

**YORK TOWNSHIP**

**YEAR ENDED DECEMBER 31, 2021**



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

A Professional Corporation

# ***YORK TOWNSHIP***

YEAR ENDED DECEMBER 31, 2021

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**YORK TOWNSHIP**

YEAR ENDED DECEMBER 31, 2021

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## Independent Auditor's Report

Board of Commissioners  
York Township  
Dallastown, Pennsylvania

### **Report on the Audit of the Financial Statements**

#### *Opinions*

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of York Township as of December 31, 2021, and the respective changes in financial position and cash flows thereof, where applicable, 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 York Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 York 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 substantive 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, 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 York 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 York 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, budgetary comparison information and schedules of historical pension information be presented to supplement the basic financial statements. Such information, 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 inquires 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 York Township’s basic financial statements as a whole. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements of York Township. The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Brown Schultz Steindam's Fritz*

Camp Hill, Pennsylvania  
May 12, 2022

# YORK TOWNSHIP



190 Oak Road, Dallastown, Pennsylvania 17313 • Phone (717) 741-3861 • Fax (717) 741-5009

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED DECEMBER 31, 2021

### OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis of York Township's (the Township) financial performance provides a brief overview of the Township's financial activities for the year ended December 31, 2021. The Management's Discussion and Analysis is an element of the reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34, *Basic Financial Statements*.

The accompanying financial statements for York Township for the year ended December 31, 2021 have been prepared in accordance with GASB standards and present both government-wide and fund level financial statements using both the accrual and modified accrual basis of accounting, as appropriate. The government-wide financial statements show financial information about the activities of the Township as a whole and provide a longer-term view of the Township's finances. The statement of net position and the statement of activities provide this information. These statements distinguish between those activities of the Township that are governmental and those that are considered business-type activities. These statements are prepared using the accrual basis of accounting. All assets and liabilities of the Township are included in these statements, and all of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid. This method of financial presentation is similar to the accounting used by most private-sector companies. Fund financial statements show how the Township finances its services in the short-term, as well as what remains for future spending. Fund financial statements provide separate information for the Township's most significant funds, and nonmajor funds are aggregated and presented together. The modified accrual method of accounting is used in the governmental fund financial statements. This method measures cash and all other financial assets that can be readily converted to cash. In the financial statements, there are reconciliations which show the differences between the government-wide financial statements and the governmental fund financial statements. Lastly, a statement of fiduciary net position and statement of changes in fiduciary net position are provided which provide financial information about activities that the Township acts solely as an agent for the benefit of others. These activities are excluded from the other financial statements of the Township because these assets cannot be used to finance the Township's operations.

## ***YORK TOWNSHIP***

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED) YEAR ENDED DECEMBER 31, 2021

#### **FINANCIAL HIGHLIGHTS**

- The Township's net pension asset at December 31, 2021 is \$138,584. The Township also reports a \$1,334,519 deferred outflow of resources, which represents changes in assumptions as of December 31, 2021. In addition, the Township reports a \$1,374,395 deferred inflow of resources related to the pension plan, which represents the difference between the projected and actual earnings on pension plan investments and the difference between the projected and actual experience as of December 31, 2021.
- The Township's net position is stated at \$113,948,379 as of December 31, 2021. Net position increased by 4% over 2020.
- The expenditures of all the Township's programs totaled \$20,316,720 compared to \$19,360,877 in 2020.
- During the year, the Township's expenditures from governmental activities totaled \$12,964,151 and were offset by program revenues of \$4,124,828 and general revenues of \$11,993,068, generating a change in net position of \$3,153,745. Expenses from business-type activities totaled \$7,352,569 and were offset by general revenues of \$51,130 and program revenues of \$8,746,855, generating a change in net position of \$1,445,416. This combined to a total government-wide change in net position of \$4,599,161 for 2021.
- In the beginning of 2020, the Township made the decision to expand their services, by building a sanitary sewer building and upgrading the fuel island on the Municipal Campus. The fuel island was completed and operational by the end of the year. The sewer building was still under construction at December 31, 2021.
- The Township purchased 65 acres at 155 Oak Road for the future growth of the Township services, including, but not limited to, recreation, public works and administration in the amount of \$2,065,000.
- In 2021, the Township was awarded \$3,010,914 in grant monies through the American Rescue Recovery Act (ARPA). Half of the funds awarded were received in 2021 and the remaining will be received in 2022. All funds must be utilized by the end of December 31, 2024. The Township expended \$749,000 of ARPA funds in 2021 to offset the increase in police costs.

## YORK TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED) YEAR ENDED DECEMBER 31, 2021

#### Government-wide financial statements

A condensed summary of the Township's assets and deferred outflows, liabilities and deferred inflows and net position at December 31, 2021 and 2020 is shown below.

Summary Statements of Net Position as of December 31, 2021 and 2020

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 24,574,515	\$ 22,362,665	\$ 23,824,141	\$ 26,436,959	\$ 48,398,656	\$ 48,799,624
Noncurrent assets, other than pension	30,904,717	29,056,368	37,671,508	33,233,002	68,576,225	62,289,370
Net pension asset	108,941	431,083	29,643	140,703	138,584	571,786
Deferred outflows	990,239	100,202	344,280	37,441	1,334,519	137,643
<b>Total assets and deferred outflows</b>	<b>\$ 56,578,412</b>	<b>\$ 51,950,318</b>	<b>\$ 61,869,572</b>	<b>\$ 59,848,105</b>	<b>\$ 118,447,984</b>	<b>\$ 111,798,423</b>
Current liabilities	\$ 1,474,232	\$ 294,049	\$ 1,391,928	\$ 917,652	\$ 2,866,160	\$ 1,211,701
Noncurrent liabilities, other than pension	206,658	259,861	52,392	70,372	259,050	330,233
Deferred inflows	1,021,779	674,410	352,616	232,861	1,374,395	907,271
<b>Total liabilities and deferred inflows</b>	<b>\$ 2,702,669</b>	<b>\$ 1,228,320</b>	<b>\$ 1,796,936</b>	<b>\$ 1,220,885</b>	<b>\$ 4,499,605</b>	<b>\$ 2,449,205</b>
Investment in capital assets	\$ 30,904,717	\$ 29,056,368	\$ 37,134,422	\$ 32,695,916	\$ 68,039,139	\$ 61,752,284
Restricted	5,658,909	5,806,996			5,658,909	5,806,996
Unrestricted	17,312,117	15,858,634	22,938,214	25,931,304	40,250,331	41,789,938
<b>Total net position</b>	<b>\$ 53,875,743</b>	<b>\$ 50,721,998</b>	<b>\$ 60,072,636</b>	<b>\$ 58,627,220</b>	<b>\$ 113,948,379</b>	<b>\$ 109,349,218</b>

The \$40,250,331 of unrestricted net position represents the cumulative results of all current year and all past years' operations. The results of the current year's operations are presented in the statement of activities for the year ended December 31, 2021.

## YORK TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED) YEAR ENDED DECEMBER 31, 2021

This statement provides a condensed summary of the Township's results of operations:

Summary Statements of Activities for the years ended December 31, 2021 and 2020

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,999,225	\$ 2,200,970	\$ 8,746,855	\$ 8,430,565	\$ 10,746,080	\$ 10,631,535
Operating grants and contributions	2,125,603	2,165,039			2,125,603	2,165,039
<b>Total program revenue</b>	<b>4,124,828</b>	<b>4,366,009</b>	<b>8,746,855</b>	<b>8,430,565</b>	<b>12,871,683</b>	<b>12,796,574</b>
General revenues:						
Taxes	11,616,862	10,977,810			11,616,862	10,977,810
Interest	93,881	269,671	53,465	293,148	147,346	562,819
Internal transfers	9,372	125	(9,372)	(125)	-	-
Gain (loss) on disposal of assets	(22,713)	40,692			(22,713)	40,692
Miscellaneous	295,666	347,808	7,037		302,703	347,808
<b>Total general revenues</b>	<b>11,993,068</b>	<b>11,636,106</b>	<b>51,130</b>	<b>293,023</b>	<b>12,044,198</b>	<b>11,929,129</b>
<b>Total revenues</b>	<b>16,117,896</b>	<b>16,002,115</b>	<b>8,797,985</b>	<b>8,723,588</b>	<b>24,915,881</b>	<b>24,725,703</b>
<b>Expenses:</b>						
General government	1,793,628	1,879,277			1,793,628	1,879,277
Public safety	7,695,756	7,732,252			7,695,756	7,732,252
Public works	2,661,054	2,723,472			2,661,054	2,723,472
Capital purchases	69,583	128,464			69,583	128,464
Culture and recreation	744,130	793,760			744,130	793,760
Sewer funds			7,352,569	6,103,652	7,352,569	6,103,652
<b>Total expenses</b>	<b>12,964,151</b>	<b>13,257,225</b>	<b>7,352,569</b>	<b>6,103,652</b>	<b>20,316,720</b>	<b>19,360,877</b>
<b>Increase in net position</b>	<b>\$ 3,153,745</b>	<b>\$ 2,744,890</b>	<b>\$ 1,445,416</b>	<b>\$ 2,619,936</b>	<b>\$ 4,599,161</b>	<b>\$ 5,364,826</b>

Programs generated revenues of \$12,871,683 and general revenues of \$12,044,198, which offset the total cost of services of \$20,316,720, resulting in an increase in net position of \$4,599,161. The additional revenue used to provide the Township services was generated from taxes, investment earnings and other revenue sources, which were not restricted for specific programs. Overall, the Township taxpayers, through taxes, provided 47% of the Township's support for the year ended December 31, 2021. This is a 3% increase from 2020.

## ***YORK TOWNSHIP***

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED) YEAR ENDED DECEMBER 31, 2021

#### **Fund financial statements**

The fund financial statements provide detailed information about the major individual funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the Township uses to keep track of specific sources of funding and spending for a particular purpose. In addition to the major funds, the information for the nonmajor funds is summarized in the financial statements. The Township's funds are divided into three categories - governmental, proprietary and fiduciary - and use different accounting approaches.

- Governmental funds - Most of the Township's basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for future spending. The governmental fund financial statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental funds include the General Fund, which is the principal operating fund of the Township; the Capital Projects Funds, which are used for major capital purchases, renovations and construction projects of the Township's General Fund; and Special Revenue funds.
- Proprietary funds - When the Township charges customers for the services it provides, whether to outside customers or to other municipalities, these services are generally reported in proprietary funds. Proprietary funds utilize accrual accounting, the same method used by private sector businesses. Proprietary funds report activities that provide supplies and services to the general public. An example is the Sewer Fund, which provides sewer services to the residents for a fee.
- Fiduciary funds - The Township acts as a trustee or fiduciary for its employees' pension plan. It is also responsible for other assets that can only be used for specific purposes. The Township's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These funds, which include the nonuniform pension trust fund, are reported using accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the Township to finance its operations.

## **YORK TOWNSHIP**

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED) YEAR ENDED DECEMBER 31, 2021

#### *Governmental funds*

As stated earlier, fund financial statements provide the reader with an understanding of how the Township finances its services in the short term and what funds are available for future spending. The Township continues to maintain a healthy fund balance in the General Fund. As of December 31, 2021, the General Fund's fund balance was \$14,377,203 an increase of 10% over last year. The \$14,377,203 General Fund's fund balance as of December 31, 2021 is comprised of \$160,982 in non-spendable funds; \$2,500,000 in committed funds; \$1,248,232 in assigned funds and \$10,467,989 in unassigned funds.

