

LOWER PAXTON TOWNSHIP AUTHORITY

TUESDAY, AUGUST 26, 2025 - 7:00 P.M.

Before the meeting the Authority will meet in an Executive Session to receive information from the Authority Liaison and Solicitor

1. CALL TO ORDER - CHARIMAN BLAIN
2. PLEDGE OF ALLEGIANCE - MR. MCCORMACK
3. APPROVAL OF MINUTES -05/27/25

Documents:

[052725 LPT AUTHORITY BOARD MTG MINUTES DRAFT.PDF](#)

4. PUBLIC COMMENT
5. BOARD MEMBERS' COMMENTS
6. GENERAL AUTHORITY - BUSINESS

6.I. Independent Auditors Report And 2023/24 Authority Financial Statements

- Mr. Weaver

Documents:

[MDA AND LOWER PAXTON TOWNSHIP AND AUTHORITY FINANCIAL STATEMENTS 12-31-24.PDF](#)
[LOWER PAXTON TOWNSHIP FS 12-31-24.PDF](#)
[LOWER PAXTON TOWNSHIP SA 12-31-24.PDF](#)

7. SANITARY SEWER FUND - BUSINESS

7.I. Presentation By PFM For The 2025 Bond Issue

- Mr. Zach Williard

Documents:

[MAXIMUM PARAMETERS BOND SALE DOCUMENT - 08-26-2025.PDF](#)

7.II. Resolution 25-02 Authorizing The Bond Issue Subsidy Agreement

- Mr. Ryan Gonder, McNees

Documents:

[RESOLUTION 25-02 AUTHORITY RESOLUTION-LOWER PAXTON
TOWNSHIP 2025 BOND WITH SUBSIDY.PDF](#)
[FIRST AMENDMENT TO SUBSIDY AGREEMENT-LOWER PAXTON
TOWNSHIP 2025 BONDS NEW MONEY.PDF](#)

7.III. Resolution 25-03 Authorizing The Reimbursement Agreement With PennDOT

- Melissa Smith, GHD

Documents:

[RESOLUTION2503PENNDOTYES.PDF](#)

7.IV. Draft 2026 Sanitary Sewer Budget And Sewer Rate Model

- Mr. Weaver

Documents:

[LPTA SEWER RATE MODEL - 2025.PDF](#)
[SEWER BUDGET 026 PRELIM DEPARTMENT PRESENTATIONS FILE.PDF](#)

7.V. TOWNSHIP REPORTS

7.V.i. Review Of Presentation To DEP/Swatara For The Second Consent Decree Annual Meeting 7/29/25

Documents:

[ANNUAL PROGRESS MEETING POWERPOINT 2024 2025.PDF](#)

7.V.ii. Update On Current Construction Projects

7.VI. ENGINEER'S REPORT Sanitary Sewer

Documents:

[AUGUST 2025 ENGINEERS STATUS MEMO SANITARY SEWER.PDF](#)

8. STORMWATER FUND - BUSINESS

8.I. Presentation By HRG For The Stormwater Asset Management Plan

- Mr. Bruce Hulshizer, HRG

Documents:

[OVERVIEW OF LPTA STORMWATER ASSET MANAGEMENT PLANNING
PROJECT.PDF](#)

8.II. Draft 2026 Stormwater Budget And Stormwater Fee Rate Model

Documents:

[BUDGET STORM 2026 PRELIM DEPARTMENT PRESENTATIONS FILE.PDF](#)

[LPTA STORMWATER RATE MODEL.PDF](#)

8.III. TOWNSHIP REPORTS

8.III.i. Update On DEP JPRP MS4 And Storm Sewer Replacement Projects

Documents:

[AUTHORITY MEETING STORMWATER CREW.PDF](#)

8.IV. ENGINEER'S REPORT Stormwater

Documents:

[2025-08-26 ENGINEER REPORT STORMWATER FUND.PDF](#)

9. ADJOURN

NEXT MEETING - NOVEMBER 25, 2025

Be advised that public meetings of the Authority may be recorded for audio and/or video purposes

**LOWER PAXTON TOWNSHIP
AUTHORITY BOARD**

Minutes of the meeting held on May 27, 2025

A meeting of the Lower Paxton Township Authority Board was called to order at 7:03 p.m. by Chairman Blain on the above date at the Lower Paxton Township Municipal Center located at 425 Prince Street, Harrisburg, Pennsylvania. Board members present, in addition to Chairman Blain, were David Ramsey, Allen McCormack, and Timothy Pramik. Also in attendance were Sam Miller, Assistant Township Manager/Finance Director, William Weaver, Morgan M. Madden, Solicitor, Melissa Smith, GHD, and Jason Hinz, HRG.

Pledge of Allegiance

Mr. McCormack led the Pledge of Allegiance.

Reorganization of the Authority Vice Chair Vacancy

Election of the Vice Chairman

Mr. Blain nominated David Ramsey as Vice Chair of the Authority. Mr. Pramik seconded the nomination. Mr. Blain moved to close the nominations. McCormack seconded the motion. Mr. Blain called for a voice vote, and the vote was unanimous.

Appointment of New Officer (s) as necessary

Mr. Blain motioned to appoint Timothy Pramik as Secretary of the Authority Board. Mr. Blain called for a voice vote, and the vote was unanimous.

Approval of Minutes

Mr. McCormack motioned to approve minutes of the February 25, 2025, meeting. Mr. Pramik seconded the motion. Mr. Blain called for a voice vote, and there was a unanimous vote of approval.

Public Comment

Alvin Q. Taylor, 1062 Acri Drive, advised that he is following up as he was at the last Board of Supervisors meeting regarding the stormwater drainage pipe and an erosion problem in his backyard from the rain coming down Acri Drive. He provided pictures to the Supervisors and asked that something be done before the entire bank caves in.

Board Member Comments'

There was none.

General Authority

New Business

Amendment #1 to the Management Agreement between LPTA and LPT

Sam Miller reported that the revisions of the agreement involve the allocation of costs which have changed overtime. The Authority sets the rates and handles all legal matters for the Authority fees and collections which are sewer and stormwater.

Mr. Pramik motioned to approve Amendment #1 to the Management Agreement between Authority and Township. Mr. Ramsey seconded the motion. Mr. Blain called for a voice vote, and there was a unanimous vote of approval.

Sanitary Sewer Fund

New Business

Resolution 25-01 authorizing submission of the COVID-ARPA PA Small Water and Sewer Grant Application for the Wilshire Sewer Extension Project

Mr. Weaver reported that the application for the grant was already submitted by GHD before the April 30, 2025, deadline. The Authority Board's action this evening is ratifying the submission of grant application to the Commonwealth Finance Authority. The Commonwealth Finance Authority allows thirty days for submission of the resolution.

Mr. McCormack motioned to approve Resolution 25-01 authorizing submission of the COVID-ARPA PA Small Water and Sewer Grant Application for the Wilshire Sewer Extension Project. Mr. Pramik seconded the motion. Mr. Blain called for a voice vote, and there was a unanimous vote of approval.

Presentation by GHD on the Beaver Creek DEP Corrective Action Plan

Alton Whittle, GHD provided a recap on Beaver Creek Corrective Action Plan, noting the completion of 19 mini basin projects to date, replacing 30 miles of main sewer line to date, with a 47% reduction in the peak flow during a big rainfall event. The goal is to create a new Corrective Action Plan for DEP, so there's no need for storage or significant updates on the Interceptor going down Nyes Road. The Annual Report submission is due at the end of June 2025 and the meeting with PA DEP in August.

Mr. Whittle presented the Draft Report of what they intend to negotiate with PA DEP and requested approval to submit the draft report and negotiate with PA DEP. The approach comes down to four projects and based on the current evaluation, it is recommended that Authority and Township implement a program and schedule to eliminate overflows by 2028 and reduce the hydraulic overload by 2033. The recommended implementation schedule will address the following: Trunk H Rehabilitation of the area behind Locust Lane, Nyes Road Overflow Box, and Reconfiguration and Capacity Evaluation at the Beaver Creek Meter Chamber. By implementing the appropriate strategies within these project areas, it's projected to eliminate the need for a storage facility within the Beaver Creek basin. This draft report is due at the end of June. Mr. Blain thanked Mr. Whittle and the staff of GHD for the work they've done in partnership with the Township, starting back in 1999. He noted that Mr. Hoffer and Mr. Hornung former Board members, were also integral in making decisions to replace the lines.

Mr. Weaver noted that the Authority Board must act on the Corrective Action Plan (CAP), because it will go into the Annual Report. He pointed out that the CAP is the end of a program that started back in 2002, and provided some history on the CAP. The DEP CAP must be approved by Swatara Township because they are partners to the Consent Order, and they meet with the Township Authority at this annual meeting and discuss the CAP. In August, he will present a sewer rate table to the Authority Board and the impact of this plan, and CAP. He noted that they have been able to reduce the amount of projects because of their success; therefore, the amount of money needed to complete the projects has been reduced from \$12 million dollars to \$7 million dollars.

Mr. Pramik motioned to approve the submission of the third Corrective Action Plan, and negotiations with the Pennsylvania Department of Environmental Protection. Mr. Ramsey seconded the motion. Mr. Blain called for a voice vote, and there was a unanimous vote of approval.

Township Reports

BC-7A/B/C Sewer Replacement Construction Update

Mr. Weaver reported that the BC-7 sewer construction was completed last summer, and the meter data came back as 100 % I&I removal. However, there have been some delays with the contractor which were related to the storm sewer work, due to utility conflicts with PPL. The Board of Supervisors approved a Change Order extending the contract to May 15, 2025, but there was another delay by PPL from April 1, 2025, and the Change Order had an automatic extension for every day that PPL was late moving the electric lines. Therefore, Doli was given an extension of ten days, and the official deadline was May 25, 2025. However, two weeks ago Doli sent GHD a paving schedule indicating that they intended to pave Kenwood Ave and

Cloverdale Rd. today, but with the rain and the delays and other commitments in Halifax, they pulled everyone out and won't return for several weeks. Recently, the Solicitor sent Doli the official letter notifying them of May 25, 2025, deadline, and that the Authority would charge damages of \$1,300 a day each day after May 25, 2025. The total fees assessed to Doli for being late equate to \$70,000 in damages, unless they can provide something new for the extensions. Doli sent an email to Ms. Smith stating that their deadline for the completion of everything was July 13, 2025, this email was received before Doli received the letter from the Solicitor. As it stands, the project is slated to be done on July 13, 2025, and notices would be sent to residents who signed up to receive notices. Mrs. Smith added that Doli never signed the last Change Order, because they're still challenging it, and they are reviewing the delays and conflicts. In conclusion, they have passed the final completion date and they're not done, and GHD's position is to send the invoice to Doli for liquidated damages, and a letter was sent to Doli last Friday.

Morgan Madden explained that the Township must authorize Mr. Weaver and Mrs. Smith to send the invoice to Doli, beyond that, if they don't pay those fees, the Board must authorize the Solicitor to file it in Court of Common Pleas. Mr. Blain expressed some concern and wanted to know if Doli could counter sue the Township or delay the project any further. Ms. Madden explained that if they did counter sue, it would be something she'd evaluate to determine if there's any merit behind the suit and determine any risks behind it. Mr. Weaver added that a lawsuit wouldn't delay anything because the project would be complete before the Township sends the invoice.

A discussion followed on the project timeline and terms of the contract, invoices, time extensions, recent delays, and utility conflicts. The Board of Supervisors must approve the final invoice because the Township owns the contract.

The Authority funded the project, but the management agreement allows for the Authority to manage and take over all the contracts. The Township is still holding the retainer. Mr. Blain recommended that the Authority take over the contracts.

John Packer, 5723 Kenwood Ave., commented on the details of the contract, certificate of substantial completion, and Section 16.02 Owner May Terminate for Cause.

Steven Blain, 5732 Kenwood Ave., wanted to know if anything could be done to avoid dealing with Doli going forward. Mr. Weaver explained that it would be difficult because of case law. Dave Blain noted that the Authority has used Doli for other projects, and they have done a good job. Mr. Weaver noted that the projects are now over, the Authority will not be going into anymore neighborhoods digging up laterals.

John Packer, 5723 Kenwood Ave., commented on the contract and suggested that the Authority take over the contracts.

Mr. Weaver agreed and recommended that the Authority take over the contracts.

Township Crew 2nd Quarter Report – 2025 Paving Project Repair Work

Mr. Weaver reported on the 2025 paving project noting that the Township issued a Bid and it was awarded; prior to that bid, the Public Works Department staff worked with the Authority staff to TV all the storm and sanitary sewer, and they replace whatever is defective.

PC-3E/ Clermont Mini-Basin Construction Update/Schedule

Mr. Weaver reported that the Clermont project is the last project in Paxton Creek, and Doli is 45% done with the sewer work, base paving and concrete work. The final completion is November 26, 2025.

Mr. Weaver reported that the township owns the park site off Conway Road and Doli needs somewhere to place the fill, and under the contract they are to place the fill at the park site and the staff is working with the neighbors who've experienced issues with sediment.

Mr. Weaver explained that the Authority staff are going to repair the residents' driveway next week. Representatives of HRG are scheduled to meet with the Dauphin County Conservation District on Thursday, May 29, 2025. He mentioned that the site is difficult one and HRG designed and installed it, but they've had some blow outs, and there's been some designs to solve a solution that's not typical. Once the hill is stable, it will take care of the neighbors' issues.

PC-2E/F Trunkline/External Repairs Construction Update/Schedule

The PC-2E/F Trunkline is complete, but they've had some issues because it's getting wet. There's additional work to be done on Blue Mountain Parkway, but they're waiting for the schools to close due to traffic.

Shut down Mountainview Elementary School

Currently, they are working on some external repairs and had to shut down Mountain View School because they hit a water line. There's a meeting scheduled for Wednesday, May 28, 2025, to discuss replacing the sewer line, and moving it away from the water line. The contract is scheduled to be complete in the next two months.

Quarterly Financial Report

Mr. Miller provided a brief overview of operating and capital activities.

Engineer's Report

Melissa Smith, GHD, was present to answer questions.

Stormwater Fund

Township Reports

New MS4 NPDES Permit/HRG Proposed Asset Management Plan

The MS4 NPDES permit has been published in the Pennsylvania Bulletin, and the Township received the official permit.

The permit says that the Township has complied with the TMDL requirements, so there is no need to spend money on projects over the next five years; however, there are still monitoring requirements, and new study must be completed in four years. As part of the Stormwater Management Study, the stormwater fee was generated to satisfy the MS4 requirements, and now that all the stormwater projects are complete, how does the Authority spend the money. It was recommended by Mr. Miller that the Authority start an Asset Management Plan and the staff and HRG agreed. Therefore, the staff has requested that HRG prepare a proposal for the Authority Board, this proposal would be presented at the August 27, 2025, meeting.

Mr. Blain agreed that that an asset management plan makes sense and thanked Mr. Miller for the recommendation.

Township Crew 2nd Quarter 2025 Stormwater Projects

Mr. Weaver reported on the 2025 Budgeted Stormwater projects, 13 total, eight projects are in the design phase and five are under construction. HRG recently submitted a grant application requesting \$500,000 for the Colonial Park Basin project. The Friendship Center Basin project will start at the end of June 2025, and the staff will meet with the new Public Works Director to review the Public Works Basin project.

Mr. Stepansky presented a quarterly review of the work projects completed from April to June and some scheduled projects. Mr. Weaver pointed out that there was a change with the stormwater crew because they had to get the paving done in the Clermont area.

Mr. Stepansky noted that currently, the crew are working at Dartmouth and Londonderry Rd until June and afterward they'll return to the Clermont area.

Mr. Pramik mentioned the recent problem on S. Arlington Ave. Mr. Stepansky explained that the staff also deal with the complaints about stormwater issues throughout the year in addition to working on the projects. One of those issues is the stormwater runoff on S. Arlington Ave. and that area is getting worse; they will evaluate the area with the help of Public Works. The plan is to install roll curbs to redirect the water away from homes and onto the streets into existing systems. However, it's very difficult to do by hand and they are looking to purchase a machine to lay 300 ft of roll curbs. Mr. Pramik wanted to know more about the permanent fix. Mr. Stepansky noted that the permanent fix is up to the Authority. Currently, he uses a ranking system to prioritize the issues.

Mr. Weaver explained that the Authority has 80 plus miles of storm sewer, and nothing has been done in over 50 years. Jason Hinz will present the Asset Management Plan, and that plan would address the best way to manage those assets. The Authority has hundreds of complaints that aren't part of the Asset Management Plan, and they are stormwater issues on private property and there's no funding available for it. The Solicitor would advise the Board not to do anything because once the water leaves the street, the Authority doesn't own it. These are some issues the Authority would be dealing with now that the Township gifted the Authority the stormwater system. Mr. Stepansky added that they would do what they can from cost perspective for those private properties and assured Mr. Pramik that he had received the complaints along with videos of the stormwater. He reiterated that they are planning to install roll curbs in that area.

John Packer, 5723 Kenwood Ave., commented on the work done Mayfair Drive and wanted to know if the road would be repaved. Mr. Weaver explained that PAC is doing repairs to the sewer line in that area, it was scheduled for storm sewer repairs but was recently removed from the list. The Authority staff are scheduled to meet with the Township staff to discuss paving that area.

Mr. Packer expressed some concern about the temporary paving. Mr. Blain assured Mr. Packer that someone would evaluate the area tomorrow.

Township Crew 2024 Savings compared to Bid Costs

Mr. Weaver provided a chart of cost savings, noting that Mr. Stepansky created the bid cost analysis and they saved \$500,000 in the past three years. The savings are a result of three factors; one the Authority doesn't have to pay for prevailing wages, there's no profit, or equipment costs. Mr. Blain wanted to know whether the buildup of costs and labor was fully loaded with pension and healthcare costs. Mr. Weaver explained that with the loaded rate, they saved \$403,000 and the FEMA rate is \$430,000.

Quarterly Financial Report

Mr. Miller provided an overview of the Quarterly Financial Report on the Stormwater Fund.

Engineer's Report

Jason Hinz, HRG, reported that the 2024-2025 MS4 Permit year ends June 30, 2025, and HRG will work closely with Mr. Stepansky and the team to ensure that all the requirements have been met for the year. The annual reports are due September 30, 2025, so there's a few months to document everything and submit it to PA DEP. He reviewed the Engineer's report noting that HRG staff are in the process of coordinating a meeting with the Authority staff to review preliminary design for Utah Avenue. HRG staff and Authority LPTA will be working on the framework to propose the Asset Management Plan in August 2025.

Adjournment

Mr. Blain thanked Sam Miller for his service to the Township and Township Authority. Mr. McCormack also thanked Mr. Miller for his exemplary work.

Mr. Blain announced that the next Authority Board meeting is scheduled for August 26, 2025.

Mr. Pramik moved to adjourn the meeting, Mr. Ramsey seconded the motion. Mr. Blain adjourned the meeting at 8:31 p.m.

Respectfully submitted,

Shellie Smith
Recording Secretary

Approved by,

Secretary

LOWER PAXTON TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

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INTRODUCTION

The Management's Discussion and Analysis ("MD&A") is a component of the reporting model adopted by the Government Accounting Standards Board ("GASB"), as referenced in Statement No. 34 issued in June 1999. The intent of the MD&A is to summarize Lower Paxton Township's ("Township") financial performance as a whole, in part, using comparative information from the current year analyzed against prior years.

The MD&A presents a narrative overview and analysis of the Township's financial performance for the fiscal year ended December 31, 2024. It is recommended that it be read in conjunction with the accompanying basic financial statements and notes to the financial statements in order to obtain a thorough understanding of the Township's financial condition as of December 31, 2024.

The financial statements of Lower Paxton Township include the financial position and results of operations of the Township and the Lower Paxton Township Authority ("Authority"), which is a blended component unit of the Township.

FINANCIAL HIGHLIGHTS

The following items detail the Township's financial highlights for the fiscal year ended December 31, 2024:

- The Township's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended December 31, 2024 by \$120,289,013 (net position). The net position increased by \$9,920,534 primarily related to significant, continued growth in earned income tax and favorable dividends from health and workers compensation insurance. The majority of the Township's net position (\$87,293,845 or 72%) is invested in capital assets and is not available for future spending.
- Governmental fund balances increased from \$22,859,359 to \$25,293,258 primarily related to significant, continued growth in earned income tax and favorable dividends from health and workers compensation insurance.
- The Township's solid waste and recycling contract executed for July 2023 through June 2028 included the Township taking over billing, collection, and customer service activities previously managed by the contractual hauler. While the fund balance generated from the operations was nominal (\$141,956), General Fund revenues and expenditures increased by \$7,572,218 and \$7,430,262, respectively, from those new Township operations.
- The Township established and began funding an other post-employment benefits plan ("OPEB") for police retiree health insurance in 2023. Contributions of \$400,000 and \$750,000 were made in 2024 and 2023, respectively, to more aggressively invest funds towards managing the long-term liability.

LOWER PAXTON TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

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- New lease and subscription liability arrangements authorized by the Township totaled \$890,618 for 2024. The Authority issued additional bond debt in 2024 totaling \$14,670,000 for sewer capital projects. The Authority continued to draw on available proceeds from the 2019 PennVest loan (\$240,231) and utilize unspent bond proceeds from 2020A series issuances for continued sewer and from 2022 series issuances for continued stormwater infrastructure projects. Net decrease in outstanding bond and loan debt for 2024 was \$694,211.
- The Township's bond rating remains at Aa2, as set by Moody's Investors Service, denoting a very strong capacity to meet financial commitments.
- Significant sewer and stormwater infrastructure investment continued in 2024, with net additions to capital assets totaling \$11,276,343 for the Township.

OVERVIEW OF THE FINANCIAL STATEMENTS

This section is intended to serve as an introduction to the Township's basic financial statements which are comprised of the following components: management's discussion and analysis, government-wide financial statements, fund financial statements and notes to the financial statements. The report also contains other required supplementary information related to pension and OPEB plans and combining schedules for certain funds. The financial statements are organized to provide an understanding of the Township as an entire operating entity, while also providing a detailed look at specific financial activities.

