240	525	-	125	-	260	-	-	14,240	910
Intergovernmental revenue	776,260	799,589	-	-	-	-	-	-	776,260	799,589
Miscellaneous revenue	-	-	-	-	210,404	-	787,450	-	997,854	-
Contributions from private sources	-	-	-	-	-	259,277	-	-	-	259,277
Total revenues	790,500	800,114	86,500	99,552	210,404	259,537	787,450	-	1,874,854	1,159,203
<b>EXPENDITURES</b>										
Highways and streets	790,500	501,833	86,500	71,459	-	-	-	-	877,000	573,292
Stormwater	-	-	-	-	-	-	1,276,850	550,018	1,276,850	550,018
Culture and recreation	-	-	-	-	210,404	113,075	-	-	210,404	113,075
Total expenditures	790,500	501,833	86,500	71,459	210,404	113,075	1,276,850	550,018	2,364,254	1,236,385
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfer in	-	-	-	-	-	-	489,400	550,018	489,400	550,018
Net change in fund balances	-	298,281	-	28,093	-	146,462	-	-	-	472,836
<b>FUND BALANCE - beginning</b>	<u>1,016,811</u>	<u>477,266</u>	<u>125,283</u>	<u>138,458</u>	<u>18,391</u>	<u>2,545</u>	<u>12,891</u>	<u>-</u>	<u>1,173,376</u>	<u>618,269</u>
<b>FUND BALANCE - ending</b>	<u>\$ 1,016,811</u>	<u>\$ 775,547</u>	<u>\$ 125,283</u>	<u>\$ 166,551</u>	<u>\$ 18,391</u>	<u>\$ 149,007</u>	<u>\$ 12,891</u>	<u>\$ -</u>	<u>\$ 1,173,376</u>	<u>\$ 1,091,105</u>

**SPRINGETTSBURY TOWNSHIP**  
**Combining Balance Sheets – Capital Projects Funds**  
**Year Ended December 31, 2021**

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	<b>Capital Improvement Fund</b>	<b>Storm Water Reserve Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 75,020	\$ 105,436	\$ 180,456
Investments	<u>12,249,955</u>	<u>-</u>	<u>12,249,955</u>
Total assets	<u>\$ 12,324,975</u>	<u>\$ 105,436</u>	<u>\$ 12,430,411</u>
<b>LIABILITIES</b>			
Due to other funds	\$ 1,261,708	\$ -	\$ 1,261,708
Accounts payable	655,599	-	655,599
Retainage payable	<u>88,334</u>	<u>-</u>	<u>88,334</u>
Total liabilities	<u>2,005,641</u>	<u>-</u>	<u>2,005,641</u>
<b>FUND BALANCES:</b>			
Restricted	-	105,436	105,436
Unassigned	<u>10,319,334</u>	<u>-</u>	<u>10,319,334</u>
Total fund balances	<u>10,319,334</u>	<u>105,436</u>	<u>10,424,770</u>
Total liabilities and fund balances	<u>\$ 12,324,975</u>	<u>\$ 105,436</u>	<u>\$ 12,430,411</u>

**SPRINGETTSBURY TOWNSHIP**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)**  
**- Capital Projects Funds**  
**Year Ended December 31, 2021**

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	<b>Capital Improvement Fund</b>	<b>Storm Water Reserve Fund</b>	<b>Total</b>
<b>REVENUES</b>			
Interest, rents and royalties	\$ 4,284	\$ 82	\$ 4,366
Total revenues	<u>4,284</u>	<u>82</u>	<u>4,366</u>
<b>EXPENDITURES</b>			
Public safety	192,978	-	192,978
Highways and streets	5,245,085	-	5,245,085
Debt service	<u>863,686</u>	<u>-</u>	<u>863,686</u>
Total expenditures	<u>6,301,749</u>	<u>-</u>	<u>6,301,749</u>
Excess (deficit) of revenues over expenditures	<u>(6,297,465)</u>	<u>82</u>	<u>(6,297,383)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in	853,468	-	853,468
Proceeds from long-term debt	20,856,957	-	20,856,957
Refunding of long-term debt	<u>(4,115,000)</u>	<u>-</u>	<u>(4,115,000)</u>
Total other financing sources (uses)	<u>17,595,425</u>	<u>-</u>	<u>17,595,425</u>
<b>NET CHANGE IN FUND BALANCES</b>	11,297,960	82	11,298,042
<b>FUND BALANCE (DEFICIT) - beginning</b>	<u>(978,626)</u>	<u>105,354</u>	<u>(873,272)</u>
<b>FUND BALANCE - ending</b>	<u>\$ 10,319,334</u>	<u>\$ 105,436</u>	<u>\$ 10,424,770</u>

**SPRINGETTSBURY TOWNSHIP**  
**Combining Balance Sheets – Nonmajor Governmental Funds**  
**Year Ended December 31, 2021**

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	State Liquid Fuels Fund	Petitioned Street Lighting Fund	Subdivision Recreation Fund	Water Quality MS4	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 775,397	\$ 165,006	\$ 186,096	\$ -	\$ 1,126,499
Taxes receivable, net	<u>-</u>	<u>1,745</u>	<u>-</u>	<u>-</u>	<u>1,745</u>
Total Assets	<u>\$ 775,397</u>	<u>\$ 166,751</u>	<u>\$ 186,096</u>	<u>\$ -</u>	<u>\$ 1,128,244</u>
<b>LIABILITIES</b>					
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,139</u>	<u>\$ -</u>	<u>\$ 37,139</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>37,139</u>	<u>-</u>	<u>37,139</u>
<b>FUND BALANCES</b>					
Restricted	775,397	-	-	-	775,397
Assigned	<u>-</u>	<u>166,751</u>	<u>148,957</u>	<u>-</u>	<u>315,708</u>
Total fund balances	<u>775,397</u>	<u>166,751</u>	<u>148,957</u>	<u>-</u>	<u>1,091,105</u>
Total liabilities and fund balances	<u>\$ 775,397</u>	<u>\$ 166,751</u>	<u>\$ 186,096</u>	<u>\$ -</u>	<u>\$ 1,128,244</u>

**SPRINGETTSBURY TOWNSHIP**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2021**

	State Liquid Fuels Fund	Petitioned Street Lighting Fund	Subdivision Recreation Fund	Water Quality MS4	Total
<b>REVENUES</b>					
Other taxes	\$ -	\$ 99,427	\$ -	\$ -	\$ 99,427
Interest, rent and royalties	525	125	260	-	910
Intergovernmental revenue	799,589	-	-	-	799,589
Miscellaneous revenue	-	-	259,277	-	259,277
Total revenues	800,114	99,552	259,537	-	1,159,203
<b>EXPENDITURES</b>					
Highways and streets	501,833	71,459	-	-	573,292
Stormwater	-	-	-	550,018	550,018
Culture and recreation	-	-	113,075	-	113,075
Total expenditures	501,833	71,459	113,075	550,018	1,236,385
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	550,018	550,018
<b>NET CHANGE IN FUND BALANCES</b>	298,281	28,093	146,462	-	472,836
<b>FUND BALANCE - beginning</b>	477,116	138,658	2,495.00	-	618,269
<b>FUND BALANCE - ending</b>	\$ 775,397	\$ 166,751	\$ 148,957	\$ -	\$ 1,091,105