The Capital Projects Funds' committed and restricted fund balances remain healthy, ending 2021 at \$3,021,194 for Capital Reserve; \$833,532 for Recreation Capital and \$1,098,572 for Storm Water Management for a total Capital Projects Funds' fund balance of \$4,953,298. The Township has earmarked these funds for on-going major purchases and renovations, as well as infrastructure improvements, and they are replenished each year with budgeted operating transfers from the General Fund to the Capital Reserve Funds and fee assessments for both the Storm Water Management and Recreation Capital Reserve Funds.

#### *Proprietary funds*

The Sewer Fund, the Township's primary proprietary fund, showed a \$5,625,443 change in net position for 2021 and ended the year with a very healthy net position balance of \$50,798,745, with cash and investments at \$8,979,283. The Sewer Capital Reserve Fund ended the year with a net position of \$8,888,613, with cash and investments at \$9,795,053.

#### *Fiduciary funds*

The Fiduciary Funds of the Township are presented separately in the statement of fiduciary net position because these funds are not used in the operation of the Township. However, the Township acts as the agent of these funds. Included in the statement of fiduciary net position are the assets of the employee pension fund.

## **YORK TOWNSHIP**

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED) YEAR ENDED DECEMBER 31, 2021

#### **Capital assets**

At December 31, 2021, the Township had \$68,039,139 invested in a broad range of capital assets including infrastructure, land, buildings, furniture and equipment (an increase of \$6,286,855 as compared to 2020). Below is a comparison of Township capital assets for the past two years.

	Capital Assets at Year-End			
	Governmental activities		Business-type activities	
	2021	2020	2021	2020
Land	\$ 6,309,893	\$ 4,227,228	\$ 578,399	\$ 578,399
Buildings	9,439,656	9,439,656	2,164,976	2,164,976
Storm water system	484,804	454,131		
Collection lines			5,923,612	5,459,660
Treatment plant/pump stations			2,848,479	2,848,479
Traffic lights	1,545,842	1,528,438		
Roads	16,603,580	15,617,157		
Signs	2,265	2,265		
Curbs/sidewalks	338,967	338,967		
Vehicles	3,015,234	3,060,478	1,263,223	1,263,223
Office furniture/equipment	850,295	832,861	199,152	193,556
Machinery and equipment	3,329,457	2,744,233	923,691	410,542
Infrastructure	35,403,471	35,403,471	39,393,992	39,393,992
Construction in process	660,269	412,318	5,359,503	953,021
<b>Totals</b>	<b>77,983,733</b>	<b>74,061,203</b>	<b>58,655,027</b>	<b>53,265,848</b>
Accumulated depreciation	(47,079,016)	(45,004,835)	(21,520,605)	(20,569,932)
<b>Net capital assets</b>	<b>\$ 30,904,717</b>	<b>\$ 29,056,368</b>	<b>\$ 37,134,422</b>	<b>\$ 32,695,916</b>

During the year 2021, the Township construction in process assets were higher than in 2020 due to the new construction of the fuel station and sewer storage building on the Township campus. Also, the land acquisition and increase in roads contributed to the increase in assets over the prior year.

## **YORK TOWNSHIP**

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED) YEAR ENDED DECEMBER 31, 2021

#### **Debt administration**

As of December 31, 2021 and 2020, there were no bond issues outstanding for York Township. York Township guarantees payment of any notes or bonds issued by the York Township Water and Sewer Authority, a component unit of York Township. As of December 31, 2021 and 2020, there were no issues outstanding for the York Township Water and Sewer Authority.

#### **General fund budget highlights**

The Township adopts an annual budget for the General Fund. The budget includes all revenues and expenditures of this Fund. The budget acts as the financial operating plan for the fiscal year and is revised as necessary. The Board of Commissioners may amend the budget at any time during the fiscal year by making additional appropriations or increasing existing appropriations, but the funds must be provided from unexpended balances in existing appropriations, from unappropriated revenues or from unassigned fund balances.

The Township has adopted a conservative approach to budgeting. Revenues are projected conservatively based upon historical trends, and expenditures are generally budgeted on a "worst case" scenario. In 2021, the General Fund showed a net change in fund balance of \$1,569,108, which is a combination of the budgeted \$1,636,613 operational transfer to capital projects and a \$3,205,721 excess of revenues over expenditures in 2021. Revenues came in higher than the budget because of an increase in development in the Township, which resulted in more building permits and inspections than what was anticipated for 2021, as well as the \$749,000 in ARPA funding recognized this year. These two revenue streams were recorded under charges for services and intergovernmental revenues, respectively. Expenditures came in lower than anticipated for 2021 because of several factors. General government costs came in under budget because the Township planned to have a traffic study performed for its 10-year traffic impact fees ordinance. Due to COVID-19, traffic patterns were affected by less drivers on Township roadways. The Township decided to postpone the study until traffic patterns returned back to normal. Public safety expenditures came in under budget because the workers' compensation insurance for the volunteer fire companies and Act 205 Foreign Fire Distribution came in under budget. Highway expenditures came in under budget for 2021 mostly because less winter maintenance was needed for the Township roadways in 2021. Culture and recreation expenditures were lower than expected because most of the programs and events were canceled due to COVID-19.

#### **Requests for information**

This financial report is designed to provide a general overview of York Township's finances for all those with an interest in the government's finances. If you have any questions about this report or need additional information, contact York Township, 190 Oak Avenue, Dallastown, PA 17313 or (717) 741-3861.

Separately issued financial statements for York Township Water and Sewer Authority, a component unit of York Township, can be obtained by contacting the Township Office.

**YORK TOWNSHIP**

STATEMENT OF NET POSITION  
DECEMBER 31, 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Governmental activities	Business-type activities	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 17,513,153	\$ 13,660,989	\$ 31,174,142
Investments	5,834,200	5,622,749	11,456,949
Taxes receivable	420,031		420,031
Accounts receivable	267,916	951,391	1,219,307
Prepaid expenses	160,982	10,073	171,055
Retricted assets, cash held in escrow	378,233		378,233
Intermunicipal deposits		3,578,939	3,578,939
<b>Total current assets</b>	<b>24,574,515</b>	<b>23,824,141</b>	<b>48,398,656</b>
<b>Noncurrent assets:</b>			
Long-term receivable		537,086	537,086
Capital assets, net of depreciation:			
Land	6,309,893	578,399	6,888,292
Buildings	5,083,997	1,165,846	6,249,843
Construction in progress	660,269	5,359,503	6,019,772
Storm water system	334,767		334,767
Collection lines		3,176,644	3,176,644
Treatment plant/pump stations		1,181,311	1,181,311
Infrastructure	7,390,952	24,561,080	31,952,032
Traffic lights	491,940		491,940
Roads	7,763,280		7,763,280
Signs	1,010		1,010
Curbs and sidewalks	117,164		117,164
Vehicles	1,237,450	434,768	1,672,218
Office furniture and equipment	82,208	29,851	112,059
Machinery and equipment	1,431,787	647,020	2,078,807
<b>Total capital assets, net of depreciation</b>	<b>30,904,717</b>	<b>37,134,422</b>	<b>68,039,139</b>
Net pension asset	108,941	29,643	138,584
<b>Total noncurrent assets</b>	<b>31,013,658</b>	<b>37,701,151</b>	<b>68,714,809</b>
<b>Total assets</b>	<b>55,588,173</b>	<b>61,525,292</b>	<b>117,113,465</b>
<b>Deferred outflows of resources, pensions</b>	<b>990,239</b>	<b>344,280</b>	<b>1,334,519</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 56,578,412</b>	<b>\$ 61,869,572</b>	<b>\$ 118,447,984</b>

See notes to financial statements.

# YORK TOWNSHIP

## STATEMENT OF NET POSITION DECEMBER 31, 2021

### LIABILITIES AND NET POSITION

	Governmental activities	Business-type activities	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Current liabilities:</b>			
Accounts payable	\$ 170,667	\$ 1,011,770	\$ 1,182,437
Payroll deductions and withholdings	83,080	23,297	106,377
Internal balances	(14,332)	14,332	-
Revenue received in advance	856,584		856,584
Other current liabilities		342,529	342,529
Developers escrow	378,233		378,233
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total current liabilities</b>	<b>1,474,232</b>	<b>1,391,928</b>	<b>2,866,160</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Noncurrent liabilities, compensated absences</b>	<b>206,658</b>	<b>52,392</b>	<b>259,050</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities</b>	<b>1,680,890</b>	<b>1,444,320</b>	<b>3,125,210</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Deferred inflows of resources, pensions</b>	<b>1,021,779</b>	<b>352,616</b>	<b>1,374,395</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
 <b>Net position:</b>			
Investment in capital assets	30,904,717	37,134,422	68,039,139
Restricted	5,658,909		5,658,909
Unrestricted	17,312,117	22,938,214	40,250,331
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total net position</b>	<b>53,875,743</b>	<b>60,072,636</b>	<b>113,948,379</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 56,578,412</b>	<b>\$ 61,869,572</b>	<b>\$ 118,447,984</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>

See notes to financial statements.

**YORK TOWNSHIP**

STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021

Functions/programs	Expenses	Program revenues		Net (expense) revenue and changes in net position		
		Charges for services	Operating grants and contributions	Primary government		
				Governmental activities	Business-type activities	Total
<b>Governmental activities:</b>						
General government	\$ 1,793,628	\$ 511,673	\$ 1,112,854	\$ (169,101)		\$ (169,101)
Public safety	7,695,756	869,065		(6,826,691)		(6,826,691)
Public works:						
Sanitation	24,918		80,022	55,104		55,104
Highway	2,190,270		891,146	(1,299,124)		(1,299,124)
Storm water and flood control	55,785	46,956	41,581	32,752		32,752
Other	390,081			(390,081)		(390,081)
Capital purchases	69,583			(69,583)		(69,583)
Culture and recreation	744,130	571,531		(172,599)		(172,599)
<b>Total governmental activities</b>	<b>12,964,151</b>	<b>1,999,225</b>	<b>2,125,603</b>	<b>(8,839,323)</b>		<b>(8,839,323)</b>
Business-type activities, sewer	7,352,569	8,746,855			\$ 1,394,286	1,394,286
<b>Total government activities</b>	<b>\$ 20,316,720</b>	<b>\$ 10,746,080</b>	<b>\$ 2,125,603</b>	<b>(8,839,323)</b>	<b>1,394,286</b>	<b>(7,445,037)</b>

(continued)

**YORK TOWNSHIP**

STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021

Functions/programs	Primary government		
	Governmental activities	Business-type activities	Total
<b>General revenues:</b>			
Taxes, all levies	\$ 11,616,862		\$ 11,616,862
Investment earnings	93,881	\$ 53,465	147,346
Loss on disposal of assets	(22,713)		(22,713)
Other	295,666	7,037	302,703
Internal transfers	9,372	(9,372)	-
<b>Total general revenues</b>	<b>11,993,068</b>	<b>51,130</b>	<b>12,044,198</b>
Change in net position	3,153,745	1,445,416	4,599,161
<b>Net position:</b>			
Beginning	50,721,998	58,627,220	109,349,218
<b>Ending</b>	<b>\$ 53,875,743</b>	<b>\$ 60,072,636</b>	<b>\$ 113,948,379</b>

See notes to financial statements.