Government-wide statements

The government-wide financial statements of the Township are divided into two categories: governmental activities and business activities. The government-wide statements report information about the Township and its blended component unit using accounting methods similar to those used by private-sector companies. The statement of net position includes all the government's assets and liabilities. All the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is paid or received. The two government-wide statements report the Township's net position and how it has changed. An increase or decrease in the Township's net position is an indication of whether its financial health overall is improving or deteriorating. The sole business-type activity of the Township is the Authority.

Fund financial statements

The Township's fund financial statements provide more detailed information about the most significant funds, not the Township as a whole. The fund financial statements include:

- *Governmental funds* financial statements, which explain how services, such as public safety and public works, are financed. The major governmental funds include the General Fund and General Improvement Fund. The nonmajor funds include the Community Development Block Grant, Fire Equipment Capital, and State Highway Aid.
- *Enterprise funds* financial statements offer information about the activities that the Township operates

LOWER PAXTON TOWNSHIP

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

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like a business. There is one Township enterprise fund: the Authority.

- *Fiduciary funds* financial statements reflect activities involving resources that are held by the Township as trustee for others. The Township has one Length of Service Award Program ("LOSAP") fund for volunteer firefighter and fire police officers, two employee pension funds: one covering sworn police officers and one for full-time, non-uniformed employees, one OPEB fund for sworn police officer benefits (new in 2023), and one custodial fund for County real estate taxes processed through the elected tax collectors account in the Township's name. Fiduciary funds are not reflected in the government-wide statements because resources cannot be used to support the Township's operations.

GOVERNMENT WIDE FINANCIAL ANALYSIS

Table A-1 is a condensed summary of the statement of net position:

Table A-1 Statements of net position December 31, 2024 and 2023						
	2024			2023		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
Current and other assets	\$ 26,546,119	\$ 59,021,268	\$ 85,567,387	\$ 27,039,047	\$ 47,913,815	\$ 74,952,862
Capital assets	<u>56,372,583</u>	<u>196,526,770</u>	<u>252,899,353</u>	<u>52,858,965</u>	<u>188,764,045</u>	<u>241,623,010</u>
Total assets	<u>82,918,702</u>	<u>255,548,038</u>	<u>338,466,740</u>	<u>79,898,012</u>	<u>236,677,860</u>	<u>316,575,872</u>
Deferred outflows of resources	<u>7,611,178</u>	<u>2,144,529</u>	<u>9,755,707</u>	<u>11,120,977</u>	<u>2,245,448</u>	<u>13,366,425</u>
Current portion of liabilities	6,434,189	14,858,021	21,292,210	6,098,229	10,997,904	17,096,133
Long-term portion of liabilities	<u>29,093,026</u>	<u>167,408,195</u>	<u>196,501,221</u>	<u>34,048,702</u>	<u>157,703,999</u>	<u>191,752,701</u>
Total liabilities	<u>35,527,215</u>	<u>182,266,216</u>	<u>217,793,431</u>	<u>40,146,931</u>	<u>168,701,903</u>	<u>208,848,834</u>
Deferred inflows of resources	<u>9,840,003</u>	<u>-</u>	<u>9,840,003</u>	<u>10,424,984</u>	<u>-</u>	<u>10,424,984</u>
Net position:						
Net investment in capital assets	41,360,563	45,933,288	87,293,851	35,955,313	39,261,090	75,216,403
Restricted	2,882,083	860,760	3,742,843	4,190,692	-	4,190,692
Unrestricted	<u>920,016</u>	<u>28,632,303</u>	<u>29,552,319</u>	<u>301,069</u>	<u>30,960,315</u>	<u>31,261,384</u>
Total net position	<u>\$ 45,162,662</u>	<u>\$ 75,426,351</u>	<u>\$ 120,589,013</u>	<u>\$ 40,447,074</u>	<u>\$ 70,221,405</u>	<u>\$ 110,668,479</u>

Over time, net position may serve as a useful indication of a government's financial position. In the case of the Township, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows by \$121,863,135 as of December 31, 2024. The largest portion of the Township's net position, \$87,293,851 or 72%, is net investment in capital assets which reflects total capital assets offset by debt incurred to acquire the assets. Restricted net position of \$2,882,083 or 2%, primarily represents third-party escrows and unspent restricted grants and contributions for specified purposes. The remaining balance of net position is \$31,687,201 or 26%,

LOWER PAXTON TOWNSHIP

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

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which represents resources that may be used (or are needed) to meet the government's ongoing obligations to its citizens.

The results of this year's operations as a whole are reported in the statement of activities. All expenses are reported in the first column of the statement of activities. Specific charges, grants and subsidies that directly relate to specific expense categories are presented to determine the final amount of the Township's activities that are supported by general revenues. The two largest sources of general revenues are earned income tax and real estate tax.

LOWER PAXTON TOWNSHIP

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

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Table A-2 takes the information from the statement of activities and rearranges it to depict the changes in net position.

Table A-2
Statements of changes in net position
December 31, 2024 and 2023

	2024			2023		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
Revenues:						
Program revenues:						
Charges for service	\$ 8,247,045	\$ 21,024,668	\$ 29,271,713	\$ 5,859,289	\$ 21,353,622	\$ 27,212,911
Grants and contributions	9,458,431	1,000,000	10,458,431	8,993,178	-	8,993,178
General revenues:						
Taxes	21,011,571	-	21,011,571	20,228,544	-	20,228,544
Interest revenue	1,451,340	2,188,143	3,639,483	1,383,355	1,904,302	3,287,657
Gain on sale of capital assets	-	-	-	-	550,076	550,076
License and permits	2,222,945	-	2,222,945	1,015,186	-	1,015,186
Fines and forfeitures	270,244	-	270,244	251,955	-	251,955
Contributed Capital	300,000	-	300,000	-	-	-
Contributions	63,481	-	63,481	56,257	-	56,257
Developer contributions	1,100,978	1,222,456	2,323,434	1,128,045	813,618	1,941,663
Miscellaneous	10,954	-	10,954	2,340	-	2,340
Transfers	(579,991)	579,991	-	-	-	-
Total revenues	<u>43,556,998</u>	<u>26,015,258</u>	<u>69,572,256</u>	<u>38,918,149</u>	<u>24,621,618</u>	<u>63,539,767</u>
Expenses:						
General government	2,635,473	-	2,635,473	1,669,839	-	1,669,839
Police department	13,018,366	-	13,018,366	12,201,805	-	12,201,805
Fire and ambulance	2,343,284	-	2,343,284	1,993,039	-	1,993,039
Community development	1,401,925	-	1,401,925	1,319,295	-	1,319,295
Health and Sanitation	8,633,043	-	8,633,043	3,786,856	-	3,786,856
Public works	7,629,577	-	7,629,577	7,773,636	-	7,773,636
Parks and recreation	2,832,321	-	2,832,321	2,701,952	-	2,701,952
Interest	347,421	-	347,421	396,094	-	396,094
Lower Paxton Township Authority	-	20,810,312	20,810,312	-	21,158,159	21,158,159
Total expenses	<u>38,841,410</u>	<u>20,810,312</u>	<u>59,651,722</u>	<u>31,842,516</u>	<u>21,158,159</u>	<u>53,000,675</u>
Increase in net position	4,715,588	5,204,946	9,920,534	7,075,633	3,463,459	10,539,092
Net position at beginning of year	<u>40,447,074</u>	<u>70,221,405</u>	<u>110,668,479</u>	<u>33,371,441</u>	<u>66,757,946</u>	<u>100,129,387</u>
Net position at end of year	<u>\$ 45,162,662</u>	<u>\$ 75,426,351</u>	<u>\$ 120,589,013</u>	<u>\$ 40,447,074</u>	<u>\$ 70,221,405</u>	<u>\$ 110,668,479</u>

During the current fiscal year, net position for governmental activities increased \$4,715,588, primarily the result of continued, significant increases in earned income tax and interest income revenues. The net position of the business-type activities increased \$5,204,946, with sewer and stormwater user fees outpacing operating costs along with large receipts of grant monies and significant developer contributions.

LOWER PAXTON TOWNSHIP

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

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FINANCIAL ANALYSIS OF THE TOWNSHIP FUNDS

Governmental Funds

The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net spendable, "available" resources at the end of the fiscal year.

At the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$25,293,258, of which \$3,373,178 was in nonspendable form (e.g., deposits and prepaid expenses), \$2,882,083 was externally restricted, such as by legal restrictions or intention of grantors, donors, or trustees, and \$4,343,090 was assigned, primarily for earmarked capital projects and 2024 budgetary reserve needs. The remaining \$14,694,907 (58%) is unassigned and can be used for any lawful purpose, the majority of which is from the General Fund – the Township's primary operating fund.

The condensed changes in fund balance for the General Fund were as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Revenues	\$ 36,773,524	\$ 32,774,720
Expenditures	35,496,488	32,579,344
Net other financing sources (uses)	<u>111,141</u>	<u>549,068</u>
Net changes in fund balances	<u>\$ 1,388,177</u>	<u>\$ 744,444</u>

From 2023 to 2024, the Township experienced an increase in both revenues and expenditures of \$3,998,804 and \$2,917,144, respectively, largely driven by the first full year of solid waste and recycling collection. Finally, other financing sources (uses), typically insignificant, were larger in 2023 relative to lease liability issuance proceeds.

Enterprise Funds

The Township's enterprise funds, limited to the Authority, provide the same type of information found in the government-wide financial statements summarized earlier. As of December 31, 2024, the net position of the Authority totaled \$75,426,351, an increase of \$5,204,946 from 2023. Total operating revenues slightly decreased in 2024 by \$310,170 with steady collection of sewer and stormwater customer charges. Operating expenses decreased in 2024 by \$942,403, primarily relative to changes in management agreement charges and an increase in other current assets (deposits paid for future periods). Finally, net nonoperating expenses decreased in 2024 by \$529,263, primarily due to growth in interest income revenues and a large grant related to capital projects.

LOWER PAXTON TOWNSHIP

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

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GENERAL FUND BUDGETARY ANALYSIS

The original budget for the General Fund was not amended by the Township's Board of Supervisors during 2024. Overall, actual operating revenues during the current fiscal period fell short of budget by \$288,171, a result of significant, continued growth of earned income tax and interest income revenues but stunted by a 1% decline in sewer and stormwater fee revenues and inflationary pressures causing a reduction in residential and commercial new construction and permit activity.

Overall, actual expenditures were \$420,280 more than planned, primarily due to the following:

- Community Development expenditures were \$172,786 more than budget due running two software systems concurrently during transition and increased solicitor costs.
- Parks and Recreation department expenditures were more than budget by \$169,390 primarily due to the re-allocation of public works labor to the parks and recreation budget for parks maintenance and project work.
- Charges for Services revenues were \$365,513 less than budgeted due to a smaller population of customer units in billing than predicted.
- Intergovernmental revenues were \$413,305 less than budgeted largely due to vacant positions negatively impacting Management Agreement revenues

CAPITAL ASSETS

The Township's capital assets as of December 31, 2024, net of accumulated depreciation and amortization, were \$252,899,353. Capital assets consist primarily of the sewer and stormwater collection and conveyance systems and deferred capacity costs, and administrative, public safety, public works, and recreation facilities owned by the Township. The following is a summary of capital assets as of December 31, 2024 and is detailed in Note 4 to the financial statements:

LOWER PAXTON TOWNSHIP

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

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	2024		2023	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Land	\$ 2,612,716	\$ 564,508	\$ 2,312,716	\$ 864,508
Intangibles (non depreciable)	421,850	2,740,869	421,850	2,740,869
Construction in progress	3,644,931	26,514,943	2,512,744	17,500,465
Buildings	23,640,168	1,517,541	23,577,908	1,517,541
Land improvements	10,732,823	-	8,987,683	-
Machinery and equipment	8,258,695	2,696,214	7,287,118	2,534,693
Vehicles	9,620,457	-	9,842,862	-
Infrastructure	62,913,715	213,441,209	60,242,873	216,418,524
Right-to-use assets	3,346,846	-	3,655,644	81,617
Furniture	-	40,973	-	40,973
Sewer capacity costs	-	26,929,917	-	21,144,628
Accumulated depreciation / amortization	<u>(68,819,618)</u>	<u>(77,919,404)</u>	<u>(65,982,433)</u>	<u>(74,079,773)</u>
	<u>\$ 56,372,583</u>	<u>\$ 196,526,770</u>	<u>\$ 52,858,965</u>	<u>\$ 188,764,045</u>

LOWER PAXTON TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024

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DEBT ADMINISTRATION

The Township's long-term debt activity for 2024 is as follows and is detailed in Note 5 to the financial statements:

Type	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
General Obligation Debt	\$ 14,505,000	\$ -	\$ (1,905,000)	\$ 12,600,000
Lease Obligation	1,624,609	781,157	(664,813)	1,740,953
Subscription Liability	146,274	109,461	(58,995)	196,740
Compensated Absences	2,567,466	418,913	-	2,986,379
Net Pension Liability	8,481,310	-	(7,033,765)	1,447,545
Net Pension Asset	(237,527)	(52,834)	-	(290,361)
Net OPEB Liability	<u>8,641,925</u>	<u>-</u>	<u>(43,154)</u>	<u>8,598,771</u>
Total Governmental				
Activities Long-Term Debt	<u>\$ 35,729,057</u>	<u>\$ 1,256,697</u>	<u>\$ (9,705,727)</u>	<u>\$ 27,280,027</u>
Business-Type Activities:				
General Obligation Debt	<u>\$ 154,327,821</u>	<u>\$ 14,910,231</u>	<u>\$ (5,714,156)</u>	<u>\$ 163,523,896</u>
Total Business-Type				
Activities Long-Term Debt	<u>\$ 154,327,821</u>	<u>\$ 14,910,231</u>	<u>\$ (5,714,156)</u>	<u>\$ 163,523,896</u>

At the end of 2024, the Township had total long-term debt, net of current maturities, in the amount of \$191,094,284, excluding Net Pension Asset. \$163,523,896 of the total debt is based on amounts under subsidy agreements with the Authority. The debt includes General Obligation Bonds as well as Pennsylvania Infrastructure Investment Authority (PennVest) loans. As of December 31, 2024, \$12,854,516 had been drawn on the 2019 PennVest loan, leaving \$423,679 (including unreleased retainage) available for capital project related costs.

The Authority agrees to pay the Township, from receipts and revenues from its sewer and stormwater systems, amounts sufficient to pay the Authority's portion of the principal and interest on the bonds and PennVest debts. The subsidy agreements contain various covenants of the Authority, including a covenant to impose and collect sewer rentals and stormwater fees in each year sufficient, with other funds, to pay the operation and maintenance expenses, including amounts due in accordance with the terms of the subsidy agreements for amounts payable for debt service on the bonds issued.

LOWER PAXTON TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

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ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Township

The Township's 2025 adopted budget reflects the ongoing challenges meeting a balanced budget, particularly in the General Fund, as fixed expenses continue to rise, and many revenue streams continue to flatten. While the Township's residential growth has been strong over the past several years, contractual costs and inflation continue to pressure, match, or outpace these funding sources and the real estate tax millage for general purposes has remain unchanged since 2016. The 2025 budget for the General Fund was adopted utilizing \$3,076,174 in reserves (\$2,748,639 of which pertains to use of budgetary reserves generated from the ARPA funds), which would reduce carryover reserves to just over \$16,200,000 million to enter into 2026, \$1,187,000 of which relates to unspent budgetary reserves generated from the ARPA funds.

The Township continues to focus investment on strategic planning and assessment tools to aid in assessing long-term financial stress factors as expenditures rise due to inflation and contractual pressures. The Township is currently conducting a fire labor study to assess the operational need for, and the financial impact of, maintaining ten budgeted career firefighter positions. The study will help inform future budgeting and staffing decisions by analyzing compensation, benefits, and service demands.

In addition, the Township had a formal asset management plan conducted by a third party in 2024 in relation to recommendations for a roads-dedicated real estate tax millage to bridge the funding gap for Liquid Fuels spending. Further, future tax challenges remain evident as most of the township's taxable parcels are residential. This puts pressure on future tax increases due to a commercially under-developed township, with additional resources needed for public safety and capital investments.

Finally, the Township continues to finance significant capital improvements, much deferred, for investment relative to the ARPA funds received, which will ensure significant capital rehabilitation and revitalization improvements are made to the Township's parks and playgrounds, transportation, public safety, and administrative assets and infrastructure.

Authority

The Township (and Authority) is governed by a consent decree and settlement agreement with the Pennsylvania Department of Environmental Protection ("PADEP") relative to the Beaver Creek, Paxton Creek, and Spring Creek Basin interceptors for sewage overflows and hydraulic overloads in these regions and manage limitations on equivalent dwelling units ("EDU's") and connections in the respective areas. As capital improvements have been made, modeling and metering data updated, and removal rates for overflow/overload have occurred, revised long-term corrective action plans are provided to PADEP and have been approved as submitted. As of December 31, 2024, the Authority estimates that additional investments for compliance with the agreements are \$16,500,000 for Beaver Creek and \$4,500,000 for Spring Creek Basin interceptors through 2035.

The Authority also is governed by the Township's PADEP Municipal Separate Storm Sewer System ("MS4")

LOWER PAXTON TOWNSHIP

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

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permit, approved through April 2030, which requires the implementation of a Storm Water Management Plan to manage the conveyance and proper discharge of stormwater. As of December 31, 2024, the estimated additional MS4 capital costs relative to the plan total \$575,000. An additional \$3,825,000 is needed to fund the planned storm sewer replacement projects through 2029.

To fund the capital projects noted above, the Authority anticipates further subsidy agreements with the Township for issuance of debt financing as follows: \$5,000,000 in 2025, \$16,000,000 during the period of 2027 through 2036 for sewer projects, and for stormwater \$4,400,000 in 2027 and \$8,000,000 in 2030 for stormwater projects associated with the MS4 permit required to be renewed in May 2030.

The Authority's long-term costing and rate models assist annually in the determination of sewer and stormwater charges sufficient to meet current operating and debt-related capital needs and provide adequate operating reserves per Board directive. The adopted 2025 budget reflects no change in sewer or stormwater charges from 2024 rates. The budgets continue to reflect significant capital investments into the respective infrastructure systems relating to the consent order and MS4 management plans in effect, totaling \$14,398,500 for sewer and \$4,854,435 for stormwater.

CONTACTING THE TOWNSHIP

This financial report is designed to provide citizens, investors and creditors with a general overview of the Township's finances. If you have questions about this report or need additional information, contact the Finance Department at the Township Municipal Center, 425 Prince Street, Harrisburg, PA 17109.

LOWER PAXTON TOWNSHIP
DAUPHIN COUNTY, PENNSYLVANIA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

LOWER PAXTON TOWNSHIP
YEAR ENDED DECEMBER 31, 2024
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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Lower Paxton Township
Harrisburg, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lower Paxton Township (the "Township"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Township as of December 31, 2024, and the respective changes in its financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than



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Board of Supervisors
Lower Paxton Township
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for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Adoption of Governmental Accounting Standards Board Principles

As discussed in Note 1 to the financial statements in 2024, the Township adopted certain requirements of GASB Statement No. 99, "Omnibus 2022", the provisions of GASB Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62" and GASB Statement No. 101, "Compensated Absences". Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; budgetary comparison information; schedules of changes in net pension liability and related ratios and employer contributions; schedules of investment returns for the pension and OPEB plans, schedules of changes in net OPEB liability and related ratios, schedule of employer contributions-OPEB on pages 4-17, 70, 71-73, 74-76, 77, 78 and 79 respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial



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Lower Paxton Township
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statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules and the schedule of operating expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2025 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Zelenkofske Axlerod LLC

ZELENKOFSCHE AXELROD LLC

July 3, 2025
Harrisburg, Pennsylvania

LOWER PAXTON TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

Page 4

INTRODUCTION

The Management's Discussion and Analysis ("MD&A") is a component of the reporting model adopted by the Government Accounting Standards Board ("GASB"), as referenced in Statement No. 34 issued in June 1999. The intent of the MD&A is to summarize Lower Paxton Township's ("Township") financial performance as a whole, in part, using comparative information from the current year analyzed against prior years.

The MD&A presents a narrative overview and analysis of the Township's financial performance for the fiscal year ended December 31, 2024. It is recommended that it be read in conjunction with the accompanying basic financial statements and notes to the financial statements in order to obtain a thorough understanding of the Township's financial condition as of December 31, 2024.

The financial statements of Lower Paxton Township include the financial position and results of operations of the Township and the Lower Paxton Township Authority ("Authority"), which is a blended component unit of the Township.

FINANCIAL HIGHLIGHTS

The following items detail the Township's financial highlights for the fiscal year ended December 31, 2024:

- The Township's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended December 31, 2024 by \$120,289,013 (net position). The net position increased by \$9,920,534 primarily related to significant, continued growth in earned income tax and favorable dividends from health and workers compensation insurance. The majority of the Township's net position (\$87,293,845 or 72%) is invested in capital assets and is not available for future spending.
- Governmental fund balances increased from \$22,859,359 to \$25,293,258 primarily related to significant, continued growth in earned income tax and favorable dividends from health and workers compensation insurance.
- The Township's solid waste and recycling contract executed for July 2023 through June 2028 included the Township taking over billing, collection, and customer service activities previously managed by the contractual hauler. While the fund balance generated from the operations was nominal (\$141,956), General Fund revenues and expenditures increased by \$7,572,218 and \$7,430,262, respectively, from those new Township operations.
- The Township established and began funding an other post-employment benefits plan ("OPEB") for police retiree health insurance in 2023. Contributions of \$400,000 and \$750,000 were made in 2024 and 2023, respectively, to more aggressively invest funds towards managing the long-term liability.