**YORK TOWNSHIP**

BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	Major funds			Total governmental funds
	General Fund	Capital Projects Funds	Nonmajor funds	
<b>Assets:</b>				
Cash and cash equivalents	\$ 9,685,229	\$ 4,100,779	\$ 3,727,145	\$ 17,513,153
Investments	5,004,829	829,371		5,834,200
Due from other funds		16,732		16,732
Taxes receivable	419,971		60	420,031
Accounts receivable	219,869	48,047		267,916
Prepaid expenditures	160,982			160,982
Restricted assets, cash held in escrow	378,233			378,233
<b>Total assets</b>	<b>\$ 15,869,113</b>	<b>\$ 4,994,929</b>	<b>\$ 3,727,205</b>	<b>\$ 24,591,247</b>
<b>Liabilities:</b>				
Accounts payable	\$ 128,696	\$ 41,631	\$ 340	\$ 170,667
Due to other funds	2,400			2,400
Revenue received in advance	856,584		60	856,644
Payroll deductions and withholdings	83,080			83,080
Developers escrow	378,233			378,233
<b>Total liabilities</b>	<b>1,448,993</b>	<b>41,631</b>	<b>400</b>	<b>1,491,024</b>
<b>Deferred inflows of resources, unavailable revenue</b>	<b>42,917</b>			<b>42,917</b>
<b>Fund balances:</b>				
Nonspendable, prepaid expenses	160,982			160,982
Restricted:				
Liquid fuels			590,183	590,183
Street light			53,094	53,094
Impact fees			3,083,528	3,083,528
Recreation site fee		833,532		833,532
Storm water		1,098,572		1,098,572
Committed:				
Capital reserve		3,021,194		3,021,194
Minimum reserve requirement	2,500,000			2,500,000
Assigned:				
Emergency management	4,177			4,177
Employee benefit	1,244,055			1,244,055
Unassigned	10,467,989			10,467,989
<b>Total fund balances</b>	<b>14,377,203</b>	<b>4,953,298</b>	<b>3,726,805</b>	<b>23,057,306</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 15,869,113</b>	<b>\$ 4,994,929</b>	<b>\$ 3,727,205</b>	<b>\$ 24,591,247</b>

See notes to financial statements.

**YORK TOWNSHIP**

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2021

<b>Total fund balances, governmental funds</b>		<b>\$ 23,057,306</b>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of assets is \$77,983,733, and the accumulated depreciation is \$47,079,016.		30,904,717
Property taxes receivable will be collected subsequent to year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds.		42,977
Certain government-wide amounts are not included in the governmental funds because governmental funds use current financial resources:		
Net pension asset	\$ 108,941	
Compensated absences	<u>(206,658)</u>	(97,717)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources, pension		990,239
Deferred inflows of resources, pension		<u>(1,021,779)</u>
<b>Net position, governmental activities</b>		<b><u><u>\$ 53,875,743</u></u></b>

See notes to financial statements.

**YORK TOWNSHIP**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2021

	Major funds			Total governmental funds
	General Fund	Capital Projects Funds	Nonmajor funds	
<b>Revenues:</b>				
Taxes	\$ 11,607,084		\$ 4,970	\$ 11,612,054
Licenses and permits	511,673			511,673
Fines and forfeitures	157,991			157,991
Charges for services	805,579	\$ 524,363		1,329,942
Interest	37,635	22,132	34,114	93,881
Refund of prior year expenditures	17,609			17,609
Intergovernmental revenues	1,203,829	41,581	880,193	2,125,603
Other	5,650	8,094	263,925	277,669
<b>Total revenues</b>	<b>14,347,050</b>	<b>596,170</b>	<b>1,183,202</b>	<b>16,126,422</b>
<b>Expenditures:</b>				
General government	1,629,200	1,871,445		3,500,645
Public safety	6,791,249			6,791,249
Capital projects			15,075	15,075
Public works:				
Sanitation	24,918			24,918
Highway	2,013,346	81,536	799,559	2,894,441
Storm water and flood control		83,808		83,808
Other		41,854	2,844	44,698
Culture and recreation	682,616	1,085,054		1,767,670
<b>Total expenditures</b>	<b>11,141,329</b>	<b>3,163,697</b>	<b>817,478</b>	<b>15,122,504</b>
Excess (deficiency) of revenues over expenditures	3,205,721	(2,567,527)	365,724	1,003,918
<b>Other financing sources (uses):</b>				
Proceeds from sale of fixed assets		13,569		13,569
Operating transfers in	66	1,645,985		1,646,051
Operating transfers out	(1,636,679)			(1,636,679)
<b>Total other financing sources (uses)</b>	<b>(1,636,613)</b>	<b>1,659,554</b>		<b>22,941</b>
Net change in fund balances	1,569,108	(907,973)	365,724	1,026,859
<b>Fund balances:</b>				
Beginning	12,808,095	5,861,271	3,361,081	22,030,447
<b>Ending</b>	<b>\$ 14,377,203</b>	<b>\$ 4,953,298</b>	<b>\$ 3,726,805</b>	<b>\$ 23,057,306</b>

See notes to financial statements.

**YORK TOWNSHIP**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021

**Total net change in fund balances, governmental funds** **\$ 1,026,859**

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 these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the period.

Depreciation expense	\$ (2,149,545)	
Capital outlays, net	<u>3,997,894</u>	1,848,349

Because some property taxes will not be collected for several months after the Township's year end, they are not considered as available revenues in the governmental funds. Unavailable tax revenue increased by this amount this year.

4,808

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense:

Township pension contributions	338,548
Costs of benefits earned	(118,022)

Changes in compensated absences are not recorded as expenditures in the governmental funds but are in the statement of activities. Compensated absences decreased by this amount this year.

53,203

**Change in net position of governmental activities** **\$ 3,153,745**

See notes to financial statements.

**YORK TOWNSHIP**

STATEMENT OF NET POSITION – PROPRIETARY FUNDS  
DECEMBER 31, 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Major funds			Total
	Sewer Fund	Intermunicipal Sewer Fund	Sewer Capital Reserve Fund	
<b>Current assets:</b>				
Cash and cash equivalents	\$ 7,551,452	\$ 509,402	\$ 5,600,135	\$ 13,660,989
Investments	1,427,831		4,194,918	5,622,749
Accounts receivable	729,303	222,088		951,391
Due from other funds	1,229,225			1,229,225
Prepaid expenses	9,637	436		10,073
Intermunicipal deposits	3,578,939			3,578,939
<b>Total current assets</b>	<b>14,526,387</b>	<b>731,926</b>	<b>9,795,053</b>	<b>25,053,366</b>
<b>Noncurrent assets:</b>				
Long-term receivable	537,086			537,086
Capital assets, net of depreciation:				
Land	578,399			578,399
Buildings	1,165,846			1,165,846
Construction in progress	5,359,503			5,359,503
Collection lines	3,176,644			3,176,644
Treatment plant/pump stations	1,181,311			1,181,311
Infrastructure	24,561,080			24,561,080
Vehicles	434,768			434,768
Office furniture and equipment	29,851			29,851
Machinery and equipment	647,020			647,020
<b>Total capital assets, net of depreciation</b>	<b>37,134,422</b>			<b>37,134,422</b>
<b>Net pension asset</b>	<b>29,643</b>			<b>29,643</b>
<b>Total noncurrent assets</b>	<b>37,701,151</b>			<b>37,701,151</b>
<b>Total assets</b>	<b>52,227,538</b>	<b>731,926</b>	<b>9,795,053</b>	<b>62,754,517</b>
<b>Deferred outflows of resources, pensions</b>	<b>344,280</b>			<b>344,280</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 52,571,818</b>	<b>\$ 731,926</b>	<b>\$ 9,795,053</b>	<b>\$ 63,098,797</b>

See notes to financial statements.

**YORK TOWNSHIP**

STATEMENT OF NET POSITION – PROPRIETARY FUNDS  
DECEMBER 31, 2021

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	Major funds			Total
	Sewer Fund	Intermunicipal Sewer Fund	Sewer Capital Reserve Fund	
<b>Current liabilities:</b>				
Accounts payable	\$ 1,008,915	\$ 2,855		\$ 1,011,770
Payroll deductions and withholdings	21,159	2,138		23,297
Due to other funds		337,117	\$ 906,440	1,243,557
Other current liabilities	342,529			342,529
<b>Total current liabilities</b>	<b>1,372,603</b>	<b>342,110</b>	<b>906,440</b>	<b>2,621,153</b>
<b>Noncurrent liabilities, compensated absences</b>	<b>47,854</b>	<b>4,538</b>		<b>52,392</b>
<b>Total liabilities</b>	<b>1,420,457</b>	<b>346,648</b>	<b>906,440</b>	<b>2,673,545</b>
<b>Deferred inflows of resources, pensions</b>	<b>352,616</b>			<b>352,616</b>
<b>Net position:</b>				
Investment in capital assets	37,134,422			37,134,422
Unrestricted	13,664,323	385,278	8,888,613	22,938,214
<b>Total net position</b>	<b>50,798,745</b>	<b>385,278</b>	<b>8,888,613</b>	<b>60,072,636</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 52,571,818</b>	<b>\$ 731,926</b>	<b>\$ 9,795,053</b>	<b>\$ 63,098,797</b>

See notes to financial statements.

**YORK TOWNSHIP**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –  
 PROPRIETARY FUNDS  
 YEAR ENDED DECEMBER 31, 2021

	Major funds			Total
	Sewer Fund	Intermunicipal Sewer Fund	Sewer Capital Reserve Fund	
<b>Operating revenues:</b>				
Rental and service charges	\$ 6,533,867	\$ 1,863,157		\$ 8,397,024
Connection and tapping fees	349,830			349,830
Other	7,038			7,038
<b>Total operating revenues</b>	<b>6,890,735</b>	<b>1,863,157</b>		<b>8,753,892</b>
Operating expenses, operations of facilities	4,602,009	1,784,562	\$ 15,323	6,401,894
Net operating income (loss) before depreciation	2,288,726	78,595	(15,323)	2,351,998
Depreciation	950,675			950,675
Net operating income (loss)	1,338,051	78,595	(15,323)	1,401,323
Nonoperating revenue, earnings on investments, net	41,973	4,531	6,961	53,465
Net income (loss) before operating transfers	1,380,024	83,126	(8,362)	1,454,788
<b>Operating transfers:</b>				
Transfers in	4,245,419			4,245,419
Transfers out			(4,254,791)	(4,254,791)
<b>Total operating transfers</b>	<b>4,245,419</b>		<b>(4,254,791)</b>	<b>(9,372)</b>
Change in net position	5,625,443	83,126	(4,263,153)	1,445,416
<b>Net position:</b>				
Beginning	45,173,302	302,152	13,151,766	58,627,220
<b>Ending</b>	<b>\$ 50,798,745</b>	<b>\$ 385,278</b>	<b>\$ 8,888,613</b>	<b>\$ 60,072,636</b>

See notes to financial statements.