LOWER PAXTON TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

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- New lease and subscription liability arrangements authorized by the Township totaled \$890,618 for 2024. The Authority issued additional bond debt in 2024 totaling \$14,670,000 for sewer capital projects. The Authority continued to draw on available proceeds from the 2019 PennVest loan (\$240,231) and utilize unspent bond proceeds from 2020A series issuances for continued sewer and from 2022 series issuances for continued stormwater infrastructure projects. Net decrease in outstanding bond and loan debt for 2024 was \$694,211.
- The Township's bond rating remains at Aa2, as set by Moody's Investors Service, denoting a very strong capacity to meet financial commitments.
- Significant sewer and stormwater infrastructure investment continued in 2024, with net additions to capital assets totaling \$11,276,343 for the Township.

OVERVIEW OF THE FINANCIAL STATEMENTS

This section is intended to serve as an introduction to the Township's basic financial statements which are comprised of the following components: management's discussion and analysis, government-wide financial statements, fund financial statements and notes to the financial statements. The report also contains other required supplementary information related to pension and OPEB plans and combining schedules for certain funds. The financial statements are organized to provide an understanding of the Township as an entire operating entity, while also providing a detailed look at specific financial activities.

Government-wide statements

The government-wide financial statements of the Township are divided into two categories: governmental activities and business activities. The government-wide statements report information about the Township and its blended component unit using accounting methods similar to those used by private-sector companies. The statement of net position includes all the government's assets and liabilities. All the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is paid or received. The two government-wide statements report the Township's net position and how it has changed. An increase or decrease in the Township's net position is an indication of whether its financial health overall is improving or deteriorating. The sole business-type activity of the Township is the Authority.

Fund financial statements

The Township's fund financial statements provide more detailed information about the most significant funds, not the Township as a whole. The fund financial statements include:

- *Governmental funds* financial statements, which explain how services, such as public safety and public works, are financed. The major governmental funds include the General Fund and General Improvement Fund. The nonmajor funds include the Community Development Block Grant, Fire Equipment Capital, and State Highway Aid.
- *Enterprise funds* financial statements offer information about the activities that the Township operates

LOWER PAXTON TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

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like a business. There is one Township enterprise fund: the Authority.

- *Fiduciary funds* financial statements reflect activities involving resources that are held by the Township as trustee for others. The Township has one Length of Service Award Program ("LOSAP") fund for volunteer firefighter and fire police officers, two employee pension funds: one covering sworn police officers and one for full-time, non-uniformed employees, one OPEB fund for sworn police officer benefits (new in 2023), and one custodial fund for County real estate taxes processed through the elected tax collectors account in the Township's name. Fiduciary funds are not reflected in the government-wide statements because resources cannot be used to support the Township's operations.

GOVERNMENT WIDE FINANCIAL ANALYSIS

Table A-1 is a condensed summary of the statement of net position:

Table A-1
Statements of net position
December 31, 2024 and 2023

	2024			2023		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
Current and other assets	\$ 26,546,119	\$ 59,021,268	\$ 85,567,387	\$ 27,039,047	\$ 47,913,815	\$ 74,952,862
Capital assets	56,372,583	196,526,770	252,899,353	52,858,965	188,764,045	241,623,010
Total assets	82,918,702	255,548,038	338,466,740	79,898,012	236,677,860	316,575,872
Deferred outflows of resources	7,611,178	2,144,529	9,755,707	11,120,977	2,245,448	13,366,425
Current portion of liabilities	6,434,189	14,858,021	21,292,210	6,098,229	10,997,904	17,096,133
Long-term portion of liabilities	29,093,026	167,408,195	196,501,221	34,048,702	157,703,999	191,752,701
Total liabilities	35,527,215	182,266,216	217,793,431	40,146,931	168,701,903	208,848,834
Deferred inflows of resources	9,840,003	-	9,840,003	10,424,984	-	10,424,984
Net position:						
Net investment in capital assets	41,360,563	45,933,288	87,293,851	35,955,313	39,261,090	75,216,403
Restricted	2,882,083	860,760	3,742,843	4,190,692	-	4,190,692
Unrestricted	920,016	28,632,303	29,552,319	301,069	30,960,315	31,261,384
Total net position	\$ 45,162,662	\$ 75,426,351	\$ 120,589,013	\$ 40,447,074	\$ 70,221,405	\$ 110,668,479

Over time, net position may serve as a useful indication of a government's financial position. In the case of the Township, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows by \$121,863,135 as of December 31, 2024. The largest portion of the Township's net position, \$87,293,851 or 72%, is net investment in capital assets which reflects total capital assets offset by debt incurred to acquire the assets. Restricted net position of \$2,882,083 or 2%, primarily represents third-party escrows and unspent restricted grants and contributions for specified purposes. The remaining balance of net position is \$31,687,201 or 26%,

LOWER PAXTON TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024

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which represents resources that may be used (or are needed) to meet the government's ongoing obligations to its citizens.

The results of this year's operations as a whole are reported in the statement of activities. All expenses are reported in the first column of the statement of activities. Specific charges, grants and subsidies that directly relate to specific expense categories are presented to determine the final amount of the Township's activities that are supported by general revenues. The two largest sources of general revenues are earned income tax and real estate tax.

LOWER PAXTON TOWNSHIP

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

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Table A-2 takes the information from the statement of activities and rearranges it to depict the changes in net position.

Table A-2
Statements of changes in net position
December 31, 2024 and 2023

	2024			2023		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
Revenues:						
Program revenues:						
Charges for service	\$ 8,247,045	\$ 21,024,668	\$ 29,271,713	\$ 5,859,289	\$ 21,353,622	\$ 27,212,911
Grants and contributions	9,458,431	1,000,000	10,458,431	8,993,178	-	8,993,178
General revenues:						
Taxes	21,011,571	-	21,011,571	20,228,544	-	20,228,544
Interest revenue	1,451,340	2,188,143	3,639,483	1,383,355	1,904,302	3,287,657
Gain on sale of capital assets	-	-	-	-	550,076	550,076
License and permits	2,222,945	-	2,222,945	1,015,186	-	1,015,186
Fines and forfeitures	270,244	-	270,244	251,955	-	251,955
Contributed Capital	300,000	-	300,000	-	-	-
Contributions	63,481	-	63,481	56,257	-	56,257
Developer contributions	1,100,978	1,222,456	2,323,434	1,128,045	813,618	1,941,663
Miscellaneous	10,954	-	10,954	2,340	-	2,340
Transfers	(579,991)	579,991	-	-	-	-
Total revenues	<u>43,556,998</u>	<u>26,015,258</u>	<u>69,572,256</u>	<u>38,918,149</u>	<u>24,621,618</u>	<u>63,539,767</u>
Expenses:						
General government	2,635,473	-	2,635,473	1,669,839	-	1,669,839
Police department	13,018,366	-	13,018,366	12,201,805	-	12,201,805
Fire and ambulance	2,343,284	-	2,343,284	1,993,039	-	1,993,039
Community development	1,401,925	-	1,401,925	1,319,295	-	1,319,295
Health and Sanitation	8,633,043	-	8,633,043	3,786,856	-	3,786,856
Public works	7,629,577	-	7,629,577	7,773,636	-	7,773,636
Parks and recreation	2,832,321	-	2,832,321	2,701,952	-	2,701,952
Interest	347,421	-	347,421	396,094	-	396,094
Lower Paxton Township Authority	-	20,810,312	20,810,312	-	21,158,159	21,158,159
Total expenses	<u>38,841,410</u>	<u>20,810,312</u>	<u>59,651,722</u>	<u>31,842,516</u>	<u>21,158,159</u>	<u>53,000,675</u>
Increase in net position	4,715,588	5,204,946	9,920,534	7,075,633	3,463,459	10,539,092
Net position at beginning of year	<u>40,447,074</u>	<u>70,221,405</u>	<u>110,668,479</u>	<u>33,371,441</u>	<u>66,757,946</u>	<u>100,129,387</u>
Net position at end of year	<u>\$ 45,162,662</u>	<u>\$ 75,426,351</u>	<u>\$ 120,589,013</u>	<u>\$ 40,447,074</u>	<u>\$ 70,221,405</u>	<u>\$ 110,668,479</u>

During the current fiscal year, net position for governmental activities increased \$4,715,588, primarily the result of continued, significant increases in earned income tax and interest income revenues. The net position of the business-type activities increased \$5,204,946, with sewer and stormwater user fees outpacing operating costs along with large receipts of grant monies and significant developer contributions.

LOWER PAXTON TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

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FINANCIAL ANALYSIS OF THE TOWNSHIP FUNDS

Governmental Funds

The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net spendable, "available" resources at the end of the fiscal year.

At the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$25,293,258, of which \$3,373,178 was in nonspendable form (e.g., deposits and prepaid expenses), \$2,882,083 was externally restricted, such as by legal restrictions or intention of grantors, donors, or trustees, and \$4,343,090 was assigned, primarily for earmarked capital projects and 2024 budgetary reserve needs. The remaining \$14,694,907 (58%) is unassigned and can be used for any lawful purpose, the majority of which is from the General Fund – the Township's primary operating fund.

The condensed changes in fund balance for the General Fund were as follows for the years ended December 31:

	2024	2023
Revenues	\$ 36,773,524	\$ 32,774,720
Expenditures	35,496,488	32,579,344
Net other financing sources (uses)	111,141	549,068
Net changes in fund balances	\$ 1,388,177	\$ 744,444

From 2023 to 2024, the Township experienced an increase in both revenues and expenditures of \$3,998,804 and \$2,917,144, respectively, largely driven by the first full year of solid waste and recycling collection. Finally, other financing sources (uses), typically insignificant, were larger in 2023 relative to lease liability issuance proceeds.

Enterprise Funds

The Township's enterprise funds, limited to the Authority, provide the same type of information found in the government-wide financial statements summarized earlier. As of December 31, 2024, the net position of the Authority totaled \$75,426,351, an increase of \$5,204,946 from 2023. Total operating revenues slightly decreased in 2024 by \$310,170 with steady collection of sewer and stormwater customer charges. Operating expenses decreased in 2024 by \$942,403, primarily relative to changes in management agreement charges and an increase in other current assets (deposits paid for future periods). Finally, net nonoperating expenses decreased in 2024 by \$529,263, primarily due to growth in interest income revenues and a large grant related to capital projects.

LOWER PAXTON TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

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GENERAL FUND BUDGETARY ANALYSIS

The original budget for the General Fund was not amended by the Township's Board of Supervisors during 2024. Overall, actual operating revenues during the current fiscal period fell short of budget by \$288,171, a result of significant, continued growth of earned income tax and interest income revenues but stunted by a 1% decline in sewer and stormwater fee revenues and inflationary pressures causing a reduction in residential and commercial new construction and permit activity.

Overall, actual expenditures were \$420,280 more than planned, primarily due to the following:

- Community Development expenditures were \$172,786 more than budget due running two software systems concurrently during transition and increased solicitor costs.
- Parks and Recreation department expenditures were more than budget by \$169,390 primarily due to the re-allocation of public works labor to the parks and recreation budget for parks maintenance and project work.
- Charges for Services revenues were \$365,513 less than budgeted due to a smaller population of customer units in billing than predicted.
- Intergovernmental revenues were \$413,305 less than budgeted largely due to vacant positions negatively impacting Management Agreement revenues

CAPITAL ASSETS

The Township's capital assets as of December 31, 2024, net of accumulated depreciation and amortization, were \$252,899,353. Capital assets consist primarily of the sewer and stormwater collection and conveyance systems and deferred capacity costs, and administrative, public safety, public works, and recreation facilities owned by the Township. The following is a summary of capital assets as of December 31, 2024 and is detailed in Note 4 to the financial statements:

LOWER PAXTON TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024

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	2024		2023	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Land	\$ 2,612,716	\$ 564,508	\$ 2,312,716	\$ 864,508
Intangibles (non depreciable)	421,850	2,740,869	421,850	2,740,869
Construction in progress	3,644,931	26,514,943	2,512,744	17,500,465
Buildings	23,640,168	1,517,541	23,577,908	1,517,541
Land improvements	10,732,823	-	8,987,683	-
Machinery and equipment	8,258,695	2,696,214	7,287,118	2,534,693
Vehicles	9,620,457	-	9,842,862	-
Infrastructure	62,913,715	213,441,209	60,242,873	216,418,524
Right-to-use assets	3,346,846	-	3,655,644	81,617
Furniture	-	40,973	-	40,973
Sewer capacity costs	-	26,929,917	-	21,144,628
Accumulated depreciation / amortization	<u>(68,819,618)</u>	<u>(77,919,404)</u>	<u>(65,982,433)</u>	<u>(74,079,773)</u>
	<u>\$ 56,372,583</u>	<u>\$ 196,526,770</u>	<u>\$ 52,858,965</u>	<u>\$ 188,764,045</u>

LOWER PAXTON TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024

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DEBT ADMINISTRATION

The Township's long-term debt activity for 2024 is as follows and is detailed in Note 5 to the financial statements:

Type	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
General Obligation Debt	\$ 14,505,000	\$ -	\$ (1,905,000)	\$ 12,600,000
Lease Obligation	1,624,609	781,157	(664,813)	1,740,953
Subscription Liability	146,274	109,461	(58,995)	196,740
Compensated Absences	2,567,466	418,913	-	2,986,379
Net Pension Liability	8,481,310	-	(7,033,765)	1,447,545
Net Pension Asset	(237,527)	(52,834)	-	(290,361)
Net OPEB Liability	<u>8,641,925</u>	<u>-</u>	<u>(43,154)</u>	<u>8,598,771</u>
Total Governmental Activities Long-Term Debt	<u>\$ 35,729,057</u>	<u>\$ 1,256,697</u>	<u>\$ (9,705,727)</u>	<u>\$ 27,280,027</u>
Business-Type Activities:				
General Obligation Debt	<u>\$ 154,327,821</u>	<u>\$ 14,910,231</u>	<u>\$ (5,714,156)</u>	<u>\$ 163,523,896</u>
Total Business-Type Activities Long-Term Debt	<u>\$ 154,327,821</u>	<u>\$ 14,910,231</u>	<u>\$ (5,714,156)</u>	<u>\$ 163,523,896</u>

At the end of 2024, the Township had total long-term debt, net of current maturities, in the amount of \$191,094,284, excluding Net Pension Asset. \$163,523,896 of the total debt is based on amounts under subsidy agreements with the Authority. The debt includes General Obligation Bonds as well as Pennsylvania Infrastructure Investment Authority (PennVest) loans. As of December 31, 2024, \$12,854,516 had been drawn on the 2019 PennVest loan, leaving \$423,679 (including unreleased retainage) available for capital project related costs.

The Authority agrees to pay the Township, from receipts and revenues from its sewer and stormwater systems, amounts sufficient to pay the Authority's portion of the principal and interest on the bonds and PennVest debts. The subsidy agreements contain various covenants of the Authority, including a covenant to impose and collect sewer rentals and stormwater fees in each year sufficient, with other funds, to pay the operation and maintenance expenses, including amounts due in accordance with the terms of the subsidy agreements for amounts payable for debt service on the bonds issued.

LOWER PAXTON TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

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ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Township

The Township's 2025 adopted budget reflects the ongoing challenges meeting a balanced budget, particularly in the General Fund, as fixed expenses continue to rise, and many revenue streams continue to flatten. While the Township's residential growth has been strong over the past several years, contractual costs and inflation continue to pressure, match, or outpace these funding sources and the real estate tax millage for general purposes has remain unchanged since 2016. The 2025 budget for the General Fund was adopted utilizing \$3,076,174 in reserves (\$2,748,639 of which pertains to use of budgetary reserves generated from the ARPA funds), which would reduce carryover reserves to just over \$16,200,000 million to enter into 2026, \$1,187,000 of which relates to unspent budgetary reserves generated from the ARPA funds.

The Township continues to focus investment on strategic planning and assessment tools to aid in assessing long-term financial stress factors as expenditures rise due to inflation and contractual pressures. The Township is currently conducting a fire labor study to assess the operational need for, and the financial impact of, maintaining ten budgeted career firefighter positions. The study will help inform future budgeting and staffing decisions by analyzing compensation, benefits, and service demands.

In addition, the Township had a formal asset management plan conducted by a third party in 2024 in relation to recommendations for a roads-dedicated real estate tax millage to bridge the funding gap for Liquid Fuels spending. Further, future tax challenges remain evident as most of the township's taxable parcels are residential. This puts pressure on future tax increases due to a commercially under-developed township, with additional resources needed for public safety and capital investments.

Finally, the Township continues to finance significant capital improvements, much deferred, for investment relative to the ARPA funds received, which will ensure significant capital rehabilitation and revitalization improvements are made to the Township's parks and playgrounds, transportation, public safety, and administrative assets and infrastructure.

Authority

The Township (and Authority) is governed by a consent decree and settlement agreement with the Pennsylvania Department of Environmental Protection ("PADEP") relative to the Beaver Creek, Paxton Creek, and Spring Creek Basin interceptors for sewage overflows and hydraulic overloads in these regions and manage limitations on equivalent dwelling units ("EDU's") and connections in the respective areas. As capital improvements have been made, modeling and metering data updated, and removal rates for overflow/overload have occurred, revised long-term corrective action plans are provided to PADEP and have been approved as submitted. As of December 31, 2024, the Authority estimates that additional investments for compliance with the agreements are \$16,500,000 for Beaver Creek and \$4,500,000 for Spring Creek Basin interceptors through 2035.

The Authority also is governed by the Township's PADEP Municipal Separate Storm Sewer System ("MS4")

LOWER PAXTON TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

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permit, approved through April 2030, which requires the implementation of a Storm Water Management Plan to manage the conveyance and proper discharge of stormwater. As of December 31, 2024, the estimated additional MS4 capital costs relative to the plan total \$575,000. An additional \$3,825,000 is needed to fund the planned storm sewer replacement projects through 2029.

To fund the capital projects noted above, the Authority anticipates further subsidy agreements with the Township for issuance of debt financing as follows: \$5,000,000 in 2025, \$16,000,000 during the period of 2027 through 2036 for sewer projects, and for stormwater \$4,400,000 in 2027 and \$8,000,000 in 2030 for stormwater projects associated with the MS4 permit required to be renewed in May 2030.

The Authority's long-term costing and rate models assist annually in the determination of sewer and stormwater charges sufficient to meet current operating and debt-related capital needs and provide adequate operating reserves per Board directive. The adopted 2025 budget reflects no change in sewer or stormwater charges from 2024 rates. The budgets continue to reflect significant capital investments into the respective infrastructure systems relating to the consent order and MS4 management plans in effect, totaling \$14,398,500 for sewer and \$4,854,435 for stormwater.

CONTACTING THE TOWNSHIP

This financial report is designed to provide citizens, investors and creditors with a general overview of the Township's finances. If you have questions about this report or need additional information, contact the Finance Department at the Township Municipal Center, 425 Prince Street, Harrisburg, PA 17109.

LOWER PAXTON TOWNSHIP
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current			
Cash and Cash Equivalents	\$ 13,342,325	\$ 1,119,836	\$ 14,462,161
Investments	-	26,678,077	26,678,077
Receivables			
Accounts	4,674,617	-	4,674,617
Interest	22,754	32,357	55,111
Taxes	2,748,179	-	2,748,179
Lease	358,936	-	358,936
Rental and Fees	-	6,726,469	6,726,469
Other	-	1,226,149	1,226,149
Internal Balances	(517,690)	517,690	-
Prepaid Items	158,788	904,093	1,062,881
Non-Current			
Restricted Assets			
Cash and Cash Equivalents	5,467,849	18,670	5,486,519
Investments	-	21,797,927	21,797,927
Net Pension Asset	290,361	-	290,361
Capital Assets, Not Being Depreciated	6,679,497	27,079,451	33,758,948
Intangible Assets, Not Being Amortized	-	2,740,869	2,740,869
Capital Assets, Being Depreciated, net	49,693,086	149,002,316	198,695,402
Intangible Assets, Being Amortized, net	-	17,704,134	17,704,134
Total Assets	82,918,702	255,548,038	338,466,740
Deferred Outflows of Resources			
OPEB	1,014,238	-	1,014,238
Refundings	262,453	2,144,529	2,406,982
Pensions	6,334,487	-	6,334,487
Total Deferred Outflows of Resources	7,611,178	2,144,529	9,755,707
Liabilities			
Accounts Payable	2,147,716	5,927,881	8,075,597
Accrued Expenses and Withholdings	719,136	-	719,136
Accrued Interest	126,477	1,391,045	1,517,522
Developers Escrow	757,462	18,670	776,132
Due to Other Governments	-	1,622,071	1,622,071
Unearned Revenue	6,036	-	6,036
Current Portions of Long Term Liabilities			
Lease Payable	588,343	-	588,343
Debt Payable, Subject to Subsidy Agreements	-	5,898,354	5,898,354
Bonds Payable	1,985,000	-	1,985,000
Compensated Absences	20,893	-	20,893
Subscription Liability	83,126	-	83,126
Non-Current Portions of Long Term Liabilities			
Lease Payable	1,152,610	-	1,152,610
Debt Payable, Subject to Subsidy Agreements	-	157,625,542	157,625,542
Bonds Payable	10,615,000	-	10,615,000
Bond Premium	610,303	9,782,653	10,392,956
Compensated Absences	2,965,485	-	2,965,485
Subscription Liability	113,614	-	113,614
Net OPEB Liability	8,598,771	-	8,598,771
Net Pension Liability	5,037,243	-	5,037,243
Total Liabilities	35,527,215	182,266,216	217,793,431
Deferred Inflows of Resources			
OPEB	2,142,354	-	2,142,354
Pensions	7,370,036	-	7,370,036
Leases	327,613	-	327,613
Total Deferred Inflows of Resources	9,840,003	-	9,840,003
Net Position			
Net Investment In Capital Assets	41,360,563	45,933,288	87,293,851
Restricted for:			
Program Purposes	2,882,083	-	2,882,083
Capital Deposits	-	860,760	860,760
Unrestricted	920,016	28,632,303	29,552,319
Total Net Position	\$ 45,162,662	\$ 75,426,351	\$ 120,589,013