**YORK TOWNSHIP**

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2021

	Major funds			Total
	Sewer Fund	Intermunicipal Sewer Fund	Sewer Capital Reserve Fund	
<b>Cash flows from operating activities:</b>				
Cash received from users	\$ 7,352,935	\$ 2,063,213		\$ 9,416,148
Cash payments to:				
Employees for service	(1,040,235)	(92,104)		(1,132,339)
Suppliers for goods and services	(3,948,583)	(1,666,926)	\$ (991)	(5,616,500)
Other cash receipts	14,538			14,538
<b>Net cash provided by (used in) operating activities</b>	<b><u>2,378,655</u></b>	<b><u>304,183</u></b>	<b><u>(991)</u></b>	<b><u>2,681,847</u></b>
<b>Net cash provided by (used in) noncapital financing activities, operating transfers in (out)</b>	<b><u>3,525,701</u></b>		<b><u>(3,535,073)</u></b>	<b><u>(9,372)</u></b>
<b>Net cash used in capital and related financing activities, purchase of capital assets</b>	<b><u>(4,669,461)</u></b>			<b><u>(4,669,461)</u></b>
<b>Cash flows from investing activities:</b>				
Earnings on investments	73,812	4,531	98,676	177,019
Sale of investments, net	545,248		1,783,779	2,329,027
Purchases of investments, net	(304,103)		(851,761)	(1,155,864)
<b>Net cash provided by investing activities</b>	<b><u>314,957</u></b>	<b><u>4,531</u></b>	<b><u>1,030,694</u></b>	<b><u>1,350,182</u></b>
Increase (decrease) in cash and cash equivalents	1,549,852	308,714	(2,505,370)	(646,804)
<b>Cash and cash equivalents:</b>				
Beginning of year	6,001,600	200,688	8,105,505	14,307,793
<b>End of year</b>	<b><u>\$ 7,551,452</u></b>	<b><u>\$ 509,402</u></b>	<b><u>\$ 5,600,135</u></b>	<b><u>\$ 13,660,989</u></b>

(continued)

**YORK TOWNSHIP**

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021

	Major funds			Total
	Sewer Fund	Intermunicipal Sewer Fund	Sewer Capital Reserve Fund	
<b>Reconciliation of net operating income (loss) to net cash provided by (used in) operating activities:</b>				
Net operating income (loss)	\$ 1,338,051	\$ 78,595	\$ (15,323)	\$ 1,401,323
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	950,675			950,675
(Increase) decrease in:				
Accounts receivable	(25,349)	200,221		174,872
Due from other funds	(919,939)			(919,939)
Prepaid expenses	(3,908)	(164)		(4,072)
Intermunicipal deposits	498,495			498,495
Net pension asset	111,060			111,060
Deferred outflows of resources, pension	(306,839)			(306,839)
Increase (decrease) in:				
Accounts payable	622,958	7	(172,390)	450,575
Due to other funds		27,831	186,722	214,553
Compensated absences	(15,756)	(2,224)		(17,980)
Net pension liability				
Payroll deductions and withholdings	(4,358)	(83)		(4,441)
Other liabilities	13,810			13,810
Deferred inflows of resources, pension	119,755			119,755
Total adjustments	1,040,604	225,588	14,332	1,280,524
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 2,378,655</b>	<b>\$ 304,183</b>	<b>\$ (991)</b>	<b>\$ 2,681,847</b>
<b>Non cash activities:</b>				
Capital assets included in accounts payable at year end	\$ 892,108			

See notes to financial statements.



**YORK TOWNSHIP**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED DECEMBER 31, 2021

	<u>Nonuniform pension trust fund</u>
<b>Additions:</b>	
Investment gain	\$ 1,470,678
Contributions	<u>446,969</u>
<b>Total additions</b>	<b><u>1,917,647</u></b>
<b>Deductions:</b>	
Administrative expenses	59,524
Benefit payments	<u>415,839</u>
<b>Total deductions</b>	<b><u>475,363</u></b>
Change in net position	1,442,284
<b>Net position held in trust for pension benefits:</b>	
Beginning	<u>12,855,200</u>
<b>Ending</b>	<b><u><u>\$ 14,297,484</u></u></b>

See notes to financial statements.

# **YORK TOWNSHIP**

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

### **1. Organization and summary of significant accounting policies:**

The financial statements of York Township (the Township) have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

#### *Principles determining scope of reporting entity:*

York Township operates as a first class township under the laws governing municipalities in the Commonwealth of Pennsylvania. The Township operates under a Board of Commissioners form of government and provides services as authorized by statute: General Government, Public Safety (Police and Fire), Public Works (Highway and Sanitation), Culture and Recreation, Planning and Zoning and other services as required. The Township includes the component unit discussed below in the Township's reporting entity.

#### *Reporting entity:*

The Township defines its reporting entity based upon the criteria established by the Governmental Accounting Standards Board. The Township includes in its reporting entity organizations for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Township are such that exclusions would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of reporting entity is based primarily on the notion of financial accountability. The Township is financially accountable to an organization if it appoints a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Township. The Township would also include any organization fiscally dependent on it. The Township has included the component unit, York Township Water and Sewer Authority (the Authority).

#### *Blended component unit:*

The York Township Water and Sewer Authority is a municipal authority chartered under the Municipal Authorities Act of 1945, approved May 2, 1945, P.L. 382 as amended. The purpose of the Authority is to acquire, hold, construct and operate, or provide operations, of the municipal water and sewer systems for York Township. The Water and Sewer Authority has financed the sewer improvement projects of the Township through leasing arrangements. The Township guarantees the debt of York Township Water and Sewer Authority. The governing body of York Township Water and Sewer Authority is appointed by the Township Board of Commissioners.

# **YORK TOWNSHIP**

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

### **1. Organization and summary of significant accounting policies (continued):**

#### *Blended component unit:*

The separate audited financial statements of the York Township Water and Sewer Authority can be obtained from the Authority Board.

#### *Government-wide financial statements:*

The statement of net position and statement of activities display information about the reporting government as a whole. The statements include the primary government and its component units, except for the fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position and statement of activities are prepared using the economic measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund financial statements.

#### *Program revenues, government-wide financial statements:*

The statement of activities reports two categories of program revenues: (a) charges for services and (b) program specific operating grants and contributions. Program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. As a whole, they reduce the net cost of the function to be financed from the government's general revenues.

#### *Policy for eliminating internal activity, government-wide financial statements:*

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. In the process of aggregating data for the statement of net position, amounts reported as interfund balances in the individual funds are eliminated or reclassified. Eliminations are made in the statement of net position to minimize the "grossing-up" effect on assets and liabilities within the governmental and business-type activities columns of the primary government. As a result, amounts reported in the funds as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

# **YORK TOWNSHIP**

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

### **1. Organization and summary of significant accounting policies (continued):**

*Policy for capitalizing assets and estimating useful lives, government-wide financial statements:*

The Township reports capital assets at historical cost or estimated historical cost. Capital assets include land, improvements, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure and all other tangible or intangible assets that are used in operations and that have useful lives extending beyond a single reporting period. The Township's policy is to capitalize assets or groups of assets with costs in excess of \$10,000. Depreciation expense is calculated using the straight-line method over the estimated useful lives of capital assets ranging from 5 to 40 years.

*Policy regarding applying restricted or unrestricted resources:*

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.

*Fund financial statements:*

The accounts of the Township are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which includes its assets, liabilities, deferred inflows of resources, fund balance or net position, revenues and expenses or expenditures. The following funds are used by the Township.

Governmental funds:

**General Fund** – The General Fund is the general operating fund of the Township. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. The Emergency Management Fund (EMA) is included in the General Fund; however, it was assigned a separate fund number for internal tracking purposes only.

**Special Revenue Funds** – The Special Revenue Funds account for revenues that are legally restricted to expenditures for specific purposes. The Special Revenue Funds are the liquid fuels fund, street lighting tax fund and impact fees.

**Capital Projects Funds** – The Capital Projects Funds account for financial resources to be used for the acquisition of major facilities which are not financed by proprietary and trust and agency funds. The Capital Projects Funds are the Recreation Capital Reserve Fund, Storm Water Management Fund and Capital Reserve Fund.

# **YORK TOWNSHIP**

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

### **1. Organization and summary of significant accounting policies (continued):**

#### *Fund financial statements:*

##### Proprietary funds:

**Enterprise Funds** – The enterprise funds are to account for operations that are financed and operated in a manner similar to private business enterprises where the cost (expenses, including depreciation) is financed through user charges. The Enterprise Funds include the York Township Water and Sewer Authority and the Sewer Fund, Intermunicipal Sewer Fund and Sewer Capital Reserve Fund.

##### Fiduciary funds:

The fiduciary funds account for assets held by the Township in a trustee capacity or as an agent. Pension trust funds use the economic resources measurement focus in essentially the same manner as proprietary funds. Custodial funds are custodial in nature and do not involve measurement of results of operations. The Nonuniform Pension Fund is a pension trust fund. The Township does not have any custodial funds.

#### *Measurement focus/basis of accounting:*

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds of the Township are accounted for using a current financial resources measurement focus. Accordingly, only current assets, current liabilities and deferred inflows of resources are included on the balance sheet, and the fund balances reflect spendable or appropriable resources. The operating statements of these funds reflect increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and liabilities (current or noncurrent) associated with the operation of the funds are included on the statement of net position. The proprietary fund operating statement presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

The Township defines proprietary funds operating revenues based on how the individual transaction would be categorized for purposes of preparing the statement of cash flows. Transactions for which cash flows are reported as capital and related financing activities, noncapital finance activities or investing activities would normally not be reported as operating revenues.

# **YORK TOWNSHIP**

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

### **1. Organization and summary of significant accounting policies (continued):**

#### *Modified accrual basis:*

The modified accrual basis of accounting is followed for all governmental funds of the Township. Under the modified accrual basis of accounting, expenditures (other than interest and principal payments on long-term debt which are recorded on their payment dates) are recorded when the fund liability is incurred. Revenues are recognized when they become susceptible to accrual, i.e., measurable and available to finance the Township's operations. Available means collectible within 60 days after fiscal year end. The modified accrual basis of accounting is used as follows:

#### Property taxes:

**Current revenue** – These are taxes levied as of a specific date with a legal, enforceable claim against the taxpayer and/or property. These taxes are recognizable as current revenue when received by the Township during the fiscal year and also estimated to be received by the Township within 60 days after the close of the fiscal year.

**Revenue received in advance, taxes** – Currently levied property taxes which are not estimated to be received by the Township within 60 days after the close of the current fiscal year are recorded as deferred inflows of resources - unavailable revenue.

**Doubtful** – An allowance for doubtful accounts is not required for property taxes due to a lien placed on delinquent properties. Upon sale, the lien would be satisfied and the Township would receive levied taxes.

#### *Revenue from state sources:*

State subsidies due the Township as current fiscal year entitlements are recognized as revenue in the current fiscal year even though such funds may be received in a subsequent fiscal year.

#### *Revenue from federal sources:*

Federal program funds applicable to expenditures for the same program in the current fiscal year, but expected to be received in the next fiscal year, are accrued as current revenue at the end of the current fiscal year along with the recognition of the federal funds receivable. Likewise, any excess of revenues at the fiscal year end over the program expenditures are recorded as unearned revenue.

#### *Accrual basis:*

Under the accrual basis of accounting, revenues are recognized in the accounting period they are earned and become measurable; expenses are recognized in the period incurred. The accrual basis of accounting is used for the proprietary funds and Pension Trust Fund.

# **YORK TOWNSHIP**

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

### **1. Organization and summary of significant accounting policies (continued):**

#### *Interfund transactions:*

During the course of normal operations, the Township has numerous transactions between funds, including expenditures and transfers of resources to provide services.

#### *Cash and cash equivalents:*

For the purpose of the statement of cash flows, the proprietary funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

#### *Investments:*

Investments are stated at fair value. Fair values for the mutual funds are measured by quoted prices in an active market. Fair values for the money market funds are principal values, and fair value for the government pool is based upon quoted market prices for investments held by the pool. The fair value for the bonds are measured by other significant observable inputs. The change in fair value of the investments is reflected as unrealized gains (losses) and is included as a component of investment income.

#### *Budgets:*

Prior to December 31, 2020, in accordance with the laws of the Commonwealth, the 2021 annual budget was presented to the York Township Commissioners. The budget was enacted on December 8, 2020. All unused budget appropriations lapse at year end.

#### *Deferred outflows of resources:*

The statement of net position reports a separate section for deferred outflows of resources, which represents a consumption of net position or fund balance that applies to future periods, and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has one item that qualifies for this reporting:

Deferred outflows of resources related to the pension plan represent a change of assumptions, amortized over a closed period using the average of the expected remaining service lives of all active and inactive employees that are provided pensions through the plan, including the current year.

# **YORK TOWNSHIP**

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

### **1. Organization and summary of significant accounting policies (continued):**

#### *Deferred inflows of resources:*

The statement of net position reports a separate section for deferred inflows of resources, which represents the acquisition of net position or fund balance that applies to future periods, and thus, will not be recognized as an inflow of resources until then. The Township has two items that qualify for this reporting:

Deferred inflows of resources related to the pension represent the difference in projected and actual experience, amortized over a closed period using the average of the expected remaining service lives of all active and inactive employees that are provided pensions through the plan, including the current year and the net difference between the projected and actual earnings on pension plan investments amortized over a five-year period, including the current year.

Deferred inflows of resources, unavailable revenue represents unavailable tax revenue and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

#### *Fund balance classification:*

The Township follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable:** This classification includes amounts that are not in spendable form (such as inventory, prepaid expenses or amounts that are required to be maintained intact).
- **Restricted:** This classification includes amounts constrained to specific purposes by their providers (such as grantors and bondholders) and higher levels of government through constitutional provisions or by enabling legislation.
- **Committed:** This classification includes amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority (Board of Commissioners). When reported as committed, amounts cannot be used for any other purpose unless the Township takes the same highest level action to remove or change the constraint.
- **Assigned:** This classification includes amounts the Township intends to use for a specific purpose. Intent can be expressed by the Board of Commissioners or by an official or body to which the Township Board of Commissioners delegates the authority.
- **Unassigned:** This classification includes amounts that are available for any purpose.

# **YORK TOWNSHIP**

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

### **1. Organization and summary of significant accounting policies (continued):**

#### *Fund balance classification:*

Restricted funds are used first as appropriate. Assigned funds are reduced to the extent that expenditure authority has been budgeted by the board or the assignment has been changed by the board. Decreases to fund balance first reduce committed fund balance. In the event that committed fund balance becomes zero, then assigned and unassigned fund balances are used in that order.

#### *Capital assets, fund financial statements:*

Under the Township's method of accounting, capital assets are recorded as expenditures at the time of purchase in the governmental funds. Accordingly, no depreciation has been provided on fixed assets in those funds. Proprietary fund capital assets are recorded at cost. Depreciation is provided for on a straight-line basis over periods ranging from 5 to 40 years.

#### *Total columns:*

Total columns on the combined statements are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or changes in financial position in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

#### *Estimates:*

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The most sensitive accounting estimates affecting the financial statements are:

- Pension obligations based on life expectancy tables and asset rate of return discount rates, along with rates of benefit increases.
- Estimated useful lives over which to depreciate capital assets.
- Allocation of program revenues and depreciation expense to the various functions in the statement of activities.

# **YORK TOWNSHIP**

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

### **1. Organization and summary of significant accounting policies (continued):**

#### *Long-term liabilities:*

All long-term liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of accrued compensated absences and net pension liability.

#### *Net position classifications:*

Government-wide statements - Equity is classified as net position and displayed in three components:

- Investment in capital assets - Consists of capital assets net of accumulated depreciation.
- Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - All other net position that does not meet the definition of "restricted" or "investment in capital assets."

#### *New GASB statements:*

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The new pronouncement is reflected in the current year disclosures.

#### *Pending GASB statements:*

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments by requiring all leases be reported as assets and liabilities, thereby enhancing the relevance and consistency of information about the government's leasing activities. The provisions of GASB Statement No. 87 are effective for the Township's December 31, 2022 financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. This Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The provisions of GASB Statement No. 91 are effective for the Township's December 31, 2022 financial statements.

# **YORK TOWNSHIP**

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

### **1. Organization and summary of significant accounting policies (continued):**

#### *Pending GASB statements:*

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The provisions of GASB Statement No. 92 are effective for the Township's December 31, 2022 financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. This Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for the Township's December 31, 2022 financial statements. All other requirements of the Statement are effective for the Township's December 31, 2023 financial statements.

In January 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement is to improve financial reporting by addressing issues related to public-private and public-public partnerships arrangements (PPPs). The provisions of GASB Statement No. 94 are effective for the Township's December 31, 2023 financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The provisions of GASB No. 96 are effective for the Township's December 31, 2023 financial statements.

# **YORK TOWNSHIP**

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

### **1. Organization and summary of significant accounting policies (continued):**

#### *Pending GASB statements:*

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. This Statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The provisions of GASB Statement No. 97 related to (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans or other employee benefit plans and (2) that limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The provisions of GASB Statement No. 97 related to Section 457 plans are effective for the Township's December 31, 2022 financial statements.

The effect of implementation of these statements on future periods has not yet been determined.

## ***YORK TOWNSHIP***

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

#### **2. Deposits and investments:**

Cash includes amounts in demand deposits and certificates of deposit that mature within three months of the purchase date. The Township is authorized under the First Class Township Code to invest in the following:

1. United States treasury bills and short-term obligations of the U.S. government or its agencies or instrumentalities,
2. Obligations of the United States of America and the Commonwealth of Pennsylvania, or any of their agencies or instrumentalities, which are backed by the full faith and credit of said government,
3. Savings accounts, time deposits and certificates of deposit, pursuant to certain insurance and collateral requirements,
4. Shares of qualifying registered investment companies and
5. Any investment authorized by PA C.S. Ch. 73, (relating to fiduciaries investments) shall be an authorized investment for any pension or retirement fund.

#### *Custodial credit risk, deposits and investments:*

For deposits, custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Township has a policy for managing custodial credit risk.

**YORK TOWNSHIP**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

**2. Deposits and investments (continued):**

*Reconciliation to financial statements:*

Covered by Federal Depository Insurance Corporation (FDIC)	\$ 5,102,256
Collateral held by the pledging bank under Act 72	26,965,522
Outstanding checks	<u>(517,164)</u>
Carrying amount, bank balances	31,550,614
Petty cash	<u>1,761</u>
Total cash and cash equivalents per financial statements	<u><u>\$ 31,552,375</u></u>
Reconciliation to financial statements:	
Governmental funds:	
Unrestricted	\$ 17,513,153
Restricted, cash held in escrow	378,233
Proprietary funds	<u>13,660,989</u>
Total cash and cash equivalents per financial statements	<u><u>\$ 31,552,375</u></u>

*Investments:*

Investments, other than certificates of deposits, are measured at fair value on a recurring basis. 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. Fair value measurements are categorized based on valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

**YORK TOWNSHIP**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

**2. Deposits and investments (continued):**

*Investments:*

As of December 31, 2021, the Township had the following investments measured at fair value:

	Total	Fair value measurements categories	
		Level 1	Level 2
PLGIT investments	\$ 3,282,892	\$ 3,282,892	
First State Trust:			
U.S. treasury obligations bonds and notes	5,347,874		\$ 5,347,874
U.S. government agencies notes and bonds	1,892,485		1,892,485
Corporate and foreign bonds	933,698		933,698
	<u>11,456,949</u>	<u>3,282,892</u>	<u>8,174,057</u>
Fiduciary nonuniform pension investments:			
Principal Financial Group:			
Large U.S. equity	4,445,743	4,445,743	
Small/Mid U.S. equity	737,326	737,326	
International equity	2,553,302	2,553,302	
Fixed income	6,211,079	6,211,079	
Other	350,034	350,034	
	<u>14,297,484</u>	<u>14,297,484</u>	
Total fiduciary funds, pension plan			
	<u>14,297,484</u>	<u>14,297,484</u>	
Total investments measured at fair value	<u>\$ 25,754,433</u>	<u>\$ 17,580,376</u>	<u>\$ 8,174,057</u>
Reconciliation to financial statements:			
Governmental funds	\$ 5,834,200		
Proprietary funds	5,622,749		
Fiduciary funds, Nonuniform Pension Plan	14,297,484		
	<u>14,297,484</u>		
Total investments per financial statements	<u>\$ 25,754,433</u>		

See Note 1 for a further description of how the fair value measurements were derived.

# YORK TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

### 2. Deposits and investments (continued):

#### *Investments:*

At December 31, 2021, the Nonuniform Pension Plan investments that exceeded 5% of total net assets include the following:

Large U.S. equity:	
Principal Global Investors, Equity Income Separate Account	\$ 1,723,533
Principal Global Investors, Large Cap S&P 500 Index	1,035,903
T. Rowe Price/Brown Advisory, Large Cap Growth Separate Account	1,686,307
International equity:	
Principal Global Investors, Diversified International Separate Account	1,308,419
Fixed income:	
Principal Global Investors, Bond Market Index Separate Account	1,164,974
Principal Global Investors, Core Fixed Income Separate Account	3,718,420
Principal Real Estate Investors, U.S. Property Separate Account	890,898

#### *Interest rate risk:*

The Township has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

#### *Credit risk:*

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

#### *Concentrations:*

The Township's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity.

### 3. Property taxes:

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien date	January 1
Discount dates	February 16 - April 15
Face amount dates	April 16 - June 15
Delinquent dates	June 16 - December 31

## **YORK TOWNSHIP**

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

#### **3. Property taxes (continued):**

Real estate taxes were 1.24 mils for general purposes and 0.37 mils for fire tax in 2021. Property taxes attach as an enforceable lien on property, as of the date of the tax notice. Delinquent taxes for balance sheet purposes are considered fully collectible, and therefore, no allowance of uncollectible taxes is provided.

#### **4. Capital assets, governmental activities:**

A summary of governmental activities' capital assets transactions for the year ended December 31, 2021, was as follows:

	Beginning balance	Additions	Transfers / deletions	Ending balance
Governmental activities:				
Land	\$ 4,227,228	\$ 2,082,665		\$ 6,309,893
Buildings	9,439,656			9,439,656
Construction in progress	412,318	454,130	\$ (206,179)	660,269
Storm water system	454,131		30,673	484,804
Infrastructure	35,403,471			35,403,471
Traffic lights	1,528,438	17,404		1,545,842
Roads	15,617,157	986,423		16,603,580
Signs	2,265			2,265
Curbs and sidewalks	338,967			338,967
Vehicles	3,060,478	30,120	(75,364)	3,015,234
Office furniture and equipment	832,861	17,434		850,295
Machinery and equipment	2,744,233	446,000	139,224	3,329,457
	74,061,203	4,034,176	(111,646)	77,983,733

**YORK TOWNSHIP**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

**4. Capital assets, governmental activities (continued):**

	Beginning balance	Additions	Transfers / deletions	Ending balance
Less accumulated depreciation for:				
Buildings	\$ 4,052,090	\$ 303,569		\$ 4,355,659
Storm water system	131,770	18,267		150,037
Infrastructure	27,525,632	486,887		28,012,519
Traffic lights	996,695	57,207		1,053,902
Roads	7,964,213	876,087		8,840,300
Signs	1,140	115		1,255
Curbs and sidewalks	207,806	13,997		221,803
Vehicles	1,625,596	227,552	\$ (75,364)	1,777,784
Office furniture and equipment	752,905	15,182		768,087
Machinery and equipment	1,746,988	150,682		1,897,670
Total accumulated depreciation	<u>45,004,835</u>	<u>2,149,545</u>	<u>(75,364)</u>	<u>47,079,016</u>
Governmental activities, capital assets, net	<u>\$ 29,056,368</u>	<u>\$ 1,884,631</u>	<u>\$ (36,282)</u>	<u>\$ 30,904,717</u>