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

LOWER PAXTON TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Primary Government		
					<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Primary Government							
Governmental Activities							
General Government	\$ 2,635,473	\$ 11,280	\$ 5,292,746	\$ -	\$ 2,668,553	\$ -	\$ 2,668,553
Police	13,018,366	43,767	510,302	625,514	(11,838,783)	-	(11,838,783)
Fire and Ambulances	2,343,284	-	357,698	-	(1,985,586)	-	(1,985,586)
Community Development	1,401,925	-	-	53,594	(1,348,331)	-	(1,348,331)
Health and Sanitation	8,633,043	7,634,263	88,587	-	(910,193)	-	(910,193)
Public Works	7,629,577	-	48,449	2,437,502	(5,143,626)	-	(5,143,626)
Parks and Recreation	2,832,321	557,735	-	44,039	(2,230,547)	-	(2,230,547)
Interest on Long-Term Debt	347,421	-	-	-	(347,421)	-	(347,421)
Total Governmental Activities	38,841,410	8,247,045	6,297,782	3,160,649	(21,135,934)	-	(21,135,934)
Business-type Activities							
Lower Paxton Township Authority	20,810,312	21,024,668	-	1,000,000	-	1,214,356	1,214,356
	20,810,312	21,024,668	-	1,000,000	-	1,214,356	1,214,356
Total Primary Government	\$ 59,651,722	\$ 29,271,713	\$ 6,297,782	\$ 4,160,649	\$ (21,135,934)	\$ 1,214,356	\$ (19,921,578)
General Revenues							
Taxes					21,011,571	-	21,011,571
Interest Revenue					1,451,340	2,188,143	3,639,483
Contributed Capital					300,000	-	300,000
Contributions					63,481	-	63,481
Developer Contributions					1,100,978	1,222,456	2,323,434
License and Permits					2,222,945	-	2,222,945
Fines and Forfeitures					270,244	-	270,244
Miscellaneous					10,954	-	10,954
Transfers					(579,991)	579,991	-
Total General Revenues					25,851,522	3,990,590	29,842,112
Change in Net Position					4,715,588	5,204,946	9,920,534
Net Position - Beginning					40,447,074	70,221,405	110,668,479
Net Position - Ending					\$ 45,162,662	\$ 75,426,351	\$ 120,589,013

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

LOWER PAXTON TOWNSHIP
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General Fund	General Improvement	Non-Major Funds	TOTAL
<u>Assets</u>				
Unrestricted Cash and Cash Equivalents	\$ 12,840,457	\$ 501,868	\$ -	\$ 13,342,325
Restricted Cash and Cash Equivalents	815,538	-	4,652,311	5,467,849
Receivables:				
Accounts	3,106,373	1,514,650	53,594	4,674,617
Interest	13,778	1,277	7,699	22,754
Lease	358,936	-	-	358,936
Taxes	2,653,160	-	95,019	2,748,179
Due From Other Funds	3,167,405	-	-	3,167,405
Prepaid Items	145,524	-	3,227,654	3,373,178
Total Assets	<u>\$ 23,101,171</u>	<u>\$ 2,017,795</u>	<u>\$ 8,036,277</u>	<u>\$ 33,155,243</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,649,173	\$ 172,323	\$ 326,220	\$ 2,147,716
Accrued Expenses and Withholdings	714,673	-	4,463	719,136
Due to Other Funds	-	579,991	3,105,104	3,685,095
Unearned Revenue	6,036	-	-	6,036
Developers Escrows	757,462	-	-	757,462
Total Liabilities	<u>3,127,344</u>	<u>752,314</u>	<u>3,435,787</u>	<u>7,315,445</u>
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Taxes	158,099	-	60,828	218,927
Leases	327,613	-	-	327,613
Total Deferred Inflows of Resources	<u>485,712</u>	<u>-</u>	<u>60,828</u>	<u>546,540</u>
<u>Fund Balances</u>				
Nonspendable	145,524	-	3,227,654	3,373,178
Restricted	463,351	1,106,724	1,312,008	2,882,083
Assigned	4,184,333	158,757	-	4,343,090
Unassigned	14,694,907	-	-	14,694,907
Total Fund Balances	<u>19,488,115</u>	<u>1,265,481</u>	<u>4,539,662</u>	<u>25,293,258</u>
Total Liabilities and Fund Balances	<u>\$ 23,101,171</u>	<u>\$ 2,017,795</u>	<u>\$ 8,036,277</u>	<u>\$ 33,155,243</u>

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

LOWER PAXTON TOWNSHIP
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total Fund Balances for Governmental Funds \$ 25,293,258

Total net assets reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Capital amounts totaling \$3,214,390 were recorded as prepaid expenditures in the Balance Sheet - Governmental Funds due to the extended construction timeline and full payment being made in advance. These amounts were reclassified as construction in progress on the Statement of Net Position. The related assets include:

Non-depreciable assets	3,465,107	
Depreciable assets, net of accumulated depreciation of \$68,819,618	<u>49,693,086</u>	
Total Capital Assets		53,158,193

Some of the Township's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue-property taxes in the funds. 218,927

Long-term liabilities applicable to the Township's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances as of December 31, 2024 are:

Compensated Absences	(2,986,378)	
Accrued Interest on Bonds and Loan	(126,477)	
Deferred Charges on Refundings	262,453	
Bond (Premium)/Discount, Net	(610,303)	
Bonds Payable	(12,600,000)	
Lease Payable	(1,740,953)	
Subscription Liability	(196,740)	
Deferred Outflows of Resources - Pensions	6,334,487	
Deferred Inflows of Resources - Pensions	(7,370,036)	
Deferred Outflows of Resources - OPEB	1,014,238	
Deferred Inflows of Resources - OPEB	(2,142,354)	
Net Pension Liability	(5,037,243)	
Net Pension Asset	290,361	
Net OPEB Liability	<u>(8,598,771)</u>	
		<u>(33,507,716)</u>

Total Net Position of Governmental Activities \$ 45,162,662

LOWER PAXTON TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>General</u>	<u>General Improvement</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 18,860,732	\$ -	\$ 2,188,675	\$ 21,049,407
Licenses and Permits	2,196,368	26,577	-	2,222,945
Fines and Forfeitures	270,244	-	-	270,244
Interest and Rents	1,150,534	79,955	220,851	1,451,340
Intergovernmental	6,297,781	1,455,312	1,705,338	9,458,431
Charges for Services	7,957,430	289,615	-	8,247,045
Contributions and Donations	29,481	34,000	-	63,481
Miscellaneous Income	10,954	-	-	10,954
Total Revenues	<u>36,773,524</u>	<u>1,885,459</u>	<u>4,114,864</u>	<u>42,773,847</u>
Expenditures				
General Government	2,031,004	139,657	-	2,170,661
Police	12,959,934	646,976	-	13,606,910
Fire and Ambulance	459,394	-	1,577,906	2,037,300
Community Development	1,348,839	3,478	43,667	1,395,984
Health and Sanitation	8,307,912	-	-	8,307,912
Public Works	5,748,854	323,960	1,198,653	7,271,467
Parks and Recreation	2,079,935	686,621	-	2,766,556
Debt Service				
Principal	2,146,313	-	482,495	2,628,808
Interest	414,303	-	86,560	500,863
Total Expenditures	<u>35,496,488</u>	<u>1,800,692</u>	<u>3,389,281</u>	<u>40,686,461</u>
Excess of Revenues Over (Under) Expenditures	<u>1,277,036</u>	<u>84,767</u>	<u>725,583</u>	<u>2,087,386</u>
Other Financing Sources (Uses)				
Transfers Out	(472,321)	(579,991)	(305,410)	(1,357,722)
Transfers In	-	468,348	309,383	777,731
Lease Proceeds	469,060	-	312,097	781,157
Subscription Proceeds	109,461	-	-	109,461
Sale of Capital Assets	4,941	-	30,945	35,886
Total Other Financing Sources	<u>111,141</u>	<u>(111,643)</u>	<u>347,015</u>	<u>346,513</u>
Net Changes in Fund Balances	1,388,177	(26,876)	1,072,598	2,433,899
Fund Balances - Beginning of year	<u>18,099,938</u>	<u>1,292,357</u>	<u>3,467,064</u>	<u>22,859,359</u>
Fund Balances - End of year	<u>\$ 19,488,115</u>	<u>\$ 1,265,481</u>	<u>\$ 4,539,662</u>	<u>\$ 25,293,258</u>

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

LOWER PAXTON TOWNSHIP
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 2,433,899

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays \$4,407,842 exceeded depreciation (\$4,043,625), \$300,000 capital contributions and net deletions (\$364,989) in the current period. Capital amounts totaling \$3,214,390 were recorded as prepaid expenditures in the Balance Sheet - Governmental Funds due to the extended construction timeline and full payment being made in advance. These amounts were reclassified as construction in progress on the Statement of Net Position.

299,228

The issuance and repayment of debt principal and payments for other long-term obligations are expenditures in the governmental funds but reduce the liabilities in the statement of net position.

Debt Issued:

Leases	(781,157)
Subscription	(109,461)

Repayments:

Bonds	1,905,000
Leases	664,813
Subscription	58,995

Net Adjustment	1,738,190
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Under the modified accrual basis of accounting used in governmental funds, revenues are not reported until they become available. In the statement of activities, however, revenues are recorded regardless of when financial resources are available. This is the change in unavailable real estate tax revenue from December 31, 2023 to December 31, 2024.

(37,836)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes in compensated absences, accrued interest, deferred charges, bond (premium)/discount, pension expense, and OPEB expense.

Compensated Absences	(418,912)
Accrued Interest on Bonds	4,994
Deferred Charges on Refunding	(12,351)
Bond (Premium)/Discount	160,799
Pension Expense	442,126
OPEB Expense	105,451

282,107

\$ 4,715,588

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

LOWER PAXTON TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

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	Business Type Activities Enterprise Funds
	Lower Paxton Township Authority
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,119,836
Investments	26,678,077
Receivables	
Interest	32,357
Rentals and Fees - Unbilled	5,423,335
Rentals and Fees - Billed	1,303,134
Other	1,226,149
Prepaid	904,093
Due From Other Funds	1,340,954
Total Current Assets	38,027,935
Noncurrent Assets	
Restricted Cash and Cash Equivalents	18,670
Restricted Investments	21,797,927
Capital Assets, Not Being Depreciated	27,079,451
Intangible Assets, Not Being Amortized	2,740,869
Capital Assets, Being Depreciated, net	149,002,316
Intangible Assets, Being Amortized, net	17,704,134
Total Noncurrent Assets	218,343,367
Total Assets	256,371,302
Deferred Outflows of Resources	
Deferred Charges on Refundings	2,144,529
Total Deferred Outflows of Resources	2,144,529
LIABILITIES	
Current Liabilities	
Accounts Payable	5,927,881
Current Portion of Long-Term Debt, Subsidy	
Agreements with the Township	5,898,354
Accrued Interest	1,391,045
Developers Escrows	18,670
Due to Other Funds	823,264
Due to Other Governments	1,622,071
Total Current Liabilities	15,681,285
Noncurrent Liabilities	
Long-Term Debt, Subsidy Agreements	
with the Township, Net of Current Portion	157,625,542
Bond Premium	9,782,653
Total Noncurrent Liabilities	167,408,195
Total Liabilities	183,089,480
NET POSITION	
Net Investment in Capital Assets	45,933,288
Restricted	860,760
Unrestricted	28,632,303
Total Net Position	\$ 75,426,351

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

LOWER PAXTON TOWNSHIP
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Page 22

	Business Type Activities - Enterprise Funds
	Lower Paxton Township Authority
Operating Revenues	
Rentals and Fees	\$ 20,677,161
Miscellaneous	70,402
Total Operating Revenues	<u>20,747,563</u>
Operating Expenses	
Cost of Sales and Service	10,201,240
Administration	1,322,942
Depreciation Expense	3,899,607
Total Operating Expenses	<u>15,423,789</u>
Operating Income	<u>5,323,774</u>
Nonoperating Revenues (Expenses)	
Interest Income	2,188,143
Tapping Fees	277,105
Grant Revenue	1,000,000
Loss on Sale of Capital Assets	(43,170)
Interest and Amortization, net	(5,343,353)
Developer Contributions	1,222,456
Total Nonoperating Expenses, net	<u>(698,819)</u>
Change in Net Position Before Operating Transfers	4,624,955
Transfers In	579,991
Net Impact of Transfers	579,991
Change in Net Position	5,204,946
Total Net Position - Beginning of Year	<u>70,221,405</u>
Total Net Position - End of Year	<u><u>\$ 75,426,351</u></u>

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

LOWER PAXTON TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Page 23

Business Type Activities -
Enterprise Funds

Lower Paxton
Township Authority

Cash Flows From Operating Activities	
Receipts from Customers and Users	\$ 19,850,158
Receipts from Miscellaneous Receipts	70,402
Payments to	
Suppliers	(5,883,792)
Lower Paxton Township	(3,096,485)
	<hr/>
Net Cash Provided by Operating Activities	10,940,283
	<hr/>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(12,057,453)
Disposal of Capital Assets	51,951
Tapping Fees	277,105
Contributions	1,222,456
Bond Proceeds	14,910,231
Principal Payments on Long-term Debt	(5,714,156)
Interfund Activity	648,205
Interest Payments	(6,612,426)
	<hr/>
Net Cash Used in Capital and Related Financing Activities	(7,274,087)
	<hr/>
Cash Flows from Investing Activities	
Purchase of Investments, net	(8,391,306)
Intergovernmental	1,000,000
Interest Income	2,163,798
	<hr/>
Net Cash Used in Investing Activities	(5,227,508)
	<hr/>
Net Decrease in Cash and Cash Equivalents	(1,561,312)
	<hr/>
Cash and Cash Equivalents, Beginning of Year	2,699,818
	<hr/>
Cash and Cash Equivalents, End of Year	\$ 1,138,506
	<hr/> <hr/>
<u>Presented in Financial Statements as</u>	
Cash and Cash Equivalents	\$ 1,119,836
Restricted Cash and Cash Equivalents	18,670
	<hr/>
	\$ 1,138,506
	<hr/> <hr/>

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

LOWER PAXTON TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Page 24

	Business Type Activities - Enterprise Funds
	Lower Paxton Township Authority
Reconciliation of Operating Income to Net	
Cash Provided by Operating Activities	
Operating Income	\$ 5,323,774
Adjustments to Reconcile Operating Income	
to Net Cash Provided by Operating Activities	
Depreciation	3,899,607
Change in Assets and Liabilities	
Receivables	(1,016,417)
Accounts Payable	3,376,650
Due to Other Governments	189,414
Developers Escrows	(6,293)
Prepaid Items	(826,452)
Net Cash Provided by Operating Activities	\$ 10,940,283

Supplemental Disclosure of Noncash Transactions
(Capital Related and Investing Activities):

Deferred Loss on Refunding	\$ 156,183
Bond Premium	547,487
Transfer of Capital Asset	300,000

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

LOWER PAXTON TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024

	<u>Component Unit Pension Trust Funds</u>	<u>Component Unit OPEB Trust Fund</u>	<u>Custodial Fund - Tax Collector Fund</u>
Assets			
Cash	\$ 1,931,637	\$ 28,099	\$ 1,149
Receivables			
Interest	6,814	97	-
County	-	-	671,007
Miscellaneous	700	-	-
Investments, at fair value	<u>66,678,170</u>	<u>1,195,122</u>	<u>-</u>
Total Assets	<u><u>\$ 68,617,321</u></u>	<u><u>\$ 1,223,318</u></u>	<u><u>\$ 672,156</u></u>
Liabilities			
Accounts Payable	\$ 11,529	\$ -	\$ -
Due to Other Governments	-	-	671,505
Due to Individuals	<u>-</u>	<u>-</u>	<u>651</u>
Total Liabilities	<u>11,529</u>	<u>-</u>	<u>672,156</u>
Net Position Restricted for Pensions and OPEB	<u><u>\$ 68,605,792</u></u>	<u><u>\$ 1,223,318</u></u>	<u><u>\$ -</u></u>

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

LOWER PAXTON TOWNSHIP
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	<u>Component Unit</u> <u>Pension Trust</u> <u>Fund</u>	<u>Component Unit</u> <u>OPEB Trust</u> <u>Fund</u>	<u>Custodial</u> <u>Fund -</u> <u>Tax Collector</u> <u>Fund</u>
Additions			
Contributions			
Employee	\$ 530,884	\$ -	\$ -
Employer	1,412,551	400,000	-
Employer - Commonwealth Funding	1,289,769	-	-
Total Contributions	<u>3,233,204</u>	<u>400,000</u>	<u>-</u>
Investment Income			
Interest and Dividends	1,792,232	29,331	-
Net Appreciation in Fair Value of Investments	5,051,306	46,605	-
Net Investment Gain	<u>6,843,538</u>	<u>75,936</u>	<u>-</u>
Collections			
Real Estate Taxes	-	-	24,747,893
Total Collections	<u>-</u>	<u>-</u>	<u>24,747,893</u>
Total Additions	10,076,742	475,936	24,747,893
Deductions			
Retirement Benefits	3,310,342	-	-
Refunds to Terminated Employees	126,200	-	-
Payments of Real Estate Tax	-	-	24,747,893
Administrative	173,217	5,307	-
Total Deductions	<u>3,609,759</u>	<u>5,307</u>	<u>24,747,893</u>
Changes In Net Position	6,466,983	470,629	-
Total Net Position - Beginning of Year	<u>62,138,809</u>	<u>752,689</u>	<u>-</u>
Total Net Position - End of Year	<u>\$ 68,605,792</u>	<u>\$ 1,223,318</u>	<u>\$ -</u>

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

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lower Paxton Township ("Township") was incorporated in 1767. It is a second class township under the provisions of the Commonwealth of Pennsylvania's Second Class Township Code, P.L. 103, No. 69 as amended by P.L. 350, No. 60. The Township is governed by a Board of Supervisors and provides or secures the following services as authorized by the Township Code: public safety, public works, culture, recreation and community development. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, ("GAAP") applicable to governmental units, as prescribed by the Governmental Accounting Standards Board ("GASB").

A summary of the Township's significant accounting policies is as follows:

A) Reporting Entity

Consistent with the guidance contained in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, the criteria used by the Township to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the Township reviews the applicability of the following criteria.

The Township is financially accountable for:

- Organizations that make up the legal Township entity.
- Legally separate organizations if the Township officials appoint a voting majority of the organization's governing body and the Township is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Township as defined below:

Impose Its Will – If the Township can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.

Financial Benefit or Burden – Exists if the Township (1) is entitled to the organization's resources or (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization or (3) is obligated in some manner for the debt of the organization.

- Organizations that are fiscally dependent on the Township. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the Township.

Fiduciary Component Units

The Township's Pension Plans ("Plans") were established to provide retirement, disability, and death benefits to eligible retirees of the Township. The Plans are included in the financial reporting entity as a fiduciary fund because the Plans are (1) considered to be a separate legal entity, (2) the Township appoints a voting majority of the governing board, and (3) the Plans impose a financial burden on the Township as it is legally obligated or has assumed an obligation to make contributions to the Plans. The Township's Other Post Employment Benefit ("OPEB") Plan ("Plan") was established to provide retirees with medical and prescription benefits. The Plan is included in the financial reporting entity as a fiduciary fund because the Plan is (1) considered to be a separate legal entity, (2) the Township appoints a voting majority of the governing board, and (3) the Plan imposes a financial burden on the Township as it is legally obligated or has assumed an obligation to make contributions to the Plan.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

A) Reporting Entity (Continued)

Blended Component Unit:

The Lower Paxton Township Authority ("Authority") is an operating authority responsible for acquiring, holding, constructing, improving, maintaining, operating, owning and leasing, either in the capacity of lessor or lessee, sewers, stormwater, relating systems or parts thereof. The majority of the Authority's board members are also members of the Township's Board of Supervisors. The Authority is considered a component unit due to the Township's ability to impose its will on the Authority as well as the financial benefit or burden.

The Authority operates on a calendar year ending December 31. The Authority does not prepare separate financial statements.

B) Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all the non-fiduciary activities of the government as a whole. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are affected by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1.) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2.) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, the proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and agency fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability rather than an expenditure.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues from federal, state, and other grants designated for payment of specific Township expenditures are recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as unearned revenues until earned. If time requirements are not met, a deferred inflow of resources would be recorded. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during the period.

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims for judgments, are recorded only when payment is due.

The Township reports the following major governmental funds:

- The General Fund is the primary government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The General Improvement Fund is used to account for capital improvement projects throughout the Township.

The Township's enterprise funds are proprietary funds. In the fund financial statements, the proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, the proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheet. The proprietary fund types operating statement presents increases (revenues) and decreases (expenses) in total net position.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Proprietary funds operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the funds. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets in the proprietary funds are capitalized as assets in the fund financial statements, rather than reported as an expenditure.

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 for their intended purposes.

The Township reports the following major proprietary fund:

- The Lower Paxton Township Authority is used to account for the fiscal activities of providing sewer and stormwater management services.

Fiduciary funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include the Pension and OPEB Trust funds and Agency funds. The Pension and OPEB Trust funds are accounted for in essentially the same manner as the proprietary funds since capital maintenance is critical. The Pension and OPEB Trust funds' financial statements are prepared using the accrual basis of accounting.

Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Agency funds are custodial in nature and do not involve measurement of results of operations.

Additionally, the Township reports the following fiduciary fund types:

- The Pension Trust Funds account for the revenue (i.e., member contributions, Township contributions, and net investment income) and the expenses (i.e., contributions refunded, retirement allowances, and death benefits paid) of the Police and Non-Uniformed Municipal Employees Pension Trust Funds and the Fireman's Length of Service Award Program ("LOSAP") fund.
- The OPEB Trust Fund accounts for the revenue and expenses related to the Township's OPEB Plan.
- The Tax Collector Fund accounts for the revenue and expenses related to the Township's Tax Collector representing financial activities of Dauphin County real estate taxes.