Current depreciation expense was charged to each of the functions in the statement of activities as follows:

General government	\$ 189,265
Public works:	
Highway	965,676
Highway (infrastructure)	486,887
Other	387,238
Culture and recreation	<u>120,479</u>
Total	<u>\$ 2,149,545</u>

## **YORK TOWNSHIP**

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

#### **5. Capital assets, proprietary funds:**

A summary of capital assets of the Sewer Fund as of December 31, 2021 was as follows:

	Beginning balance	Additions	Transfers / deletions	Ending balance
Proprietary funds:				
Land	\$ 578,399			\$ 578,399
Buildings	2,164,976			2,164,976
Construction in process	953,021	\$ 4,672,907	\$ (266,425)	5,359,503
Collection lines	5,459,660	197,527	266,425	5,923,612
Treatment plant/pump stations	2,848,479			2,848,479
Infrastructure	39,393,992			39,393,992
Vehicles	1,263,223			1,263,223
Office furniture and equipment	193,556	5,596		199,152
Machinery and equipment	410,542	513,149		923,691
<b>Totals</b>	<b>53,265,848</b>	<b>5,389,179</b>	<b>-</b>	<b>58,655,027</b>
Less accumulated depreciation for:				
Buildings	947,537	51,593		999,130
Collection lines	2,526,813	220,155		2,746,968
Treatment plant/pump stations	1,591,649	75,519		1,667,168
Infrastructure	14,367,008	465,904		14,832,912
Vehicles	731,076	97,379		828,455
Office furniture and equipment	160,237	9,064		169,301
Machinery and equipment	245,612	31,059		276,671
<b>Total accumulated depreciation</b>	<b>20,569,932</b>	<b>950,673</b>		<b>21,520,605</b>
<b>Proprietary funds, capital assets, net</b>	<b>\$ 32,695,916</b>	<b>\$ 4,438,506</b>	<b>\$ -</b>	<b>\$ 37,134,422</b>

#### **6. Compensated absences:**

Employees are allowed to carry over a maximum of 80 hours of unused vacation time, unless the Board of Commissioners approves the carryover of additional time due to circumstances. Upon separation from service, employees are eligible to receive any unpaid vacation pay earned through the last day of work. As of December 31, 2021, the vacation leave liability totaled \$57,024.

**YORK TOWNSHIP**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

**6. Compensated absences (continued):**

Employees are allowed to accumulate a maximum of 1,120 hours of sick leave. Upon retirement, if the employee has accumulated the maximum number of sick days, one-third of those days will be paid to the employee as a retirement benefit. As of December 31, 2021, the total sick time liability was \$202,026.

As of December 31, 2021, the liability for the accrued vacation and sick leave is \$259,050. The amount expected to be paid from current resources is not significant.

A summary of changes in compensated absences is as follows:

	<u>Beginning January 1</u>	<u>Net decreases</u>	<u>Balance December 31</u>
Government-wide activities	\$ 259,861	\$(53,203)	\$ 206,658
Business-type activities	70,372	(17,980)	52,392
	<u>\$ 330,233</u>	<u>\$(71,183)</u>	<u>\$ 259,050</u>

**7. Nonuniform Pension Plan:**

*Description of plan:*

The York Township Nonuniform Pension Plan is a single-employer defined benefit pension plan controlled by the provisions of Ordinance No. 97-11. The plan is governed by the Board of Township Commissioners, which is responsible for the management of plan assets. The Board of Township Commissioners has delegated the authority to manage certain plan assets to Principal Financial Group. Payroll for nonuniform employees covered by the plan was \$2,305,298 of the Township's total 2021 payroll of \$2,599,904. There is no stand-alone financial report issued for this plan.

**YORK TOWNSHIP**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

**7. Nonuniform Pension Plan (continued):**

*Description of plan:*

Plan membership:

As of December 31, 2021, the pension plan's membership consisted of:

Active employees	43
Retirees and beneficiaries currently receiving benefits	25
Terminated employees entitled to benefits but not yet receiving them	<u>18</u>
Total	<u><u>86</u></u>

A summary of employee eligibility requirements and benefits as of December 31, 2021 was as follows:

**Covered employees:**

All full-time nonuniformed employees

**Eligibility requirements:**

Normal retirement – Attainment of age 60

Early retirement – Attained age 50 and 10 years of vesting service

Vesting – 100% vested after seven years of vesting service

**Retirement benefit:**

Two percent (2%) of average monthly pay multiplied by years of service. Average monthly pay is based upon the final 36 months of employment.

**Survivor benefit:**

Fifty percent (50%) of the participant's accrued benefit on date of death if seven years of vesting service.

**Disability benefit:**

Fifty percent (50%) of average monthly pay (minimum of \$20/month).

## **YORK TOWNSHIP**

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

#### **7. Nonuniform Pension Plan (continued):**

*Description of plan:*

Plan membership:

**Member's contributions:**

Amount or rate – currently suspended  
Interest rate credited to members' contributions – 6.5%.

*Funding policy:*

Act 205:

On December 18, 1984, Act 205 was passed into law and is known as the "Municipal Pension Plan Funding Standard and Recovery Act" (the Act). The Act mandates actuarial funding standards, establishes a recovery program for financially distressed pension plans and provides for the distribution of the tax on the premiums of foreign fire insurance companies.

The Act requires minimum funding standards based on the most recent actuarial valuation report, including normal cost and administrative expense requirements and amortization of the unfunded actuarial accrued liability. For financially distressed pension plans, the Act provides for delayed implementation of these funding standards over either 10 or 15 years. In addition, supplemental state aid is available to all eligible municipalities and will be paid from the supplemental state assistance account.

Funding requirements:

Active members are not currently required to contribute to the plan.

The pension plan may receive an annual allocation from the General Municipal Pension System State Aid Program. The entire proceeds of the insurance premium tax on foreign casualty insurance companies and any investment income earned on those proceeds of the insurance premium tax on foreign fire insurance companies which represent the amount of the distributions applicable to paid firefighters, and any investment income earned on the amount of those distributions are specifically designated for municipal pension plans. Any remaining obligation with respect to the pension plan shall be paid by the municipality.

# **YORK TOWNSHIP**

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

### **7. Nonuniform Pension Plan (continued):**

#### *Funding policy:*

#### Investment policy:

The investment policy statement sets forth the investment objectives and guidelines that will be applied within the investment program to help ensure that the plan is managed in a manner consistent with the plan document and applicable statutory requirements.

The overall objective of this statement is to provide guidance for the investment of contributions and other plan assets and to help maintain adequate funding for plan liabilities. The primary investment objectives of the plan are as follows:

Return – Obtain a reasonable long-term return on assets consistent with the level of risk assumed. Specific return objectives include asset returns that track the growth of liabilities within a reasonable range and/or exceed the return of a plan specified benchmark index over a market cycle.

Cost – Seek to control the cost of funding the plan within prudent levels of risk through the investment of plan assets.

Diversifications – Provide diversification of assets in an effort to minimize the risk of large losses and maximize the investment return consistent with market and economic risk.

The investment adviser shall adopt and implement an asset allocation strategy that is based on several factors including:

- The projected liability stream of benefits and the costs of funding to both covered employees and employers;
- The plan's funding level;
- The sensitivity of plan liabilities to interest rate changes;
- The relationship between the current and projected assets of the plan and the projected future liability stream;
- Capital market assumptions;
- The perception of future economic conditions, including inflation and interest rate assumptions;
- The ability of the plan to withstand funding fluctuations.

# YORK TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

### 7. Nonuniform Pension Plan (continued):

*Funding policy:*

Investment policy:

The asset allocation strategy shall identify target allocations to eligible asset classes and suitable ranges within each asset class:

	<u>Lower limit</u>	<u>Upper limit</u>	<u>Normal target range</u>
Fixed income	0%	100%	20% to 80%
Domestic equities	0%	100%	20% to 80%
International equities	0%	50%	0% to 25%
Real assets strategies	0%	15%	0% to 10%

The following asset classes are permitted for plan asset allocation strategies:

1. Stable value
2. Fixed income
3. Real assets
4. U.S. stock
5. Non-U.S. stock

Net pension liability:

The Township's net pension liability was measured as of December 31, 2021, and the total net pension liability was determined by rolling forward the amounts 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.

**YORK TOWNSHIP**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

**7. Nonuniform Pension Plan (continued):**

*Funding policy:*

Actuarial assumptions:

The total pension liability in the January 1, 2021 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

- Inflation – 3.00%
- Salary increases – 4.75% (average, including inflation)
- Investment rate of return – 7.00% (including inflation)
- Postretirement cost of living increase – N/A

Mortality rates were based on the IRS 2017 Static Combined Table for Small Plans for males and females. Incorporated into the table are rates for annuitants projected seven years and rates for non-annuitants projected 15 years using Scale AA to reflect mortality improvement.

The following is a summary of the nonuniformed pension plan's net dollar-weighted rates of investment return on a market value basis for the two most recent available calendar years:

	<u>2021</u>	<u>2020</u>
Market value of assets	11.56 %	12.72 %

## **YORK TOWNSHIP**

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

#### **7. Nonuniform Pension Plan (continued):**

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	44%	5.50% - 7.50%
International equity	18%	4.50% - 6.50%
Fixed income	33%	1.00% - 3.00%
Real estate	5%	4.50% - 6.50%

#### *Discount rate:*

The discount rate used to measure the total pension liability was 7.00%. 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 Act 205 of 1984. The Act requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

**YORK TOWNSHIP**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

**7. Nonuniform Pension Plan (continued):**

Changes in the nonuniform net pension liability:

	Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension (asset) liability (a) - (b)
Balances at January 1, 2021	\$ 12,283,414	\$ 12,855,200	\$ (571,786)
Service cost	255,137		255,137
Interest cost	940,113		940,113
Changes for experience	(315,928)		(315,928)
Changes of assumptions	1,420,294		1,420,294
Contributions, employer		455,262	(455,262)
Net investment income		1,429,902	(1,429,902)
Benefit payments, including refund of member contributions	(425,475)	(425,475)	-
Administrative expense		(18,750)	18,750
Net changes	1,874,141	1,440,939	433,202
Balance at December 31, 2021	<u>\$ 14,157,555</u>	<u>\$ 14,296,139</u>	<u>\$ (138,584)</u>

**YORK TOWNSHIP**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

**7. Nonuniform Pension Plan (continued):**

*Sensitivity of the nonuniform 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 7.00%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1.00% point lower or 1.00% point higher than the current rate:

	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
Plan's net pension (asset) liability	\$ 1,547,545	\$ (138,584)	\$(1,545,761)

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

For the year ended December 31, 2021, the Township recognized pension expense of \$158,712. At December 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience		\$ 527,627
Change of assumptions	\$ 1,334,519	
Net difference between projected and actual earnings on pension plan investments		846,768
Total	\$ 1,334,519	\$ 1,374,395

**YORK TOWNSHIP**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

**7. Nonuniform Pension Plan (continued):**

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

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

<u>Year ended</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
2022	\$ 223,418	\$ 244,426
2023	223,418	526,322
2024	177,537	273,867
2025	177,537	178,365
2026	177,537	72,433
thereafter	355,072	78,982
	<u>\$ 1,334,519</u>	<u>\$ 1,374,395</u>

**8. Defined contribution plan:**

On March 10, 1998, York Township adopted Resolution 98-5: *Postemployment Health Plan for Public Employees*.

This defined contribution plan (Internal Revenue Code Section 501(c)(9)) is intended to pay 50% of medical premiums, until Medicare eligibility, for the medical benefits of an employee and his or her spouse in situations where the employee retires prior to age 65. Also, the plan pays for prescribed medication, dental and vision coverage, until Medicare eligibility for the employee and the spouse.

*Eligibility:*

All nonuniform employees that are full-time employees of York Township are eligible. Participation begins on the first day of a calendar month following the later of (a) the date on which the employee becomes eligible or (b) the effective date of York Township's participation agreement.

## ***YORK TOWNSHIP***

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

#### **8. Defined contribution plan (continued):**

##### *Contributions:*

##### Employer contributions:

York Township shall contribute to the plan on a periodic basis on behalf of each participant an amount equal to the amount specified in the employee handbook to fund a postemployment health plan reimbursement account(s) for unreimbursed qualifying medical care expenses and/or health care insurance premium reimbursements. Employees are not required to contribute. York Township contributed \$59,564 in 2021.

##### Individual accounts for contributions:

The amount York Township contributes on the employees' behalf is placed in a trust maintained by the plan's trustee, LaSalle National Bank. The administrator maintains a separate subaccount for contributions made on the employees' behalf to reimburse qualified postemployment healthcare expenses. The account consists of employer contributions, investment returns and any forfeitures allocated. Accounts are charged for amounts reimbursed and plan administrative fees. Employees and their dependents may not receive reimbursements from the employee's account for any reason prior to the employee's separation of service from York Township.

##### *Benefits:*

##### Postemployment health benefits:

Upon separation of service from York Township, employees have the right to seek reimbursement of out-of-pocket qualifying medical or healthcare expenses incurred by employees and their dependents after such termination. Benefit payments are limited to the amounts in a participant's account.

##### Postemployment health plan value:

The fair value of the assets of participating employee accounts at December 31, 2021 is \$1,404,991.

#### **9. Risk management:**

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township maintains commercial insurance covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three years.

# YORK TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

### 9. Risk management (continued):

In May 2005, the Township began participating in the Pennsylvania Municipal Health Insurance Cooperative (PMHIC). PMHIC is a public entity risk pool established by certain units of local government in Pennsylvania to provide health and welfare plan benefits directly to eligible employees, their families and dependents. The PMHIC receives, processes and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. The Township does not exercise any control over the activities of the PMHIC beyond its representation on the Board of Directors.

Under the trust plan, the Township pays reasonable and customary healthcare expenses. For the year ended December 31, 2021, the Township paid premiums of \$1,093,102. Actual claims paid for the year ended December 31, 2021 were \$1,020,432.

### 10. Interfund activity:

Individual fund receivable and payable balances consisted of the following:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund		\$ 2,400
Intermunicipal Sewer Fund		337,117
Sewer Fund	\$ 1,229,225	
Sewer Capital Reserve Fund		906,440
Recreation Capital Reserve Fund	2,400	
Capital Projects Fund	14,332	
Total	<u>\$ 1,245,957</u>	<u>\$ 1,245,957</u>

The amounts between the Sewer Fund and the Intermunicipal Sewer Fund represent the fourth quarter billing of the Mill Creek interceptor. The amounts between Sewer Capital Reserve Fund and Sewer Fund represent capital asset purchases that are payable at year end.

**YORK TOWNSHIP**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

**11. Interfund transfers:**

Operating transfers in to/out of other funds consisted of the following:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund		\$ 1,636,613
Capital Projects Fund	\$ 1,645,985	
Sewer Fund	4,245,419	
Sewer Capital Reserve Fund		4,254,791
Total	<u>\$ 5,891,404</u>	<u>\$ 5,891,404</u>

The General Fund budgeted a \$1,622,179 transfer to the general Capital Reserve Fund; and the Sewer Fund budgeted a \$1,097,163 transfer to the Sewer Capital Reserve Fund for current and future capital projects identified and planned for in the five-year capital projects schedules.

**12. Sewer Fund, intermunicipal deposits and long-term receivable:**

The Township has an agreement with Springettsbury Township for the processing of sewage waste which flows to their facility from the Township. Deposits are required by the Township and eight other municipalities that participate in the agreement to defer the cost of future capital improvements to the sewer system. As of December 31, 2021, the Township's portion of the deposits totaled approximately \$2,095,100.

The Township has an intermunicipal agreement with the City of York for the processing of sewage waste which flows to the York City Wastewater Treatment facility. Deposits are required by the Township and five other surrounding municipalities that participate in the agreement to pay for their pro-rata share of financed capital improvement costs to the wastewater treatment facility. The Township's pro-rata share is based on the Township's reserved capacity at the wastewater treatment facility. The Township also pays their pro-rata portion of transportation costs to the City of York, which is also stated within the intermunicipal agreement. The Township's pro-rata portion of the transportation costs are determined by the Township's flows into the wastewater treatment facility. These deposits are to be used for the operation and maintenance of the treatment system. This arrangement also includes reserve accounts for large maintenance projects. As of December 31, 2021, the Township's portion of the deposits totaled approximately \$1,483,800.

## ***YORK TOWNSHIP***

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

#### **12. Sewer Fund, intermunicipal deposits and long-term receivable (continued):**

The Township's allocation of the debt service for the intermunicipal agreement with the City of York is based on its capacity percentage at the treatment plant which is 12.93%. The City of York bills each connected municipality twice per year for their share of the debt service. At a quarterly connected municipalities meeting in 2018, the members of the connected municipalities noticed that the City of York had made an error on its bills by using the operation and maintenance allocation percentage instead of the capacity allocation percentage. This billing error occurred on all debt service invoices from 2008 through 2017. The connected municipalities compiled all of the City of York invoices from 2008 through 2017 and determined the amounts each connected municipality should have paid from 2008 through 2017. York Township overpaid by \$537,086 over this time period. York Township is in the process of formalizing payment plan agreements with the connected municipalities who underpaid due to the error made by the City of York.

#### **13. Risks and uncertainties:**

The Township is currently subject to risks and uncertainties resulting from the novel coronavirus (COVID-19) pandemic. While the Township expects this matter may negatively impact its results, the extent of the impact of COVID-19 on the Township's operational and financial performance will depend on future developments, including the duration and spread of the outbreak, related travel advisories and restrictions and the impact of COVID-19 on overall demand for the Township's services, all of which are highly uncertain and cannot be predicted.

#### **14. American Rescue Plan:**

On March 11, 2021, the American Rescue Plan Act of 2021 (American Rescue Plan), a \$1.9 trillion COVID-19 relief package was signed into law. The American Rescue Plan provides additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals and businesses. The American Rescue Plan provides \$130 billion in emergency funding for local governments to enable them to continue to support the public health response and lay the foundation for a strong and equitable economic recovery. The Township was allocated \$3,010,914 in funding from the American Rescue Plan, which will be disbursed to the Township in two tranches of \$1,505,457 each. The Township will have until December 31, 2024 to spend these funds. Any funds not spent by December 31, 2024 are to be turned back over to the federal treasury.

The Township received the first tranche of \$1,505,457 during 2021, of which \$749,000 was used. As of December 31, 2021, the unused portion of \$756,457 was recorded as unearned revenue.

The American Rescue Plan second tranche of \$1,505,457 will be received by the Township during 2022.

#### **15. Subsequent events:**

Management has evaluated subsequent events through May 12, 2022, the date the financial statements were available to be issued.

**YORK TOWNSHIP**

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
BUDGET TO ACTUAL – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2021  
(See independent auditor’s report)

	Budgeted amounts - original and final	Actual	Variance with final budget positive (negative)
<b>Revenues:</b>			
Taxes	\$ 10,482,333	\$ 11,607,084	\$ 1,124,751
Licenses and permits	490,000	511,673	21,673
Fines and forfeitures	170,800	157,991	(12,809)
Charges for services	696,300	805,579	109,279
Interest	90,000	37,635	(52,365)
Refund of prior year expenditures		17,609	17,609
Intergovernmental revenues	489,016	1,203,829	714,813
Other revenue	3,150	5,650	2,500
<b>Total revenues</b>	<b>12,421,599</b>	<b>14,347,050</b>	<b>1,925,451</b>
<b>Expenditures:</b>			
General government	1,909,491	1,629,200	280,291
Public safety	6,950,956	6,791,249	159,707
Public works:			
Sanitation	35,000	24,918	10,082
Highways	2,656,650	2,013,346	643,304
Culture and recreation	955,541	682,616	272,925
<b>Total expenditures</b>	<b>12,507,638</b>	<b>11,141,329</b>	<b>1,366,309</b>
Excess (deficiency) of revenues over expenditures	(86,039)	3,205,721	3,291,760
Other financing sources, operating transfers in		66	66
Other financing uses, operating transfers out	(472,179)	(1,636,679)	(1,164,500)
<b>Net change in fund balance</b>	<b>\$ (558,218)</b>	<b>1,569,108</b>	<b>\$ 2,127,326</b>
<b>Fund balances:</b>			
Beginning		12,808,095	
<b>Ending</b>		<b>\$ 14,377,203</b>	

See notes to required supplementary information.

**YORK TOWNSHIP**  
**NONUNIFORM PENSION PLAN**

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
YEAR ENDED DECEMBER 31, 2021  
(See independent auditor's report)

	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability:</b>							
Service cost	\$ 255,137	\$ 218,823	\$ 208,900	\$ 204,595	\$ 195,317	\$ 202,783	\$ 193,588
Interest	940,113	896,944	841,806	807,852	757,043	709,414	662,249
Changes for experience	(315,928)		(263,540)		(302,674)		
Changes of assumptions	1,420,294				321,163		
Benefit payments, including refunds of member contributions	(425,475)	(373,992)	(324,369)	(305,825)	(306,236)	(311,078)	(201,815)
<b>Net change in total pension liability</b>	<b>1,874,141</b>	<b>741,775</b>	<b>462,797</b>	<b>706,622</b>	<b>664,613</b>	<b>601,119</b>	<b>654,022</b>
<b>Total pension liability:</b>							
Beginning of year	12,283,414	11,541,639	11,078,842	10,372,220	9,707,607	9,106,488	8,452,466
<b>End of year (a)</b>	<b>\$ 14,157,555</b>	<b>\$ 12,283,414</b>	<b>\$ 11,541,639</b>	<b>\$ 11,078,842</b>	<b>\$ 10,372,220</b>	<b>\$ 9,707,607</b>	<b>\$ 9,106,488</b>
<b>Plan fiduciary net position:</b>							
Contributions, employer	\$ 455,262	\$ 460,163	\$ 430,509	\$ 409,166	\$ 320,180	\$ 314,736	\$ 460,930
Net investment income	1,429,902	1,365,016	1,788,189	(626,614)	1,344,534	511,294	(93,962)
Benefit payments, including refunds of member contributions	(425,475)	(373,992)	(324,369)	(305,825)	(306,236)	(311,078)	(201,815)
Administrative expense	(18,750)	(8,900)	(8,025)		(6,500)	(4,050)	
<b>Net change in plan fiduciary net position</b>	<b>1,440,939</b>	<b>1,442,287</b>	<b>1,886,304</b>	<b>(523,273)</b>	<b>1,351,978</b>	<b>510,902</b>	<b>165,153</b>
<b>Total fiduciary net position:</b>							
Beginning of year	12,855,200	11,412,913	9,526,609	10,049,882	8,697,904	8,187,002	8,021,849
<b>End of year (b)</b>	<b>\$ 14,296,139</b>	<b>\$ 12,855,200</b>	<b>\$ 11,412,913</b>	<b>\$ 9,526,609</b>	<b>\$ 10,049,882</b>	<b>\$ 8,697,904</b>	<b>\$ 8,187,002</b>
<b>Net pension (asset) liability, end of year (a) - (b)</b>	<b>\$ (138,584)</b>	<b>\$ (571,786)</b>	<b>\$ 128,726</b>	<b>\$ 1,552,233</b>	<b>\$ 322,338</b>	<b>\$ 1,009,703</b>	<b>\$ 919,486</b>
Plan fiduciary net position as a percentage of the total pension liability	100.98%	104.65%	98.88%	85.99%	96.89%	89.60%	89.90%
Covered employee payroll	\$ 2,305,298	\$ 2,439,649	\$ 2,407,060	\$ 2,427,415	\$ 2,219,494	\$ 2,049,342	\$ 2,189,258
Net pension liability as a percentage of covered employee payroll	-6.01%	-23.44%	5.35%	63.95%	14.52%	49.27%	42.00%

The schedule of changes in net pension (asset) liability and related ratios for the required ten-year timeframe will be added as available.