D) Assets, Liabilities, and Net Position or Fund Balances

1. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the Township considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

D) Assets, Liabilities, and Net Position or Fund Balances (Continued)

2. Receivables and Payables

- Interfund Receivables and Payables

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

- Sewer and Stormwater Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Unbilled sewer rentals receivable relate to services performed as of December 31 and not billed until the following January.

3. Investments and External Investment Pools

The Township invests its funds in various instruments, including external investment pools and certificates of deposit with federally-insured financial institutions. The Township's investments in external investment pools, as discussed in Note 2, are valued at amortized cost, which approximates fair value, and are classified as cash and cash equivalents on the balance sheet. The remainder of the Township's investments are reported at either fair value or net asset value as discussed in Note 2.

4. Restricted Assets

Restricted assets represent cash and cash equivalent balances from developers' escrow, forfeiture funds, unspent bond proceeds and fire equipment funds. As of December 31, 2024, the restricted cash balance for governmental funds was \$5,467,849.

Restricted assets for the Authority represent cash and investment balances from developers' escrow and unspent bond proceeds. As of December 31, 2024, the restricted cash balance was \$18,670 and the restricted investment balance was \$21,797,927.

5. Capital Assets

Capital assets are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital purchases with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Capital assets are recorded at historical costs or estimated historical costs if purchased or constructed (except for intangible right-to-use lease assets, the measurement of which is discussed in Note 4. Donated capital assets are recorded at acquisition value.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

D) Assets, Liabilities, and Net Position or Fund Balances (Continued)

5. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Major outlay of capital assets and improvements are capitalized as projects are completed. Interest incurred during the construction phase of the capital asset of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment and infrastructure assets are depreciated using the straight-line method over the following intended useful lives:

<u>Assets</u>	<u>Years</u>
Intangibles	3 - 60
Right-To-Use	2 - 5
Infrastructure	20 - 50
Buildings	50
Land improvements	20
Machinery, equipment and vehicles	5 - 15
Sewer system / Deferred capacity	15 - 60

6. Compensated Absences

Township policy permits employees to accumulate a limited amount of earned, but unused sick, vacation and compensatory time. These benefits are payable to employees upon separation of service. All leave pay is accrued when incurred in the government-wide financial statements. There is no accrual related to the proprietary funds. A liability for these amounts is computed in compliance with GASB 101, *Compensated Absences*.

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

D) Assets, Liabilities, and Net Position or Fund Balances (Continued)

8. Sewer Capacity Costs

The Authority participated in the construction of various facilities. This participation gave the Authority reserved rights to use a percentage of the facilities. Consequently, an asset is recorded based upon construction costs paid net of accumulated amortization of those costs, which is determined on the straight-line method over the estimated useful life of the capacity purchased.

9. Unearned Revenues

Revenues that are received but not earned are recorded as unearned revenues in the Township's financial statements. In the Township's governmental funds, unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Township has a legal claim to the resources, the liability for unearned revenue is removed from the governmental funds' balance sheet and revenues are recognized.

10. Tax Revenues

Real estate and delinquent per capita taxes are recorded at gross amounts collected, with expenses and commissions paid recorded as expenditures under general government. Real estate transfer, earned income, local services and delinquent real estate taxes are recorded at the net amount received from the collecting agency after deduction for fees and expenses.

11. Net Position / Fund Balances

The following classifications describe the relative strength of the spending constraints:

- *Nonspendable Fund Balance* – Amounts that are not in a spendable form (such as Inventory) or are required to be maintained intact.
- *Restricted Fund Balance* – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed Fund Balance* – Amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority (i.e. Township Board of Supervisors). To be reported as committed, amounts cannot be used for any other purpose unless the Township takes the same level of action to remove or change the constraint. This formal action is a Board approved Resolution.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

D) Assets, Liabilities, and Net Position or Fund Balances (Continued)

- *Assigned Fund Balance* – Amounts the Township intends to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance can be created by the Township Manager pursuant to authorization established by the Board of Supervisors.
- *Unassigned Fund Balance* – Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the Township's policy to use restricted resources first. When expenditures are incurred for purposes of which unrestricted resources are available, and amounts in any of the unrestricted classifications could be used, it is the Township's policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

The government-wide and business-type activities financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the Township, not restricted for any project or other purpose.

12. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions except quasi-external transactions and reimbursements are reported as transfers.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

D) Assets, Liabilities, and Net Position or Fund Balances (Continued)

13. Accounting Estimates

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

14. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has three items that qualify for reporting in this category: deferred outflows related to pensions, OPEB and refunding bonds. Deferred outflows related to pensions are described further in Notes 9 and 10. Deferred outflows related to OPEB are described further in Note 17. Deferred outflows related to leases are described further in Note 7. The components of deferred outflows are amortized into pension expense for the non-uniform, police pension and fireman's LOSAP plan over the remaining service life of participants, beginning the year in which the deferred amount occurs (current year). A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has four items that qualify for reporting in this category: deferred inflows related to pensions, OPEB, leases and unavailable tax revenue. Deferred inflows related to pensions are further described in Note 9 and 10. Deferred inflows related to OPEB are further described in Note 17. Deferred inflows related to leases are further described in Note 7. The annual difference between the projected and actual earnings on investments is amortized over a five-year closed period beginning the year in which the difference occurs (current year). Unavailable tax revenue 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.

Lease-related amounts are recognized at the inception of the lease. The deferred inflow of resources is recorded in amounts equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before commencement of the lease term that relate to future periods, less any incentives paid to, or on behalf of the lessee at or before commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

D) Assets, Liabilities, and Net Position or Fund Balances (Continued)

15. Leases

The Township is a lessee for noncancellable leases of equipment. The Township recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the government-wide financial statements. The Township recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

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

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

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

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

16. Prepaid Items

Prepaid items in the governmental funds are accounted for under the consumption method.

17. Adoption of Governmental Accounting Standards

The Township adopted the required provisions of GASB Statement No. 99, "*Omnibus 2022*", Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*", and Statement No. 101, "*Compensated Absences*". The adoption of these statements had no effect on previously reported amounts.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

D) Assets, Liabilities, and Net Position or Fund Balances (Continued)

18. Pending Changes in Accounting Principles

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

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

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

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

E) Budgets and Budgetary Accounting

Legal Requirements

Commonwealth of Pennsylvania statutes require that Township Governments establish budgetary systems and adopt annual operating budgets. The Township's annual budget includes the major and non-major funds and is based on estimates of revenues and expenditures approved by the Township Board of Supervisors. The Township adopted the 2024 budget on a modified accrual basis of accounting. The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

Township Budget Process

1. At least 30 days prior to January 1, the Township Manager submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public meeting is conducted to obtain citizen comments on the proposed budget. Prior to December 31, the budget is adopted through passage of a resolution by the Board of Supervisors.
3. The Board of Supervisors is authorized to transfer unencumbered monies from one Township account to another, but no monies shall be transferred from the fund allocated for the payment of debts or from any funds raised by a special tax levy for a particular purpose. Transfers of unencumbered monies shall not be made during the first three months of the fiscal year. The Board of Supervisors may, at any time by resolution, make supplemental appropriations.
4. Appropriations lapse at the close of the fiscal year to the extent that they have not been expended. Encumbrances are not reported; however, fund balances are assigned in amounts equal to the subsequent year's anticipated budget deficit, if any. None of the assigned fund balance resulted from an anticipated budget deficit. The Township prepares its budget on a modified accrual basis of accounting.

Level of Control

The Township maintains budgetary control at the individual fund level.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 2: DEPOSITS AND INVESTMENTS

Custodial Credit Risk – For deposits, 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 deposits or collateral securities that are in the possession of an outside party. As of December 31, 2024, the Township's cash balance was \$21,909,565 and its bank balance was \$22,288,309. Of the bank balance, \$808,076 was covered by the Federal Deposit Insurance Corporation, and \$21,480,233 was subject to custodial credit risk as it was collateralized under Act 72 "(Act)" of the 1971 Session of the Pennsylvania General Assembly, in which financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined by the Act, to cover all public funds deposited in excess of federal depository insurance limits. The remaining balance was invested in external investment pools described in more detail below. The Township does not have a formal investment policy related to custodial credit risk.

As of December 31, 2024, the Township had funds totaling \$65,950,870 in the Pennsylvania Local Government Investment Trust "(PLGIT)". PLGIT issues a separately audited financial statement that is available to the public. The fair value of the Township's position in the external investment pool is equivalent to the value of the pool shares. PLGIT does not place any limitations or restrictions on withdrawals from the programs. The Commonwealth of Pennsylvania provides external regulatory oversight for the external investment pools. As of December 31, 2024, investments in PLGIT have received an AAAM rating from Standard & Poor's and have an average maturity of less than one year.

Concentration of Credit Risk – The Township limits the ownership of common equity of any one corporation to no more than 5% of the total equity portfolio or the security's weighting in the Russell 3000 Index, whichever is greater. Additionally, no more than 40% of the equity value at market may be held in any one sector, as defined by the Global Industry Classification Standard "(GICS)". As of December 31, 2024, the Township did not have any investments subject to concentration of credit risk.

Interest Rate Risk. The Authority and Pension Funds' Investment Policies do not limit investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates.

Credit Risk. The Township limits fixed income securities of any one issuer not to exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets shall be investment grade, based on one Nationally Recognized Statistical Rating Organization "(NRSRO)". As of December 31, 2024, the Township did not have any investments subject to credit risk.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 2: DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value. The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Township's investments in mutual funds and fixed income mutual funds are valued using quoted market prices (Level 1 inputs). The Township's Pension Trust and OPEB Funds have the following recurring fair value measurements as of December 31, 2024:

		Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Pension Trust Fund	Total			
Investments by fair value level				
Mutual Funds - Equity	\$ 44,326,145	\$ 38,595,129	\$ 5,731,016	\$ -
Mutual Funds - Fixed Income	22,352,025	5,457,310	16,894,715	-
Total investments by fair value level	66,678,170	\$ 44,052,439	\$ 22,625,731	\$ -
Investments measured at the net asset value (NAV)				
Pooled Separate Accounts ⁽¹⁾	1,938,451			
Total investments measured at NAV	1,938,451			
Total investments measured at fair value	\$ 68,616,621			

		Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
OPEB Trust Fund	Total			
Investments by fair value level				
Mutual Funds - Equity	\$ 668,314	\$ 524,224	\$ 144,090	\$ -
Mutual Funds - Fixed Income	526,808	78,706	448,102	-
Total investments by fair value level	1,195,122	\$ 602,930	\$ 592,192	\$ -

⁽¹⁾ *Pooled Separate Accounts.* This investment represents an investment where multiple plans share in a pooled fund on a participation unit basis. The plan's interest in the account is the cumulative record of the number of participation units credited to the account and the number of units allocated or withdrawn from the account. The participation unit is adjusted periodically to reflect investment results under the separate account. The Township does not have any unfunded commitments related to these investments. There is no limit on redemption frequency, there is no required redemption notice period, and there are no redemption restrictions.

NOTE 3: REAL ESTATE TAXES

Real estate taxes attach as an enforceable lien on property on January 1. Taxes are billed on March 1, payable under the following terms: 2% discount, March 1 based on the assessed value listed as of the prior December 31 for the real property located in the Township through April 30; face amount, May 1 through June 30, and 10% penalty after June 30. The County bills and collects these taxes which are subsequently remitted to the Township. Real estate taxes levied for 2024 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during 2024 are expected to be collected within the first 60 days of 2025 and are recognized as revenue in 2024. Net receivables estimated to be collectible subsequent to March 1 are reflected in deferred revenue. Prior years' levies are recorded using these same principles and remaining receivables are annually re-evaluated for collectability.

The rate of real estate taxation in 2024 was 1.554 mills for general purposes, 0.6365 mills for fire protection and equipment, and 0.041 mills for library funding purposes on a total Township assessed valuation of \$3,463,162,540.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 4: CAPITAL ASSETS

A summary of changes in the capital assets for the year ended December 31, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Reclassifications	Ending Balance
Governmental activities					
Capital assets not being depreciated (cost):					
Land	\$ 2,312,716	\$ 300,000	\$ -	\$ -	\$ 2,612,716
Intangibles	421,850	-	-	-	421,850
Construction in progress	2,512,744	3,884,081	(2,751,894)	-	3,644,931
Total capital assets not being depreciated	5,247,310	4,184,081	(2,751,894)	-	6,679,497
Capital assets being depreciated (cost):					
Buildings	23,577,908	62,917	(657)	-	23,640,168
Land improvements	8,987,683	1,808,340	(63,200)	-	10,732,823
Machinery and equipment	7,287,118	972,191	(359,133)	358,519	8,258,695
Vehicles	9,842,862	72,982	(410,613)	115,226	9,620,457
Infrastructure	60,242,873	2,670,842	-	-	62,913,715
Right-to-use assets	3,655,644	902,773	(737,826)	(473,745)	3,346,846
Total capital assets being depreciated	113,594,088	6,490,045	(1,571,429)	-	118,512,704
Less accumulated depreciation for:					
Buildings	(10,517,108)	(609,572)	657	-	(11,126,023)
Land improvements	(5,625,894)	(397,869)	52,700	-	(5,971,063)
Machinery and equipment	(3,216,115)	(759,203)	241,494	185,261	(3,548,563)
Vehicles	(4,963,775)	(588,794)	375,485	141,540	(5,035,544)
Infrastructure	(39,947,898)	(1,197,921)	-	-	(41,145,819)
Right-to-use assets	(1,711,643)	(490,266)	536,104	(326,801)	(1,992,606)
Total accumulated depreciation	(65,982,433)	(4,043,625)	1,206,440	-	(68,819,618)
Total capital assets being depreciated, net	47,611,655	2,446,420	(364,989)	-	49,693,086
Total capital assets, governmental activities	\$ 52,858,965	\$ 6,630,501	\$ (3,116,883)	\$ -	\$ 56,372,583

The Township recorded the purchase of three fire trucks (\$3,067,864) and a dump truck (\$146,526) as a prepaid expense due to the length of time it will take to build them. These expenditures were recorded as a prepaid expense on the Balance Sheet – Governmental Funds and as construction in progress on the Statement of Net Position.

Depreciation expense was charged to functions/programs of the Township's governmental activities as follows:

Governmental Activities	
General Government	\$ 467,323
Police	313,715
Fire and Ambulance	398,692
Community Development	5,941
Health and Sanitation	384,562
Public Works	1,750,061
Parks and Recreation	723,331
Total depreciation	<u>\$ 4,043,625</u>

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 4: CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Reductions	Reclassifications	Ending Balance
Business-type activities					
Capital assets not being depreciated (cost):					
Land	\$ 864,508	\$ -	\$ (300,000)	\$ -	\$ 564,508
Intangibles	2,740,869	-	-	-	2,740,869
Construction in progress	17,500,465	9,272,063	(257,585)	-	26,514,943
Total capital assets not being depreciated	21,105,842	9,272,063	(557,585)	-	29,820,320
Capital assets being depreciated (cost):					
Buildings	1,517,541	-	-	-	1,517,541
Machinery and equipment	2,534,693	235,001	(73,480)	-	2,696,214
Furniture	40,973	-	-	-	40,973
Sewer system	190,833,287	1,112,754	-	(4,669,650)	187,276,391
Stormwater system	25,585,237	579,581	-	-	26,164,818
Sewer capacity	21,144,628	1,115,639	-	4,669,650	26,929,917
Right-to-use	81,617	-	(81,617)	-	-
Total capital assets being depreciated	241,737,976	3,042,975	(155,097)	-	244,625,854
Less accumulated depreciation for:					
Buildings	(623,161)	(37,939)	-	-	(661,100)
Machinery and equipment	(1,051,413)	(250,463)	7,535	-	(1,294,341)
Furniture	(22,731)	(1,084)	-	-	(23,815)
Sewer system	(60,896,755)	(2,577,916)	-	116,742	(63,474,671)
Stormwater system	(2,777,036)	(579,400)	-	-	(3,356,436)
Sewer capacity	(8,656,236)	(452,805)	-	(116,742)	(9,109,041)
Right-to-use	(52,441)	-	52,441	-	-
Total accumulated depreciation	(74,079,773)	(3,899,607)	59,976	-	(77,919,404)
Total capital assets being depreciated, net	167,658,203	(856,632)	(95,121)	-	166,706,450
Total capital assets, business-type activities	\$ 188,764,045	\$ 8,415,431	\$ (652,706)		\$ 196,526,770

Depreciation expense was charged to functions/programs of the Township's business-type activities as follows:

Business-type activities	
Lower Paxton Authority	\$ 3,899,607

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 5: LONG – TERM LIABILITIES

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

	Balance at January 1, 2024	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Governmental activities					
General obligation debt	\$ 14,505,000	\$ -	\$ (1,905,000)	\$ 12,600,000	\$ 1,985,000
Lease obligation	1,624,609	781,157	(664,813)	1,740,953	588,343
Subscription liability	146,274	109,461	(58,995)	196,740	83,126
Compensated absences	2,567,466	418,912	-	2,986,378	20,893
Net pension liability	8,481,310	-	(3,444,067)	5,037,243	-
Net pension asset	(237,527)	(52,834)	-	(290,361)	-
Net OPEB liability	8,641,925	-	(43,154)	8,598,771	-
Governmental activities long-term liabilities	<u>\$ 35,729,057</u>	<u>\$ 1,256,696</u>	<u>\$ (6,116,029)</u>	<u>\$ 30,869,724</u>	<u>\$ 2,677,362</u>
Business-type activities					
Lower Paxton Township Authority					
Long-term debt, subsidy agreements	<u>\$ 154,327,821</u>	<u>\$ 14,910,231</u>	<u>\$ (5,714,156)</u>	<u>\$ 163,523,896</u>	<u>\$ 5,898,354</u>
Business-type activities long-term liabilities	<u>\$ 154,327,821</u>	<u>\$ 14,910,231</u>	<u>\$ (5,714,156)</u>	<u>\$ 163,523,896</u>	<u>\$ 5,898,354</u>

The General Fund is used to liquidate the liabilities for debt and compensated absences in the governmental activities.

The Township had additional draws on the Pennvest Loan 2019 in the amount of \$240,231. The Pennvest Loan 2019 has an additional \$423,679 to be drawn.

Pertinent information regarding long-term debt obligations outstanding is presented below (payable from general fund tax revenues and sewer revenues):

	Original borrowing	Year of issue/maturity	Interest rates to maturity	Annual principal payments to maturity	Ending Balance
General obligation bonds					
Series of 2014	\$23,350,000	2014/2044	1.75% - 5.00%	\$800,000 to \$980,000	\$ 2,855,000
Series of 2015	14,005,000	2015/2029	2.00% - 4.00%	\$160,000 to \$2,125,000	9,785,000
Series of 2016	23,840,000	2016/2046	2.00% - 5.00%	\$685,000 to \$1,115,000	13,145,000
Series of 2019	52,040,000	2019/2044	3.00% - 4.00%	\$495,000 to \$4,975,000	48,275,000
Series of 2020A	25,970,000	2020/2050	1.00% - 4.00%	\$510,000 to \$1,450,000	23,900,000
Series of 2020B	8,665,000	2020/2027	1.00% - 4.00%	\$785,000 to \$2,390,000	2,615,000
Series of 2020C	34,760,000	2020/2046	0.51% - 2.98%	\$410,000 to \$2,555,000	33,170,000
Series of 2022	18,550,000	2022/2047	2.00% - 4.00%	\$370,000 to \$1,055,000	16,495,000
Series of 2024	14,670,000	2024/2049	3.00% - 5.00%	\$5,000 to \$1,810,000	14,670,000
				Total general obligation debt	<u>164,910,000</u>
Loans					
PennVest loan 2019	13,278,195	2020/2042	1.51% - 2.06%	\$330,478 to \$756,405	<u>11,213,896</u>
				Total loan	<u>11,213,896</u>
				Total long-term debt	<u>\$ 176,123,896</u>

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 5: LONG – TERM LIABILITIES (CONTINUED)

An analysis of debt service requirements to maturity on the governmental activities obligations follows:

	Principal Requirements	Interest Requirements	Total Debt Service Requirements
2025	\$ 1,985,000	\$ 351,299	\$ 2,336,299
2026	1,850,000	282,399	2,132,399
2027	1,920,000	218,046	2,138,046
2028	1,055,000	171,701	1,226,701
2029	1,085,000	141,997	1,226,997
2030-2034	4,025,000	352,747	4,377,747
2035-2039	590,000	42,806	632,806
2040-2044	90,000	9,600	99,600
	<u>\$ 12,600,000</u>	<u>\$ 1,570,595</u>	<u>\$ 14,170,595</u>

An analysis of debt service requirements to maturity on the business-type activities obligations follows:

	Principal Requirements	Interest Requirements	Total Debt Service Requirements
2025	\$ 5,898,354	\$ 5,595,659	\$ 11,494,013
2026	6,082,084	5,415,836	11,497,920
2027	6,243,093	5,280,983	11,524,076
2028	6,418,603	5,105,462	11,524,065
2029	6,615,654	4,906,479	11,522,133
2030-2034	36,722,989	20,957,522	57,680,511
2035-2039	43,874,190	13,884,018	57,758,208
2040-2044	31,168,929	7,132,744	38,301,673
2045-2049	19,050,000	2,185,932	21,235,932
2049-2050	1,450,000	29,000	1,479,000
	<u>\$ 163,523,896</u>	<u>\$ 70,493,635</u>	<u>\$ 234,017,531</u>

NOTE 6: DEFEASED DEBT

In prior years, the Township defeased portions of the Governmental Sewer Authority General Obligation Bonds, Series of 2014 and 2016 by placing the proceeds of new issues in irrevocable trusts to provide for all future debt service payments on the old bonds, first callable in 2024. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Township's financial statements. There has been no substitution of essentially risk-free monetary assets. As of December 31, 2024, the principal amount outstanding relative to Series of 2014 and 2016 defeased debt was \$20,040,000 and \$9,145,000, respectively.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 7: LEASES

Pertinent governmental activities information regarding leases is presented below:

Date of Issue	Initial Liability	Purpose	Outstanding Liability Balance December 31, 2024	Asset Value December 31, 2024	Accumulated Amortization
Various	\$ 4,383,879	The Township entered into several lease agreements ranging from three to five years for the acquisition and use of vehicles and equipment. Required monthly principal and interest payments range from \$130 to \$52,877. The leases have interest rates of 2.20% to 7.00%. The vehicles and equipment have estimated useful lives of 8-10 years.	\$ 1,740,953	\$ 3,346,846	\$ 1,992,606

The future principal and interest lease payments as of December 31, 2024, were as follows:

Governmental Activities

Year Ending	Principal	Interest	Total
2025	\$ 588,343	\$ 134,299	\$ 722,642
2026	409,171	82,597	491,768
2027	293,263	56,137	349,400
2028	289,048	32,348	321,396
2029	161,128	9,450	170,578
Totals	<u>\$ 1,740,953</u>	<u>\$ 314,831</u>	<u>\$ 2,055,784</u>

The Township, as the lessor, had entered into a lease of building space with Drayer Physical Therapy. An initial lease receivable was recorded in the amount of \$129,081. There was no additional revenue for variable and other payments not included in the measurement of the lease receivable. As of December 31, 2024, the value of the lease receivable is \$66,147 and the related deferred inflow for future payments expected to be collected on the lease is \$66,147. The lessee is required to make monthly fixed payments of \$5,692 through December 2025. The lease has an interest rate of 6.0%. The Township did not recognize lease revenue and interest during the calendar year.

The Township, as the lessor, had entered into a lease of small cell phone towers with the Cellco Partnership. An initial lease receivable was recorded in the amount of \$324,979. There was no additional revenue for variable and other payments not included in the measurement of the lease receivable. As of December 31, 2024, the value of the lease receivable is \$292,789 and the related deferred inflow for future payments expected to be collected on the lease is \$292,789. The lessee is required to make monthly fixed payments of \$25,200 through May 2041. The lease has an interest rate of 4.6%. The Township recognized lease revenue and interest of \$4,752 and \$13,984, respectively for the calendar year.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 8: DEFERRED COMPENSATION

The Township, in accordance with the Board of Supervisors' approval, offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b) ("plan"). The plan is available to all Township employees. The plan permits employees to defer a portion of their salary until future years, which the employees are fully vested in upon contribution, with no forfeiture provision. The Township does not contribute to the deferred compensation plan. Employees can defer the lesser of \$19,500, and up to an additional \$6,500 catch-up for employees age 50 or over, or 100% of their includable salaries over the plan year. Employee contributions made to the plan for the year ended December 31, 2024 were \$640,261.

All amounts of compensation deferred under the plan and all income attributable to those amounts are held in trust for the exclusive benefit of participants and their beneficiaries. The assets will not be diverted for any other purpose. The plan administrator, Empower Retirement, is the trustee of the investments.

NOTE 9: EMPLOYEES RETIREMENT PLANS

A. Plan Description

Administration. The Township has two single employer defined benefit pension plans, one covering uniformed police and the other covering non-uniformed employees, including Authority Unit employees. Employees become eligible for participation in a plan upon employment and become fully vested after twelve years of service in the Police Pension Plan and nine years of service in the Non-Uniformed Pension Plan ("Township Unit"), unless the employee is a participant in the Authority Unit in which vesting occurs 30% after three years of service, increasing by 10% each year until becoming fully vested after ten years. The Police Pension Plan was established by municipal ordinance with the authority for municipal contributions required by Act 205, of the Pennsylvania legislature. The Non-Uniformed Pension Plan was established and is controlled through Township ordinances. The Board of Supervisors established and may amend benefit terms through labor agreements negotiated by the Township. Both plans are reported as pension trust funds in the statement of fiduciary net position and changes therein. The plans do not issue stand-alone financial reports.

Non-Uniformed Pension Plan

Plan Membership. As of December 31, 2024, participants in the plans consisted of the following:

Participants:	<u>Non-Uniformed</u>
Retirees and beneficiaries currently receiving benefits	57
Terminated employees entitled to benefits but not yet receiving them	7
Active Employees	90

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 9: EMPLOYEES RETIREMENT PLANS (CONTINUED)

Non-Uniformed Pension Plan (continued)

Plan Benefits. The benefits provided by the Non-Uniformed Pension Plan are based upon average monthly compensation, age and length of service. A summary of plan benefits is as follows:

	Non-Uniformed
Normal retirement eligibility	Township Unit employees, hired on or after January 1, 2013 - age 65 with 10 years of service; Township Unit employees, hired before January 1, 2013 - the earliest of age 65 with 10 years of service or 60 with 15 years of service; Authority employees - age 65 with 10 years of service.
Average compensation period	36 months
Early retirement eligibility	Township Unit employees, hired on or after January 1, 2013 - age 60 with 15 years of service; Township Unit employees, hired before January 1, 2013 - age 55 with 15 years service; Authority employees - age 55 with 10 years of service.
Vesting	Township Unit employees - 100% after completion of 9 years of service; Authority Unit employees - 30% after 3 years of service, increasing 10% each year up to 100% after 10 years of service.
Normal forms of benefits	Life
Normal retirement benefits	A monthly benefit equal to 2% of final average monthly compensation averaged over the final 36-month period prior to retirement multiplied by years of service (maximum 27 years).
Early retirement benefits	The normal retirement benefit calculated at termination is payable at early retirement, actuarially reduced for commencement prior to normal retirement. Employees (other than Authority Unit employees) who terminate more than 15 years prior to normal retirement may elect instead the greater of a refund of contributions plus interest or the actuarial equivalent of the deferred monthly benefit of a lump sum of \$25,000 or less.
Disability benefit	Authority Unit employees - Accrued benefit at date of disability, actuarially reduced for commencement prior to normal retirement.
Death benefit	<u>Before vesting</u> - refund of contributions plus interest, if any. <u>After vesting, before retirement</u> - the surviving spouse will receive the survivor portion of the participant's accrued benefit after reduction to an actuarial equivalent joint and 50% survivor benefit and reduction for commencement prior to normal retirement, payable at early retirement. <u>After retirement</u> - the normal form of payment is a life annuity. At retirement, the participant may select an optional form of benefit payment that is an actuarial equivalent of the normal form.
Cost of living adjustment	None
Service increment	None

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 9: EMPLOYEES RETIREMENT PLANS (CONTINUED)

Non-Uniformed Pension Plan (continued)

B. Contributions

The Township's non-uniformed employees (except for former Authority employees who are required to contribute 2.40% and who receive a different level of benefits) are required to contribute 3.50% of annual pensionable compensation, but only for the first 27 years of service. The Township is required to contribute the remaining amount necessary to fund the plan using the entry age normal cost method. The Township funds its contributions with general fund cash and foreign casualty insurance premium taxes obtained from the Commonwealth of Pennsylvania.

Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for municipal pension plans. Under Act 205 provisions, a municipal budget must provide for the full payment of the minimum municipal obligation ("MMO") to each employee pension fund of the municipality. Act 189 of 1990 amended Act 205 and redefined the calculation used to determine the MMO to employee pension funds. The MMO is now defined as the total financial requirements to the pension fund, less funding adjustments and estimated contributions. The actuarially determined contribution for the MMO to the Pension Trust Fund was \$835,791 which was funded by the Township through Township contributions. Employee contributions in 2024 totaled \$203,486.

C. Net Pension Liability

The total pension (asset) liability was based on an actuarial valuation dated January 1, 2023 and update procedures were used to roll-forward the total pension (asset) liability to the December 31, 2024 measurement date. The components of the net pension asset of the Township as of December 31, 2024, were as follows:

Total pension liability	\$ 28,584,457
Plan fiduciary net position	<u>(28,499,219)</u>
Net pension liability	<u>\$ 85,238</u>
Plan fiduciary net position as a percentage of the total pension liability	99.7%

The schedule of changes in the net pension (asset) liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about the plan.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 9: EMPLOYEES RETIREMENT PLANS (CONTINUED)

Non-Uniformed Pension Plan (Continued)

C. Net Pension Liability (continued)

The components and changes in the Township's net pension liability for the Non-Uniformed Pension Plan for the year ended December 31, 2024 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at December 31, 2023	\$27,419,931	\$25,994,101	\$ 1,425,830
Service Cost	713,718	-	713,718
Interest Cost	1,785,978	-	1,785,978
Changes for Experience	-	-	-
Contributions - Employer	-	835,791	(835,791)
Contributions - Member	-	203,486	(203,486)
Net Investment Income	-	2,812,944	(2,812,944)
Benefit Payments, including Refunds of Member Contributions	(1,335,170)	(1,335,170)	-
Administrative Expense	-	(11,933)	11,933
Net Changes	1,164,526	2,505,118	(1,340,592)
Balances at December 31, 2024	\$28,584,457	\$28,499,219	\$85,238

As of December 31, 2024, the plan fiduciary net position as a percentage of the total pension liability was 99.7%.

As of December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to the Non-Uniformed Pension Plan from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ -	\$ 949,666
Change in assumptions	310,770	-
Net difference between projected and actual investment earnings	2,214,449	2,212,614
Total	\$ 2,525,219	\$ 3,162,280

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 9: EMPLOYEES RETIREMENT PLANS (CONTINUED)

Non-Uniformed Pension Plan (Continued)

C. Net Pension Liability (continued)

The total pension expense recognized in 2024 for the Non-Uniformed Pension Plan was \$576,230. The deferred outflows of resources and the deferred inflows of resources will be recognized in pension expense as follows:

Year ended	
2025	\$ 162,683
2026	376,167
2027	(737,447)
2028	(386,452)
2029	<u>(52,012)</u>
Total	<u>\$ (637,061)</u>

D. Actuarial Assumptions

The Township's Non-Uniformed net pension liability was measured as of January 1, 2023 and rolled forward to the reporting date using the following significant actuarial assumptions applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	4.75% including inflation
Expected long-term rate of return	6.50% net of investment expenses not funded through the MMO

Mortality rates were based on the 2010 Public Plan – Public General (“PubG-2010”) mortality tables and mortality improvement projected from the base year 2020 with rates derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report.

The long-term expected rate of return on the Non-Uniformed 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 and investments expenses not funded through the MMO) 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. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2024 are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected rate of return</u>
Equity	65%	4.68% - 8.23%
Fixed income	33%	1.70% - 3.12%
Cash	2%	.47% - 1.07%

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 9: EMPLOYEES RETIREMENT PLANS (CONTINUED)

Non-uniform Pension Plan (Continued)

E. Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made equal to the MMO. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the Township, calculated using the discount rate of 6.50%, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability	\$ 3,444,719	\$ 85,238	\$ (2,748,998)

G. Rate of return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments was 10.96%. The money-weighted rate of return expresses investment performance, net of investment expenses, not funded through the MMO.

Police Pension Plan

As of December 31, 2024, participants in the Police Pension Plan consisted of the following:

Participants:	Police
Retirees and beneficiaries currently receiving benefits	53
Terminated employees entitled to benefits but not yet receiving them	4
Active Employees	60

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 9: EMPLOYEES RETIREMENT PLANS (CONTINUED)

Police Pension Plan (Continued)

A. Plan benefits:

The benefits provided by the Police Pension Plan is based upon average monthly compensation, age and length of service. A summary of plan benefits is as follows:

	<u>Police Pension</u>
Normal retirement eligibility	Age 50 with 25 years of service.
Average compensation period	36 months
Early retirement eligibility	N/A
Vesting	100% after completion of 12 years of service
Normal forms of benefits	Life
Normal retirement benefits	A monthly benefit equal to 50% of gross pay averaged over the last 36 months of employment, plus a service increment of \$20 for each year of service in excess of 25 years, up to a maximum of \$100.
Early retirement benefits	N/A
Disability benefit	50% of the participant's final monthly average salary at disability/retirement, but no less than 50% of the member's salary at time disability incurred, offset by Social Security disability benefits for same
Death benefit	<u>Before vesting</u> - refund of contributions with interest. <u>After vesting, before retirement</u> - refund of contributions, plus interest or if married 50% of the participant's accrued benefit at the date of death, commencing at participant's normal retirement date. <u>After retirement</u> - 50% of the pension the participant was receiving or was entitled to receive. Survivor benefits - payable for life for spouse, if no spouse or spouse later dies, benefit to children until age 18, or age 23 if attending college.
Cost of living adjustment	Effective on first anniversary of retirement, retiree will receive an increase in the monthly benefit equal to the lesser of 2% or the increase in CPI, until a maximum of 2% increase is reached.
Service increment	\$20 for each completed year of service in excess of 25 years up to a maximum of \$100.

B. Contributions

When plan contributions are required, the Township police employees are required to contribute 5% of annual pensionable compensation. The Township is required to contribute the remaining amount necessary to fund the plan using the entry age normal cost method. The Township funds its contributions with general fund cash and foreign casualty insurance premium taxes obtained from the Commonwealth of Pennsylvania.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 9: EMPLOYEES RETIREMENT PLANS (CONTINUED)

Police Pension Plan (Continued)

B. Contributions (continued)

The Police Pension Plan is also subject to Act 205. The actuarially determined contribution for the MMO to the pension trust fund was \$1,866,529 which was funded by the Township through state aid and Township contributions. Employee contributions in 2024 totaled \$327,398.

C. Net Pension Liability

The total pension (asset) liability was based on an actuarial valuation dated January 1, 2023 and update procedures were used to roll-forward the total pension (asset) liability to the December 31, 2024 measurement date. The components of the net pension asset of the Township as of December 31, 2024, were as follows:

Total pension liability	\$ 43,810,324
Plan fiduciary net position	<u>(38,858,319)</u>
Net pension liability	<u>\$ 4,952,005</u>
Plan fiduciary net position as a percentage of the total pension liability	88.7%

The schedule of changes in the net pension (asset) liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about the plan.

The components and changes in the Township's net pension liability for the Police Pension Plan for the year ended December 31, 2024 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2023	\$42,020,957	\$34,965,477	\$ 7,055,480
Service Cost	1,098,710	-	1,098,710
Interest Cost	2,737,309	-	2,737,309
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	1,866,529	(1,866,529)
Contributions - Member	-	327,398	(327,398)
Net Investment Income	-	3,757,472	(3,757,472)
Benefit Payments, including Refunds of Member Contributions	(2,046,652)	(2,046,652)	-
Administrative Expense	-	(11,905)	11,905
Net Changes	<u>1,789,367</u>	<u>3,892,842</u>	<u>(2,103,475)</u>
Balances at December 31, 2024	<u>\$43,810,324</u>	<u>\$38,858,319</u>	<u>\$4,952,005</u>

As of December 31, 2024, the plan fiduciary net position as a percentage of the total pension liability was 88.7%.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 9: EMPLOYEES RETIREMENT PLANS (CONTINUED)

Police Pension Plan (Continued)

C. Net Pension Liability (continued)

As of December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 239,792	\$ 767,792
Change in assumptions	529,041	-
Net difference between projected and actual investment earnings	<u>2,867,612</u>	<u>2,937,052</u>
Total	<u>\$ 3,636,445</u>	<u>\$ 3,704,844</u>

The total pension expense recognized in 2024 for the Police Pension Plan was \$1,704,061. The deferred outflows of resources and the deferred inflows of resources will be recognized in pension expense as follows:

Year ended	
2025	\$ 596,421
2026	760,419
2027	(900,602)
2028	(488,077)
2029	<u>(36,560)</u>
Total	<u>\$ (68,399)</u>

D. Actuarial Methods and Assumptions

The Township's police net pension liability was measured as of January 1, 2023 and rolled forward to the reporting date using the following significant actuarial assumptions applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	5.50% including inflation
Expected long-term rate of return	6.50%, applied to all periods

Mortality rates were based on the PubS-2010 mortality tables and mortality improvement projected from the base year 2020 with rates derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 9: EMPLOYEES RETIREMENT PLANS (CONTINUED)

Pension Trust Funds (Continued)

D. Actuarial Methods and Assumptions (continued)

The long-term expected rate of return on the Police 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 and investments expenses not funded through the MMO) 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. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2024 are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected rate of return</u>
Equity	65%	4.68% - 8.23%
Fixed income	33%	1.70% - 3.12%
Cash	2%	0.47% - 1.07%

E. Discount Rate

The discount rate used to measure the total pension liability for both plans was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made equal to the MMO. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the Township, calculated using the discount rate of 6.50%, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>5.50%</u>	<u>Discount Rate</u>	<u>7.50%</u>
		<u>6.50%</u>	
Net pension liability	\$ 10,569,197	\$ 4,952,005	\$ 281,668

G. Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments was 10.91%. The money-weighted rate of return expresses investment performance, net of investment expenses, not funded through the MMO.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 10. LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

A. Plan Description

Plan Administrator

The Lower Paxton Township LOSAP for Firefighters was established January 1, 2008, to provide retirement benefits for the volunteer firefighters and fire police officers of the Colonial Park, Linglestown and Paxtonia Fire Companies. Volunteer firefighters and fire police officers join the LOSAP Plan upon employment. The plan is reported as a pension trust fund in the statement of fiduciary net position and changes therein. The plan does not issue stand-alone financial reports.

Plan Membership

As of December 31, 2024, participants in the LOSAP Plan consisted of the following:

Participants:

	<u>LOSAP</u>
Inactive members and beneficiaries currently receiving benefits	20
Inactive members entitled to benefits but not yet receiving them	17
Active members	73

Plan Benefits

A summary of the benefits provided by the LOSAP Plan is as follows:

	<u>LOSAP</u>
Normal retirement eligibility	A member is eligible for normal retirement after attainment of age 65 and completion of five years of participation. The normal retirement pension is payable during the member's lifetime, with payments ceasing upon death. The amount of monthly pension is equal to \$10 per year of service with a maximum monthly pension of \$250.
Late retirement eligibility	If a member continues working after his normal retirement date, his pension does not start until he actually retires. The late retirement benefit is the benefit accrued to the late retirement date.
Early retirement eligibility	N/A
Vesting	A member's benefits vest upon completion of five years of service earned after January 1, 2008, and attainment of age 40. The vested benefit is a deferred pension beginning at normal retirement equal to the benefit accrued to the date of termination.
Normal forms of benefits	Life
Disability benefit	None
Death benefit	None
Cost of living adjustment	None
Service increment	None

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 10. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) (CONTINUED)

A. Contributions

Contributions to the LOSAP Plan from the Township in 2024 totaled \$0.

B. Net Pension Asset

The total pension liability was measured as of December 31, 2024 and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023. The components of the net pension asset of the Township as of December 31, 2024, were as follows:

Total pension liability	\$ 957,893
Plan fiduciary net position	<u>(1,248,254)</u>
Net pension asset	<u>\$ (290,361)</u>
Plan fiduciary net position as a percentage of the total pension asset	130.3%

The schedule of changes in the net pension asset and related ratios, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about the plan.

The components and changes in the Township's net pension asset for the LOSAP Plan for the year ended December 31, 2024 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at December 31, 2023	\$941,703	\$1,179,230	\$ (237,527)
Service Cost	6,454	-	6,454
Interest Cost	64,456	-	64,456
Changes for Experience	-	-	-
Changes of Assumptions	-	-	-
Net Investment Income	-	127,044	(127,044)
Benefit Payments, including			
Refunds of Member Contributions	(54,720)	(54,720)	-
Administrative expense	-	(3,300)	3,300
Net Changes	<u>16,190</u>	<u>69,024</u>	<u>(52,834)</u>
Balances at December 31, 2024	<u>\$957,893</u>	<u>\$1,248,254</u>	<u>\$ (290,361)</u>

As of December 31, 2024 the plan fiduciary net position as a percentage of the total liability was 130.3%.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 10. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) (CONTINUED)

B. Net Pension Asset (Continued)

As of December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to the LOSAP Plan from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ -	\$ 196,617
Change in assumptions	53,534	212,719
Net difference between projected and actual investment earnings	119,289	93,576
Total	<u>\$ 172,823</u>	<u>\$ 502,912</u>

The total pension expense recognized in 2024 for the LOSAP Plan was (\$20,097). The deferred outflows of resources and the deferred inflows of resources will be recognized in pension expense as follows:

Year ended	
2025	\$ (13,792)
2026	(5,432)
2027	(65,077)
2028	(49,080)
2029	(39,774)
Thereafter	(156,934)
Total	<u>\$ (330,089)</u>

B. Actuarial methods and assumptions

The Township's LOSAP net pension liability was measured as of December 31, 2024 and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The following are the significant actuarial assumptions applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	0.00% including inflation
Expected long-term rate of return	7.00%, including inflation
Postretirement cost of living increase	0.00%

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

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 10. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) (CONTINUED)

C. Actuarial methods and assumptions (Continued)

The long-term expected rate of return on the LOSAP 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 the arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2024 are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected rate of return</u>
Domestic equity	50%	5.5% - 7.5%
International equity	15%	4.5% - 6.5%
Fixed income	35%	1.0% - 3.0%

D. Discount Rate

The discount rate used to measure the net pension asset was 7.00%. The pension plan's fiduciary net position was 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.

E. Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the Township, calculated using the discount rate of 6.50%, as well as what the Township's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Net pension liability (asset)	\$ (77,679)	\$ (290,361)	\$ (469,472)

F. Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments was 11.02%.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 11: INTERFUND BALANCES AND ACTIVITY

Interfund receivable and payable balances consist of the following as of December 31, 2024:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 3,167,405	\$ -
General Improvement Fund	-	579,991
Non-Major Funds	-	3,105,104
Lower Paxton Township Authority	<u>1,340,954</u>	<u>823,264</u>
Total	<u>\$ 4,508,359</u>	<u>\$ 4,508,359</u>

Interfund transfers are executed as a result of the requirements for the General Fund to match a portion of the expenditures or expenses of other funds. Interfund transfers are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 472,321
General Improvement Fund	468,348	579,991
Non-Major Funds	309,383	305,410
Lower Paxton Township Authority	<u>579,991</u>	<u>-</u>
Total	<u>\$ 1,357,722</u>	<u>\$ 1,357,722</u>

NOTE 12: MANAGEMENT AGREEMENT

The Authority has entered into an agreement with Lower Paxton Township to procure certain management services with regard to its operations, activities and functions. The Authority and the Township have certain common management. The total management services for 2024 amounted to \$688,184. Additionally, due to the Township providing all employees to the Authority, the Authority reimbursed the Township for wages, payroll taxes and various insurances in the approximate amount of \$3,281,352 for the year ended December 31, 2024.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 13: FUND BALANCES / NET POSITION CLASSIFICATIONS AND RESTRICTIONS

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Fund	Fund Balance Classifications				Total Fund Balance
	Nonspendable	Restricted	Assigned	Unassigned	
<u>General Fund:</u>					
Other Assets	\$ 145,524	\$ -	\$ -	\$ -	\$ 145,524
Use of Budgetary Reserves/Earmarked Funds	-	-	4,184,333	-	4,184,333
Police	-	60,035	-	-	60,035
Public Works		382,052			382,052
Parks and Recreation	-	21,264	-	-	21,264
Available for any purpose	-	-	-	14,694,907	14,694,907
<u>General Improvement Fund:</u>					
Other Assets	-	-	-	-	-
Township Improvements	-	1,106,724	158,757	-	1,265,481
<u>Non-Major Funds:</u>					
State Highway Aid	146,526	1,074,921	-	-	1,221,447
Community Development	-	13,900	-	-	13,900
Fire Protection Services	3,081,128	223,187	-	-	3,304,315
	\$ 3,373,178	\$ 2,882,083	\$ 4,343,090	\$ 14,694,907	\$ 25,293,258

The restrictions of net position included in the Proprietary Fund are restricted for capital deposits in the amount of \$860,760.

The restrictions of net position included in the Fiduciary Funds are as follows:

Fiduciary funds	
Fireman's LOSAP trust fund, amounts restricted for payment of LOSAP benefits	\$ 1,248,255
Non-uniform trust fund, amounts restricted for payment of Non-uniform pension benefits	28,499,219
Uniform trust fund, amounts restricted for payment of Uniform pension benefits	38,858,318
OPEB trust fund, amounts restricted for payment of OPEB benefits	<u>1,223,318</u>
Total fiduciary funds, net position	<u>\$ 69,829,110</u>

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 14: COMMITMENTS AND CONTINGENCIES

The Township participates in several federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by or for the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Township may be required to reimburse the grantor government. The Township believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Township.

The Township is subject to real estate tax assessment appeals on an ongoing basis. If tax appeals are successful, the result is a loss of tax revenue to the Township. It is anticipated that any material loss of tax revenue on individual tax appeals will be offset with additional revenues from other properties or other sources of revenue and would not create a financial hardship to the Township.

The Township is involved with various lawsuits in the normal course of operations. In most cases, management cannot predict the outcome of the lawsuits or estimate the amount of any loss that may result. Management believes that losses resulting from these matters, if any, would be substantially covered under the Township's professional liability insurance policy and would not have a material effect on the financial position of the Township.

The Township and Authority have entered into agreements for various construction projects. There were 14 total construction contracts open as of December 31, 2024 which totaled \$31,239,523. Work totaling \$20,847,684 had been completed on these contracts as of year end.

The Authority has entered into agreements with downstream municipalities for the transmission and treatment of sewage. Charges for transmission and treatment are principally based upon a combination of the number of equivalent dwelling units and sewage transmitted.

NOTE 15: AGREEMENTS

The Authority has entered into the Swatara Township Authority Intermunicipal Agreement with the joint users of the Swatara Township Authority treatment plant. The Agreement covers the operating expenses of the Swatara Township Authority treatment plant and transmission facilities and the corresponding responsibilities of each user based on a pro rata share basis. Under this agreement, the Authority's operating costs amounted to \$2,041,503 for the year ended December 31, 2024.

The Authority, along with the Borough of Penbrook, the Borough of Paxtang, the Township of Swatara, the Township of Susquehanna and the Township of Lower Paxton ("Joint Municipalities") continue to negotiate with the City of Harrisburg and Capital Region Water ("CRW") to finalize a new Intermunicipal Agreement, which sets the rate for treatment and transmission services provided to the Joint Municipalities, as well as the funding of the improvement projects for CRW facilities. Under the current agreement, the Authority's operating costs amounted to \$3,608,902.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 15: AGREEMENTS (CONTINUED)

The Authority is currently disputing the method of calculating certain 2021 charges related to the services provided above. The total amount owed is \$1,432,657 and \$556,986 is currently disputed. The total amount is included as a liability, due to other governments, and in the operating costs noted above to CRW on the Authority's books as of December 31, 2024. The Authority also established a significant escrow reserve included in prepaid assets. This reserve, amounting to \$659,937, is held at CRW to be used for future capital use.

NOTE 16: LEGAL AGREEMENTS AND RESTRICTIONS REGARDING SANITARY SEWER OPERATIONS

The Authority and Township are governed by a consent decree and settlement agreement with the Pennsylvania Department of Environmental Protection ("PADEP") relative to the Beaver Creek, Paxton Creek and Spring Creek Basin interceptors for sewage overflows and hydraulic overloads in these regions, and manage limitations on equivalent dwelling units ("EDU's") and connections in the respective areas. As capital improvements have been made, modeling and metering data updated and removal rates for overflow/overload have occurred, revised long-term corrective action plans are provided to PADEP and have been approved as submitted. As of December 31, 2024, the Authority estimates that additional investments for compliance with the agreements are \$16,500,000 for Beaver Creek and \$4,500,000 for Spring Creek Basin interceptors through 2035.

The Authority also is governed by the Township's PADEP Municipal Separate Storm Sewer System "(MS4)" permit, approved through July 2025, which requires the implementation of a Storm Water Management Plan to manage the conveyance and proper discharge of stormwater. As of December 31, 2024, the estimated additional MS4 capital costs relative to the plan total \$575,000.

NOTE 17: POST-EMPLOYMENT BENEFIT PLAN

Plan Description

Plan Administration. The Township administers a single-employer defined OPEB plan ("plan") that is used to provide health-related benefits for its police officers through its group health insurance plan. Plan provisions are established based on labor agreements negotiated by the Township. The plan is reported as an OPEB Trust fund in the accompanying financial statements and does not issue stand-alone statements.

Plan Membership. As of December 31, 2024, the Plan's membership consisted of the following:

Active Participants	57
Retired Participants	15
Total	<u>72</u>

Benefits Provided. All police officers retiring with a normal or disability retirement under the pension plan are eligible for other postemployment benefits. Normal retirement eligibility is the age of 50 and completion of 25 years of service. Disability retirement eligibility is considered total and permanent disability that occurs in the line of duty. The length of benefits is 120 months for retirees and eligible spouses.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 17: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Benefits include the same medical coverage enjoyed by active members and currently include medical, prescription drug, dental and vision coverage. Coverage is suspended if the retiree is eligible for comparable coverage cost-free from another source. After the period of coverage ceases, retirees may purchase any of the benefits covered at the effective group rates. The Township pays the first 5% of any increase in annual cost. Thereafter, the Township and the retiree share equally for any annual increases exceeding 5%.

Contributions. The contribution requirements of Plan members and the Township are established and may be amended by the Township's Board of Supervisors. Previously, the Plan was funded on a pay-as-you-go basis; i.e., premiums are paid annually to fund the healthcare benefits provided to current retirees, primary through annual appropriations from the General Fund. During 2023, the Township created a trust to fund future benefits. Retiree contribution rates and amounts vary based on the benefits selected.

Investment policy. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Supervisors, by a majority vote. It is the policy of the Board of Supervisors to pursue an investment strategy that reduces risk though the prudent diversification of the portfolio across a broad selection of distinct assets classes. The following is the Plan's asset allocation policy as of December 31, 2024:

<u>Asset class</u>	<u>Target allocation</u>
Equity	50%
Fixed Income	48%
Cash Equivalents	2%

Rate of return. For the year ended December 31, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 10.09%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The components of the net OPEB liability of the County as of December 31, 2024, were as follows:

Total OPEB liability	\$ 9,822,088
Plan fiduciary net position	<u>1,223,317</u>
Net OPEB liability	<u>\$ 8,598,771</u>
Plan fiduciary net position as a percentage of the total OPEB liability	12.45%

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 17: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Actuarial Assumptions and Other Inputs. The net OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Discount Rate	4.25%
Dental/Vision Trend Rate	3.00%
Medical Trend Rate	6.75% for 2024, decreasing to 4.75% by 2028

The discount rate was based on the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were assumed based on the PubS-2010. Mortality improvement rates were derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report.

The actuarial assumptions used in the January 1, 2023 valuation were based on past experience under the plan and reasonable future expectations which represents the best estimate of anticipated experience under the plan. A recent actuarial experience study was not performed.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns before inflation, net of OPEB plan investment expense) 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 rates of return by the target asset allocation percentage. The Township's expected future real rates of return by asset class is as shown below. Best estimates of arithmetical real rates of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

Asset class	Long-term expected rate of return
Equity	5.5% - 7.5%
Fixed Income	1.0% - 3.0%
Cash Equivalents	0.5% - 1.0%

Discount rate. The discount rate used to measure the total OPEB liability was 4.25%. The projection of cash flows used to determine the discount rate assumed that Township contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 17: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Changes in the Township's net OPEB liability for the plan as of December 31, 2024 was as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at December 31, 2023	\$9,394,614	\$752,689	\$ 8,641,925
Service Cost	445,629	-	445,629
Interest	409,223	-	409,223
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Contributions - Employer	-	827,378	(827,378)
Net Investment Income	-	75,936	(75,936)
Benefit Payments	(427,378)	(427,378)	-
Administrative Expense	-	(5,308)	5,308
Other changes	-	-	-
Net Changes	427,474	470,628	(43,154)
Balances at December 31, 2024	\$9,822,088	\$1,223,317	\$8,598,771

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.25%) or 1-percentage higher (5.25%) than the current discount rate:

	1% Decrease 3.25%	Current Discount Rate 4.25%	1% Increase 5.25%
Net OPEB liability	\$ 9,505,464	\$ 8,598,771	\$ 7,779,089

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage higher than the current discount rate:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ 7,832,838	\$ 8,598,771	\$ 9,509,651

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 17: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

As of December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 424,234	\$ 99,593
Changes of assumptions	590,004	2,009,693
Net difference between projected and actual earnings on OPEB plan investments	<u>-</u>	<u>33,068</u>
Total	<u>\$ 1,014,238</u>	<u>\$ 2,142,354</u>

The deferred outflows of resources and the deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended December 31,	
2025	\$ (103,571)
2026	(103,571)
2027	(103,569)
2028	(137,443)
2029	(159,849)
Thereafter	<u>(520,113)</u>
Total	<u>\$ (1,128,116)</u>

OPEB Expense

For the year ended December 31, 2024, the Township recognized OPEB expense of \$721,927.

NOTE 18: 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 purchases commercial insurance coverage for these types of losses, including workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years, and there have been no significant reductions in insurance coverage.

The Township is a member of a risk sharing pool, the Susquehanna Municipal Trust ("Trust"), to provide workers' compensation coverage. The 2024 contribution for this coverage was \$118,302, net of \$233,763 dividend received.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 18: RISK MANAGEMENT (CONTINUED)

The Trust has a self-insured retention per occurrence of \$1,000,000. Claims that exceed the self-insured retention are satisfied by a stop-loss insurance carrier. Each Trust member owns a portion of the pool based upon the total contributions deposited by each member over the preceding 12 months. If there is a deficit in the pooled funds, each member is assessed a ratio based upon the total contributions. As of December 31, 2024, there have been no adjustments in the Trust's class code rates. The Township's premium does adjust each year according to independently audited payroll totals in each class code.

The Township participates in the Pennsylvania Municipal Health Insurance Cooperative to provide medical benefits to employees and their qualifying family members and dependents. Under this program, the Township pays varying amounts of reasonable and customary healthcare expenses. For 2024, the Township paid premiums of \$2,795,499. For the year ended December 31, 2024, the Township was limited in liability for claims to \$70,000 per enrollee. Actual claims paid for the year ended December 31, 2024 were \$3,609,701.

NOTE 19: SUBSCRIPTION LIABILITIES

The Township has entered into contracts for various subscription-based information technology arrangements. The arrangements qualify as other than short-term arrangements under GASB 96 and, therefore, have been recorded at the present value of the future minimum payments.

The Township has the following arrangements:

<u>Description</u>	<u>Term</u>	<u>Payment Amount</u>	<u>Interest Rate</u>
Various	Several agreements ranging from three to eight years.	Required to make principal and interest payments ranging from \$1,248 to \$83,126.	The arrangements have interest rates of 3% to 6%.

The future minimum payments under the arrangements as of December 31, 2024 were as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 83,126	\$ 10,228	\$ 93,354
2026	39,111	5,479	44,590
2027	24,359	3,863	28,222
2028	25,759	2,593	28,352
2029	24,385	1,248	25,633
	<u>\$ 196,740</u>	<u>\$ 23,411</u>	<u>\$ 220,151</u>

Interest expense for the subscription liabilities was \$23,411 for the year ended December 31, 2024.

LOWER PAXTON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

NOTE 20: ENVIRONMENTAL CONCERNS

The Township has underground storage tanks for fuel and performs necessary testing in the surrounding land areas as necessary for leaks and potential contamination and operates a waste water facility. In addition, the Township, as part of the closure plan for the Township Landfill, performs tests and water analysis in the landfill and surrounding areas. If a leak or contamination occurs, the Township could become liable for the cost to remediate.

REQUIRED
SUPPLEMENTARY
INFORMATION

LOWER PAXTON TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual <u>Amounts</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues			
Taxes	\$ 18,077,645	\$ 18,860,732	\$ 783,087
Licenses and Permits	2,286,550	2,196,368	(90,182)
Fines and Forfeitures	240,000	270,244	30,244
Interest and Rents	812,629	1,150,534	337,905
Intergovernmental	6,711,086	6,297,781	(413,305)
Charges for Services	8,322,943	7,957,430	(365,513)
Contributions and Donations	32,000	29,481	(2,519)
Miscellaneous Income	2,500	10,954	8,454
Total Revenues	<u>36,485,353</u>	<u>36,773,524</u>	<u>288,171</u>
Expenditures			
General Government	2,163,676	2,031,004	132,672
Police	13,233,502	12,959,934	273,568
Fire and Ambulance	451,500	459,394	(7,894)
Community Development	1,176,053	1,348,839	(172,786)
Health and Sanitation	8,611,152	8,307,912	303,240
Public Works	6,167,236	5,748,854	418,382
Parks and Recreation	1,910,545	2,079,935	(169,390)
Debt Service			
Principal	1,843,774	2,146,313	(302,539)
Interest	359,330	414,303	(54,973)
Total Expenditures	<u>35,916,768</u>	<u>35,496,488</u>	<u>420,280</u>
Excess of Revenues Over Expenditures	<u>568,585</u>	<u>1,277,036</u>	<u>708,451</u>
Other Financing Sources (Uses)			
Transfers Out	(193,000)	(472,321)	(279,321)
Lease Proceeds	200,000	469,060	269,060
Subscription Proceeds	-	109,461	109,461
Sale of Capital Assets	5,000	4,941	(59)
Total Other Financing Sources (Uses)	<u>12,000</u>	<u>111,141</u>	<u>99,141</u>
Net Change in Fund Balance	<u>\$ 580,585</u>	<u>\$ 1,388,177</u>	<u>\$ 807,592</u>

LOWER PAXTON TOWNSHIP (NON-UNIFORM)

Schedule of Changes in the Net Pension Liability and Related Ratios (Non-Uniform) - Last 10 Years

For the years Ending December 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service Cost	\$ 713,718	\$ 681,354	\$ 648,429	\$ 633,242	\$ 545,189	\$ 535,173	\$ 451,165	\$ 455,943	\$ 431,365	\$ 459,270
Interest	1,785,978	1,710,267	1,698,340	1,612,963	1,570,740	1,489,190	1,456,600	1,378,467	1,291,194	1,210,063
Changes of benefit terms	-	-	-	-	-	-	-	500,267	-	-
Differences between expected and actual experience	-	(1,092,238)	-	(164,906)	-	(541,352)	-	(885,043)	-	(524,611)
Changes of assumptions	-	-	-	356,839	-	603,643	-	1,127,497	-	-
Benefit payments, including refunds of member contributions	(1,335,170)	(1,185,619)	(1,024,805)	(873,417)	(829,434)	(823,121)	(778,275)	(650,761)	(564,472)	(481,740)
Net change in total pension liability	1,164,526	113,764	1,321,964	1,564,721	1,286,495	1,263,533	1,129,490	1,926,370	1,158,087	662,982
Total pension liability - beginning	27,419,931	27,306,167	25,984,203	24,419,482	23,132,987	21,869,454	20,739,964	18,813,594	17,655,507	16,992,525
Total pension liability - ending (a)	<u>\$ 28,584,457</u>	<u>\$ 27,419,931</u>	<u>\$ 27,306,167</u>	<u>\$ 25,984,203</u>	<u>\$ 24,419,482</u>	<u>\$ 23,132,987</u>	<u>\$ 21,869,454</u>	<u>\$ 20,739,964</u>	<u>\$ 18,813,594</u>	<u>\$ 17,655,507</u>
Plan fiduciary net position										
Contributions - employer	\$ 835,791	\$ 953,741	\$ 1,003,335	\$ 1,003,335	\$ 797,538	\$ 757,954	\$ 683,408	\$ 696,477	\$ 674,462	\$ 789,950
Contributions - employee	203,486	197,565	185,069	172,808	172,276	156,778	148,881	139,772	138,797	130,169
Net investment income	2,812,944	3,251,762	(3,842,182)	2,601,458	2,715,471	3,265,845	(741,030)	2,246,805	846,552	25,833
Benefit payments, including refunds of member contributions	(1,335,170)	(1,185,619)	(1,024,805)	(873,417)	(829,434)	(823,121)	(778,275)	(650,761)	(564,472)	(481,740)
Administrative expense	(11,933)	(12,925)	(11,309)	(4,254)	(4,325)	(7,944)	(11,556)	(3,800)	(5,555)	(8,162)
Net change in plan fiduciary position	2,505,118	3,204,524	(3,689,892)	2,899,930	2,851,526	3,349,512	(698,572)	2,428,493	1,089,784	456,050
Plan fiduciary net position - beginning	25,994,101	22,789,577	26,479,469	23,579,539	20,728,013	17,378,501	18,077,073	15,648,580	14,558,796	14,102,746
Plan fiduciary net position - ending (b)	<u>\$ 28,499,219</u>	<u>\$ 25,994,101</u>	<u>\$ 22,789,577</u>	<u>\$ 26,479,469</u>	<u>\$ 23,579,539</u>	<u>\$ 20,728,013</u>	<u>\$ 17,378,501</u>	<u>\$ 18,077,073</u>	<u>\$ 15,648,580</u>	<u>\$ 14,558,796</u>
Township's net pension liability - ending (a) - (b)	<u>\$ 85,238</u>	<u>\$ 1,425,830</u>	<u>\$ 4,516,590</u>	<u>\$ (495,266)</u>	<u>\$ 839,943</u>	<u>\$ 2,404,974</u>	<u>\$ 4,490,953</u>	<u>\$ 2,662,891</u>	<u>\$ 3,165,014</u>	<u>\$ 3,096,711</u>
Plan fiduciary net position as a percentage of the total pension liability	99.70%	94.80%	83.46%	101.91%	96.56%	89.60%	79.46%	87.16%	83.18%	82.46%
Covered - payroll	\$ 6,479,176	\$ 6,683,139	\$ 5,801,081	\$ 5,659,105	\$ 5,523,146	\$ 5,214,405	\$ 4,916,287	\$ 4,895,449	\$ 4,753,121	\$ 4,476,046
Township net pension liability as a percentage of covered - payroll	1.32%	21.33%	77.86%	-8.75%	15.21%	46.12%	91.35%	54.40%	66.59%	69.18%

LOWER PAXTON TOWNSHIP

Schedule of Changes in the Net Pension Liability and Related Ratios (Police) - Last 10 Years