See notes to required supplementary information.

**YORK TOWNSHIP  
NONUNIFORM PENSION PLAN**

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF TOWNSHIP CONTRIBUTIONS AND MONEY-WEIGHTED RATE OF RETURN  
YEAR ENDED DECEMBER 31, 2021  
(See independent auditor's report)

Description	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 455,262	\$ 460,163	\$ 430,509	\$ 409,166	\$ 320,180	\$ 314,736	\$ 460,930
Contributions from employer	455,262	460,163	430,509	409,166	320,180	314,736	460,930
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 2,305,298	\$ 2,439,649	\$ 2,407,060	\$ 2,427,415	\$ 2,219,494	\$ 2,049,342	\$ 2,189,258
Total contributions made as a percentage of payroll	19.75%	18.86%	17.89%	16.86%	14.43%	15.36%	21.05%
Money-weighted rate of return	11.56%	12.72%	18.91%	-6.11%	15.79%	6.46%	-0.80%

Effective January 1, 1994, members are not required to contribute to the plan.

Past member contributions are credited with 6.5% interest.

The schedule of Township contributions for the required ten-year timeframe will be added as available.

See notes to required supplementary information.

**YORK TOWNSHIP  
NONUNIFORM PENSION PLAN**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
YEAR ENDED DECEMBER 31, 2021  
(See independent auditor's report)

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry age normal
Amortization method:	Level dollar closed
Remaining amortization period:	Eight years
Asset valuation method:	Market value of assets as determined by the trustee
Inflation:	3.00%
Salary increases:	4.75%
Investment rate of return:	7.00%
Retirement age:	Normal retirement age
Mortality:	IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect mortality improvement.
Changes in benefit terms:	None since January 1, 2021

**YORK TOWNSHIP**

COMBINING BALANCE SHEETS – NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2021

(See independent auditor's report)

ASSETS

	Liquid fuels	Street lighting tax	Impact fees	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 590,183	\$ 53,332	\$ 3,083,630	\$ 3,727,145
Taxes receivable		60		60
<b>Total assets</b>	<b>\$ 590,183</b>	<b>\$ 53,392</b>	<b>\$ 3,083,630</b>	<b>\$ 3,727,205</b>

LIABILITIES AND FUND BALANCE

<b>Liabilities:</b>				
Accounts payable		\$ 238	\$ 102	\$ 340
Revenue received in advance		60		60
<b>Total liabilities</b>		298	102	400
Fund balance	\$ 590,183	53,094	3,083,528	3,726,805
<b>Total liabilities and fund balance</b>	<b>\$ 590,183</b>	<b>\$ 53,392</b>	<b>\$ 3,083,630</b>	<b>\$ 3,727,205</b>

See notes to financial statements.

**YORK TOWNSHIP**

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2021  
(See independent auditor’s report)

	Liquid fuels	Street lighting tax	Impact fees	Total
<b>Revenues:</b>				
Taxes		\$ 4,970		\$ 4,970
Interest	\$ 8,327	450	\$ 25,337	34,114
Intergovernmental revenues	880,193			880,193
Impact fees			263,925	263,925
<b>Total revenues</b>	<b>888,520</b>	<b>5,420</b>	<b>289,262</b>	<b>1,183,202</b>
<b>Expenditures:</b>				
Capital projects	9,415		5,660	15,075
Public works, highways	799,559			799,559
Utilities, electricity		2,844		2,844
<b>Total expenditures</b>	<b>808,974</b>	<b>2,844</b>	<b>5,660</b>	<b>817,478</b>
Net change in fund balances	79,546	2,576	283,602	365,724
<b>Fund balances:</b>				
Beginning	510,637	50,518	2,799,926	3,361,081
<b>Ending</b>	<b>\$ 590,183</b>	<b>\$ 53,094</b>	<b>\$ 3,083,528</b>	<b>\$ 3,726,805</b>

See notes to financial statements.

**YORK TOWNSHIP**

COMBINING BALANCE SHEETS – CAPITAL PROJECTS FUNDS

DECEMBER 31, 2021

(See independent auditor's report)

ASSETS

	Recreation Capital Reserve	Storm Water Management	Capital Reserve Funds	Total
Cash and cash equivalents	\$ 831,132	\$ 1,058,588	\$ 2,211,059	\$ 4,100,779
Investments			829,371	829,371
Due from other funds	2,400		14,332	16,732
Accounts receivable		41,581	6,466	48,047
<b>Total assets</b>	<b>\$ 833,532</b>	<b>\$ 1,100,169</b>	<b>\$ 3,061,228</b>	<b>\$ 4,994,929</b>

LIABILITIES AND FUND BALANCE

Total liabilities, accounts payable		\$ 1,597	\$ 40,034	\$ 41,631
Fund balance	\$ 833,532	1,098,572	3,021,194	4,953,298
<b>Total liabilities and fund balance</b>	<b>\$ 833,532</b>	<b>\$ 1,100,169</b>	<b>\$ 3,061,228</b>	<b>\$ 4,994,929</b>

See notes to financial statements.

**YORK TOWNSHIP**

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
CAPITAL PROJECTS FUNDS  
YEAR ENDED DECEMBER 31, 2021  
(See independent auditor’s report)

	Recreation Capital Reserve	Storm Water Management	Capital Reserve Funds	Total
<b>Revenues:</b>				
Charges for services	\$ 449,750	\$ 74,613		\$ 524,363
Interest	9,612	8,918	\$ 3,602	22,132
Other			8,094	8,094
Intergovernmental revenues		41,581		41,581
<b>Total revenues</b>	<b>459,362</b>	<b>125,112</b>	<b>11,696</b>	<b>596,170</b>
<b>Expenditures:</b>				
General government			1,871,445	1,871,445
Public works:				
Highways			81,536	81,536
Storm water and flood control		55,782	28,026	83,808
Other public works			41,854	41,854
Culture recreation	1,042,503		42,551	1,085,054
<b>Total expenditures</b>	<b>1,042,503</b>	<b>55,782</b>	<b>2,065,412</b>	<b>3,163,697</b>
Excess (deficiency) of revenues over expenditures	(583,141)	69,330	(2,053,716)	(2,567,527)
<b>Other financing sources:</b>				
Proceeds from sale of fixed assets			13,569	13,569
Operating transfers in			1,645,985	1,645,985
<b>Total other financing sources</b>			<b>1,659,554</b>	<b>1,659,554</b>
<b>Net change in fund balances</b>	<b>(583,141)</b>	<b>69,330</b>	<b>(394,162)</b>	<b>(907,973)</b>
<b>Fund balances:</b>				
Beginning	1,416,673	1,029,242	3,415,356	5,861,271
<b>Ending</b>	<b>\$ 833,532</b>	<b>\$ 1,098,572</b>	<b>\$ 3,021,194</b>	<b>\$ 4,953,298</b>

See notes to financial statements.

## **YORK TOWNSHIP**

### COMBINING BALANCE SHEETS – SEWER FUND AND WATER AND SEWER AUTHORITY DECEMBER 31, 2021 (See independent auditor's report)

#### ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Sewer Fund	Water and Sewer Authority	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 7,547,023	\$ 4,429	\$ 7,551,452
Investments	1,427,831		1,427,831
Accounts receivable	729,303		729,303
Due from other funds	1,229,225		1,229,225
Prepaid expenses	9,637		9,637
Intermunicipal deposits	3,578,939		3,578,939
<b>Total current assets</b>	<b>14,521,958</b>	<b>4,429</b>	<b>14,526,387</b>
<b>Noncurrent assets:</b>			
Long-term receivable	537,086		537,086
Capital assets, net of depreciation:			
Land	578,399		578,399
Buildings	1,165,846		1,165,846
Construction in progress	5,359,503		5,359,503
Collection lines	3,176,644		3,176,644
Treatment plant/pump stations	1,181,311		1,181,311
Infrastructure	24,561,080		24,561,080
Vehicles	434,768		434,768
Office furniture and equipment	29,851		29,851
Machinery and equipment	647,020		647,020
<b>Total capital assets, net of depreciation</b>	<b>37,134,422</b>		<b>37,134,422</b>
Net pension asset	29,643		29,643
<b>Total noncurrent assets</b>	<b>37,701,151</b>		<b>37,701,151</b>
<b>Total assets</b>	<b>52,223,109</b>	<b>4,429</b>	<b>52,227,538</b>
<b>Deferred outflows of resources, pensions</b>	<b>344,280</b>		<b>344,280</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 52,567,389</b>	<b>\$ 4,429</b>	<b>\$ 52,571,818</b>

See notes to financial statements.



**YORK TOWNSHIP**

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –  
SEWER FUND AND WATER AND SEWER AUTHORITY  
YEAR ENDED DECEMBER 31, 2021  
(See independent auditor’s report)

	Sewer Fund	Water and Sewer Authority	Eliminations	Total
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Operating revenues:</b>				
Rental and service charges	\$ 6,533,867			\$ 6,533,867
Connection and tapping fees	349,830			349,830
Other	7,037	\$ 7,501	\$ (7,500)	7,038
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total operating revenues</b>	<b>6,890,734</b>	<b>7,501</b>	<b>(7,500)</b>	<b>6,890,735</b>
Operating expenses, operations of facilities	4,604,254	5,255	(7,500)	4,602,009
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net operating income before depreciation</b>	<b>2,286,480</b>	<b>2,246</b>	<b>-</b>	<b>2,288,726</b>
Depreciation	950,675			950,675
	<u>          </u>	<u>          </u>		<u>          </u>
<b>Net operating income</b>	<b>1,335,805</b>	<b>2,246</b>		<b>1,338,051</b>
Nonoperating revenue, earnings on investments	41,973			41,973
	<u>          </u>	<u>          </u>		<u>          </u>
<b>Net income before operating transfers</b>	<b>1,377,778</b>	<b>2,246</b>		<b>1,380,024</b>
Operating transfers, transfers in	4,245,419			4,245,419
	<u>          </u>			<u>          </u>
<b>Change in net position</b>	<b>5,623,197</b>	<b>2,246</b>		<b>5,625,443</b>
<b>Net position:</b>				
Beginning	45,171,119	2,183		45,173,302
	<u>          </u>	<u>          </u>		<u>          </u>
<b>Ending</b>	<b>\$ 50,794,316</b>	<b>\$ 4,429</b>	<b>\$ -</b>	<b>\$ 50,798,745</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

See notes to financial statements.