For the years Ending December 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service Cost	\$ 1,098,710	\$ 1,041,431	\$ 1,048,293	\$ 993,643	\$ 892,583	\$ 846,050	\$ 760,444	\$ 720,800	\$ 583,904	\$ 579,640
Interest	2,737,309	2,623,824	2,585,424	2,475,674	2,343,945	2,246,098	2,136,850	2,042,291	1,985,406	1,892,821
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(1,133,408)	-	555,470	-	408,630	-	(109,753)	-	(314,057)
Changes of assumptions	-	-	-	1,205,445	-	969,624	-	515,076	-	-
Benefit payments, including refunds of member contributions	(2,046,652)	(1,908,746)	(1,896,788)	(1,776,114)	(1,696,789)	(1,681,639)	(1,543,825)	(1,363,028)	(1,279,358)	(1,122,739)
Net change in total pension liability	1,789,367	623,101	1,736,929	3,454,118	1,539,739	2,788,763	1,353,469	1,805,386	1,289,952	1,035,665
Total pension liability - beginning	42,020,957	41,397,856	39,660,927	36,206,809	34,667,070	31,878,307	30,524,838	28,719,452	27,429,500	26,393,835
Total pension liability - ending (a)	<u>\$ 43,810,324</u>	<u>\$ 42,020,957</u>	<u>\$ 41,397,856</u>	<u>\$ 39,660,927</u>	<u>\$ 36,206,809</u>	<u>\$ 34,667,070</u>	<u>\$ 31,878,307</u>	<u>\$ 30,524,838</u>	<u>\$ 28,719,452</u>	<u>\$ 27,429,500</u>
Plan fiduciary net position										
Contributions - employer	\$ 1,866,529	\$ 1,934,638	\$ 1,696,051	\$ 1,696,051	\$ 1,306,621	\$ 1,353,346	\$ 1,181,408	\$ 1,163,830	\$ 1,165,107	\$ 1,063,399
Contributions - employee	327,398	306,822	294,920	284,525	287,739	265,560	254,312	241,314	230,727	228,477
Net investment income	3,757,472	4,288,719	(4,932,439)	3,562,665	3,114,184	4,404,499	(915,505)	3,077,444	1,136,341	165,482
Benefit payments, including refunds of member contributions	(2,046,652)	(1,908,746)	(1,896,788)	(1,776,114)	(1,696,789)	(1,681,639)	(1,543,825)	(1,363,028)	(1,279,358)	(1,122,739)
Administrative expense	(11,905)	(8,615)	(12,899)	(3,350)	(3,350)	(8,349)	(8,936)	(2,900)	(3,397)	(6,965)
Net change in plan fiduciary position	3,892,842	4,612,818	(4,851,155)	3,763,777	3,008,405	4,333,417	(1,032,546)	3,116,660	1,249,420	327,654
Plan fiduciary net position - beginning	34,965,477	30,352,659	35,203,814	31,440,037	28,431,632	24,098,215	25,130,761	22,014,101	20,764,681	20,437,027
Plan fiduciary net position - ending (b)	<u>\$ 38,858,319</u>	<u>\$ 34,965,477</u>	<u>\$ 30,352,659</u>	<u>\$ 35,203,814</u>	<u>\$ 31,440,037</u>	<u>\$ 28,431,632</u>	<u>\$ 24,098,215</u>	<u>\$ 25,130,761</u>	<u>\$ 22,014,101</u>	<u>\$ 20,764,681</u>
Township's net pension liability - ending (a) - (b)	<u>\$ 4,952,005</u>	<u>\$ 7,055,480</u>	<u>\$ 11,045,197</u>	<u>\$ 4,457,113</u>	<u>\$ 4,766,772</u>	<u>\$ 6,235,438</u>	<u>\$ 7,780,092</u>	<u>\$ 5,394,077</u>	<u>\$ 6,705,351</u>	<u>\$ 6,664,819</u>
Plan fiduciary net position as a percentage of the total pension liability	88.7%	83.2%	73.3%	88.8%	86.8%	82.0%	75.6%	82.3%	76.7%	75.7%
Covered - payroll	\$ 6,617,658	\$ 6,804,744	\$ 5,849,337	\$ 5,680,580	\$ 5,754,758	\$ 5,216,310	\$ 5,076,864	\$ 4,919,546	\$ 4,685,623	\$ 4,519,407
Township net pension liability as a percentage of covered - payroll	74.8%	103.7%	188.8%	78.5%	82.8%	119.5%	153.2%	109.6%	143.1%	147.5%

LOWER PAXTON TOWNSHIP

Schedule of Changes in the Net Pension Liability and Related Ratios (LOSAP) - Last 10 Years

For the Years Ending December 31

	2024	2023	2022	2021
Total pension liability				
Service Cost	\$ 6,454	\$ 6,454	\$ 16,512	\$ 16,512
Interest	64,456	63,365	92,385	88,345
Differences between expected and actual experience	-	(201,310)	-	(44,673)
Changes of assumptions	-	(259,991)	-	74,950
Benefit payments, including refunds of member contributions	(54,720)	(53,760)	(50,460)	(43,810)
Net change in total pension liability	16,190	(445,242)	58,437	91,324
Total pension liability - beginning	941,703	1,386,945	1,328,508	1,237,184
Total pension liability - ending (a)	<u>\$ 957,893</u>	<u>\$ 941,703</u>	<u>\$ 1,386,945</u>	<u>\$ 1,328,508</u>
Plan fiduciary net position				
Contributions - employer	\$ -	\$ -	\$ 79,310	\$ 94,805
Net investment income	127,044	154,017	(208,351)	120,602
Benefit payments, including refunds of member contributions	(54,720)	(53,760)	(50,460)	(43,810)
Administrative expense	(3,300)	(11,000)	-	(4,675)
Net change in plan fiduciary position	69,024	89,257	(179,501)	166,922
Plan fiduciary net position - beginning	1,179,230	1,089,973	1,269,474	1,102,552
Plan fiduciary net position - ending (b)	<u>\$ 1,248,254</u>	<u>\$ 1,179,230</u>	<u>\$ 1,089,973</u>	<u>\$ 1,269,474</u>
Township's net pension liability (asset) - ending (a) - (b)	<u>\$ (290,361)</u>	<u>\$ (237,527)</u>	<u>\$ 296,972</u>	<u>\$ 59,034</u>
Plan fiduciary net position as a percentage of the total pension liability	130.3%	125.2%	78.6%	95.6%
Covered - payroll	N/A	N/A	N/A	N/A
Township net pension liability as a percentage of covered - payroll	N/A	N/A	N/A	N/A

The Township adopted GASB 67 on a prospective basis in 2021, therefore only four years of information are available.

Lower Paxton Township
Schedule of Employer Contributions (Non Uniform) - Last 10 Years
For the Years Ending December 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 835,791	\$ 953,741	\$ 1,003,335	\$ 961,941	\$ 797,538	\$ 757,954	\$ 683,408	\$ 696,477	\$ 674,462	\$ 789,950
Contributions in relation to the actuarially determined contribution	835,791	953,741	1,003,335	1,003,335	797,538	757,954	683,408	696,477	674,462	789,950
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,394)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	6,479,176	6,683,139	5,801,081	5,659,105	5,523,146	5,214,405	4,916,287	4,895,449	4,753,121	4,476,046
Contributions as a percentage of covered - employee payroll	12.9%	14.3%	17.3%	17.7%	14.4%	14.5%	13.9%	14.2%	14.2%	17.6%

Notes to Schedule

Valuation date: January 1, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	1 year (aggregate)
Asset valuation method	4-year smoothing
Inflation	2.75%
Salary increases	4.75%, including inflation
Investment rate of return	6.50%, net of investment expenses not funded through the MMO, and including inflation
Mortality	2010 Public Retirement Plan-General Employees mortality tables (PubG-2010). Mortality improvement projected from the year 2020 with rates derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report.
Retirement age	Age 60-64: 50%, 65 and older 100%

Benefit changes.

Effective 10/6/09: A retirement window with an increased benefit was provided to participants who were age 55 and had at least 10 years of service in 2009 or 2010.

Effective 1/1/13: Normal retirement age was changed to age 65 with 10 years of service for public works participants hired on or after 1/1/12 and all others hired on or after 1/1/13. Employee contributions increased by 1% for public works effective 1/1/13 and for all others 1/1/14.

Effective 1/1/17: Compensation averaging period was reduced from final 60 months (or five years for authority employees) to 36 months.

Changes to assumptions.

Effective 1/1/11: Interest rate was lowered from 7.50% to 7.25%, salary scale was lowered from 5.50% to 5.25%, mortality was updated to RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment and rates projected to improve with 75% of scale AA.

Effective 1/1/17: Interest rate was lowered from 7.25% to 7.00%, salary increase reduced from 5.25% to 4.75%, mortality updated to RP-2014 mortality table with 50% of Blue Collar Adjustment with projected mortality improvement based on the Long-Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report.

Effective 1/1/19: Interest rate was lowered from 7.00% to 6.75%.

Effective 1/1/21: Interest rate was lowered from 6.75% to 6.50%, inflation rate lowered from 2.75% to 2.50%, mortality updated to 2010 Public Retirement Plan-General Employees mortality tables (PubG-2010). Mortality improvement projected from the year 2020 with rates derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report, retirement assumption to ages 60-64: 50% and age 65 and older: 100%.

Lower Paxton Township
Schedule of Employer Contributions (Police) - Last 10 Years
For the Years Ending December 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,866,529	\$ 1,909,822	\$ 1,696,051	\$ 1,690,357	\$ 1,306,621	\$ 1,353,346	\$ 1,181,408	\$ 1,163,830	\$ 1,165,107	\$ 1,063,399
Contributions in relation to the actuarially determined contribution	1,866,529	1,934,638	1,696,051	1,696,051	1,306,621	1,353,346	1,181,408	1,163,830	1,165,107	1,063,399
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (24,816)</u>	<u>\$ -</u>	<u>\$ (5,694)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$ 6,617,658	\$ 6,804,744	\$ 5,849,337	\$ 5,680,580	\$ 5,754,758	\$ 5,216,310	\$ 5,076,864	\$ 4,919,546	\$ 4,685,623	\$ 4,519,407
Contributions as a percentage of covered - employee payroll	28.21%	28.43%	29.00%	29.86%	22.71%	25.94%	23.27%	23.66%	24.87%	23.53%

Notes to Schedule

Valuation date: January 1, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	6 years (aggregate)
Asset valuation method	4-year smoothing
Inflation	2.75%
Salary increases	5.50%, including inflation
Investment rate of return	6.50% net of investment expenses not funded through the MMO, and including inflation
Mortality	2010 Public Retirement Plan-Public Safety mortality tables (PubS-2010) with mortality improvement projected from the year 2020 with rates derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report.
Retirement age	Rates of retirement based on age and service according to the following schedule:

	Years of Service	
Age	25	26+
50	35%	35%
51-54	35%	20%
55	35%	35%
56-59	35%	25%
60+	100%	100%

Benefit changes.

Effective 1/1/13: The Killed-in-Service benefit was eliminated.

Changes to assumptions.

Effective 1/1/11: Interest rate was lowered from 7.50% to 7.25%, the mortality table was updated to RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment and rates projected to improve with 75% of scale AA, and pre-retirement death benefits formerly valued with a load are now valued directly.

Effective 1-1-17: Interest rate reduced from 7.25% to 7.00%, consumer price index decreased from 3.00% to 2.75%, mortality updated to RP-2014 mortality table with 50% of Blue Collar adjustment and projected mortality improvement based on the Long-Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report, disability updated to rates based on the Social Security Administration's 2010 projection of disability incidence, retirement assumption changed to rates of retirement.

Effective 1-1-19: Interest rate lowered from 7.00% to 6.75%.

Effective 1-1-21: Interest rate lowered from 6.75% to 6.50%, inflation rate lowered from 2.75% to 2.50%, mortality updated to 2010 Public Retirement Plans-employees mortality tables (PubG-2010) with Mortality improvement projected from the year 2020 with rates derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report and disability updated from ultimate rates of disability incidence in the Social Security Administration's 2020 Trustee Report.

Lower Paxton Township

Schedule of Employer Contributions (LOSAP) - Last 10 Years

For the Years Ending December 31

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ -	\$ -	\$ 79,310	\$ 79,310
Contributions in relation to the actuarially determined contribution	-	-	79,310	94,805
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,495)</u>
Covered - employee payroll	N/A	N/A	N/A	N/A
Contributions as a percentage of covered - employee payroll	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation date: January 1, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	4 years
Asset valuation method	Market value of assets as determined by the trustee.
Inflation	3.00%
Salary increases	0.00%
Investment rate of return	5.00%
Retirement age	Normal Retirement Age
Mortality	PubS-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

LOWER PAXTON TOWNSHIP

SCHEDULE OF INVESTMENT RETURNS - Last 10 years

Annual money-weighted rate of return:	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Non-uniform Pension Plan	10.96%	14.49%	(14.74%)	11.10%	13.14%	18.95%	(4.13%)	14.47%	5.83%	0.18%
Police Pension Plan	10.91%	14.05%	(14.32%)	11.47%	11.06%	18.54%	(3.70%)	14.17%	5.53%	0.82%
Fireman's LOSAP	11.02%	14.53%	(16.38%)	10.68%	-	-	-	-	-	-
OPEB	10.09%	0.60%	-	-	-	-	-	-	-	-

For the Fireman's LOSAP, the Township adopted GASB 67 on a prospective basis in 2021; therefore, only four years of information is available.

For OPEB, the Township established a trust during 2023 and there only two years of information is available.

LOWER PAXTON TOWNSHIP

Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Years

For the Years Ending December 31

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service Cost	\$ 445,629	\$ 433,702	\$ 590,039	\$ 575,648	\$ 476,962	\$ 298,604	\$ 247,550
Interest	409,223	385,490	270,637	257,488	330,162	228,507	209,188
Changes of benefit terms	-	-	-	-	2,356,591	-	-
Changes of assumptions	-	(2,478,276)	-	1,087,896	-	(205,989)	-
Differences between expected and actual experience	-	303,251	-	(183,641)	-	548,659	-
Benefit payments, including refunds of employee contributions	(427,378)	(121,176)	(446,256)	(198,381)	(428,589)	(275,372)	(394,123)
Net change in total OPEB liability	427,474	(1,477,009)	414,420	1,539,010	2,735,126	594,409	62,615
Total OPEB liability - beginning	9,394,614	10,871,623	10,457,203	8,918,193	6,183,067	5,588,658	5,526,043
Total OPEB liability - ending (a)	<u>\$ 9,822,088</u>	<u>\$ 9,394,614</u>	<u>\$ 10,871,623</u>	<u>\$ 10,457,203</u>	<u>\$ 8,918,193</u>	<u>\$ 6,183,067</u>	<u>\$ 5,588,658</u>
Plan fiduciary net position							
Contributions - employer	\$ 827,378	\$ 871,176	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - employee	-	-	-	-	-	-	-
Net investment income	75,936	2,689	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(427,378)	(121,176)	-	-	-	-	-
Administrative expense	(5,308)	-	-	-	-	-	-
Net change in plan fiduciary position	470,628	752,689	-	-	-	-	-
Plan fiduciary net position - beginning	752,689	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 1,223,317</u>	<u>\$ 752,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's net OPEB liability - ending (a) - (b)	<u>\$ 8,598,771</u>	<u>\$ 8,641,925</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position as a percentage of the total OPEB liability	12.45%	8.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	\$ 6,265,956	\$ 6,054,064	\$ 5,849,337	\$ 5,680,580	\$ 5,754,758	\$ 5,076,864	\$ 4,685,623
Township net OPEB liability as a percentage of covered payroll	137.23%	142.75%	0.00%	0.00%	0.00%	0.00%	0.00%

The Township adopted GASB 75 on a prospective basis in 2018, therefore only seven years of information is available.

Lower Paxton Township
Schedule of Employer Contributions (OPEB) - Last 10 Years
For the Years Ending December 31

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	827,378	871,176	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ (827,378)</u>	<u>\$ (871,176)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$ 6,265,956	\$ 6,054,064	\$ 5,849,337	\$ 5,680,580	\$ 5,754,758	\$ 5,076,864	\$ 4,685,623
Contributions as a percentage of covered - employee payroll	13.2%	14.4%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes to Schedule

Valuation date: January 1, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Remaining amortization period	7 years (aggregate)
Asset valuation method	Fair-market value
Inflation	2.75%
Salary increases	4.75%, including inflation
Investment rate of return	4.50%
Mortality	2010 Public Retirement Plan – Safety mortality tables (PubS-2010). Mortality improvement rates were derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report.

Changes to assumptions.

Effective 1/1/23: Discount rate increased from 2.5% to 4.25% at last valuation. Inflation increased from 2.5% to 2.75%. Medical, dental and vision trend rates updated. Coverage Level for future retiring participants is assumed to be 50% single, 50% husband and wife (35% individual, 65% husband and wife at last valuation)

OTHER
SUPPLEMENTARY
INFORMATION

LOWER PAXTON TOWNSHIP
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	State Highway Aid	Community Development Block Grant	Fire Equipment	TOTAL
<u>Assets</u>				
Restricted Cash and Cash Equivalents	\$ 1,083,140	\$ -	\$ 3,569,171	\$ 4,652,311
Receivables				
Accounts	-	53,594	-	53,594
Interest	1,431	-	6,268	7,699
Taxes	-	-	95,019	95,019
Prepaid Items	146,526	-	3,081,128	3,227,654
Total Assets	<u>\$ 1,231,097</u>	<u>\$ 53,594</u>	<u>\$ 6,751,586</u>	<u>\$ 8,036,277</u>
<u>Liabilities</u>				
Accounts Payable	\$ 9,650	\$ 2,454	\$ 314,116	\$ 326,220
Accrued Expenses and Withholdings	-	-	4,463	4,463
Due to Other Funds	-	37,240	3,067,864	3,105,104
Total Liabilities	<u>9,650</u>	<u>39,694</u>	<u>3,386,443</u>	<u>3,435,787</u>
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Taxes	-	-	60,828	60,828
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>60,828</u>	<u>60,828</u>
<u>Fund Balances</u>				
Nonspendable	146,526	-	3,081,128	3,227,654
Restricted	1,074,921	13,900	223,187	1,312,008
Total Fund Balances	<u>\$ 1,221,447</u>	<u>\$ 13,900</u>	<u>\$ 3,304,315</u>	<u>\$ 4,539,662</u>

LOWER PAXTON TOWNSHIP
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2024

	State Highway Aid	Community Development	Fire Equipment	TOTAL
<u>Revenues</u>				
Taxes	\$ -	\$ -	\$ 2,188,675	\$ 2,188,675
Interest and Rents	55,005	-	165,846	220,851
Intergovernmental	1,651,744	53,594	-	1,705,338
Total Revenues	1,706,749	53,594	2,354,521	4,114,864
<u>Expenditures</u>				
Fire and Ambulance	-	-	1,577,906	1,577,906
Community Development	-	43,667	-	43,667
Public Works	1,198,653	-	-	1,198,653
Debt Service				
Principal	240,495	-	242,000	482,495
Interest	17,270	-	69,290	86,560
Total Expenditures	1,456,418	43,667	1,889,196	3,389,281
<u>Other Financing Sources (Uses)</u>				
Transfers Out	-	-	(305,410)	(305,410)
Transfers In	-	3,973	305,410	309,383
Bond Proceeds	312,097	-	-	312,097
Sale of Capital Assets	30,945	-	-	30,945
Total Other Financing Sources (Uses)	343,042	3,973	-	347,015
Excess of Revenues Over Expenditures	593,373	13,900	465,325	1,072,598
Net Change in Fund Balance	593,373	13,900	465,325	1,072,598
Fund Balances - Beginning of Year	628,074	-	2,838,990	3,467,064
Fund Balances - End of Year	\$ 1,221,447	\$ 13,900	\$ 3,304,315	\$ 4,539,662

LOWER PAXTON TOWNSHIP
COMBINING BALANCE SHEET-
PROPRIETARY FUNDS
DECEMBER 31, 2024

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	Sewer Fund	Stormwater Fund	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 1,119,836	\$ -	\$ 1,119,836
Investments	20,305,056	6,373,021	26,678,077
Receivables			
Interest	25,545	6,812	32,357
Rentals and Fees - Unbilled	4,554,126	869,209	5,423,335
Rentals and Fees - Billed	1,105,854	197,280	1,303,134
Other	1,222,411	3,738	1,226,149
Prepaid	889,984	14,109	904,093
Due From Other Funds	1,310,805	30,149	1,340,954
Total Current Assets	30,533,617	7,494,318	38,027,935
Noncurrent Assets			
Restricted Cash and Cash Equivalents	18,670	-	18,670
Restricted Investments	13,657,925	8,140,002	21,797,927
Capital Assets, Not Being Depreciated	20,545,108	6,534,343	27,079,451
Intangible Assets, Being Amortized, net	2,740,869	-	2,740,869
Capital Assets, Being Depreciated, net	125,304,737	23,697,579	149,002,316
Intangible Assets, Being Amortized, net	17,704,134	-	17,704,134
Total Noncurrent Assets	179,971,443	38,371,924	218,343,367
Total Assets	210,505,060	45,866,242	256,371,302
Deferred Outflows of Resources			
Deferred Charges on Refundings	2,144,529	-	2,144,529
Total Deferred Outflows of Resources	2,144,529	-	2,144,529
LIABILITIES			
Current Liabilities			
Accounts Payable	5,161,707	766,174	5,927,881
Current Portion of Long-Term Debt, Subsidy Agreements with the Township	5,293,354	605,000	5,898,354
Accrued Interest	1,209,232	181,813	1,391,045
Developers Escrows	18,670	-	18,670
Due To Other Funds	-	823,264	823,264
Due To Other Governments	1,622,071	-	1,622,071
Total Current Liabilities	13,305,034	2,376,251	15,681,285
Noncurrent Liabilities			
Long-Term Debt, Subsidy Agreements with the Township, Net of Current Portion	138,180,542	19,445,000	157,625,542
Bond Premium	8,429,807	1,352,846	9,782,653
Total Noncurrent Liabilities	146,610,349	20,797,846	167,408,195
Total Liabilities	159,915,383	23,174,097	183,089,480
NET POSITION			
Net Investment in Capital Assets	29,146,023	16,787,265	45,933,288
Restricted	860,760	-	860,760
Unrestricted	22,727,423	5,904,880	28,632,303
Total Net Position	\$ 52,734,206	\$ 22,692,145	\$ 75,426,351

LOWER PAXTON TOWNSHIP
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

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	Sewer Fund	Stormwater Fund	Total
Operating Revenues			
Rentals and Fees	\$ 17,174,964	\$ 3,502,197	\$ 20,677,161
Miscellaneous	70,402	-	70,402
Total Operating Revenues	17,245,366	3,502,197	20,747,563
Operating Expenses			
Cost of Sales and Service	8,972,184	1,229,056	10,201,240
Administration	924,415	398,527	1,322,942
Depreciation Expense	3,191,876	707,731	3,899,607
Total Operating Expenses	13,088,475	2,335,314	15,423,789
Operating Income	4,156,891	1,166,883	5,323,774
Nonoperating Revenues (Expenses)			
Interest Income	1,656,565	531,578	2,188,143
Tapping Fees	277,105	-	277,105
Grant Revenue	1,000,000	-	1,000,000
(Loss on) Sale of Capital Assets	(13,994)	(29,176)	(43,170)
Interest and Amortization, net	(4,675,138)	(668,215)	(5,343,353)
Developer Contributions	915,850	306,606	1,222,456
Total Nonoperating Expenses, net	(839,612)	140,793	(698,819)
Change in Net Position Before Operating Transfers	3,317,279	1,307,676	4,624,955
Transfers In (Out)	951,064	(371,073)	579,991
Net Impact of Transfers	951,064	(371,073)	579,991
Changes In Net Position	4,268,343	936,603	5,204,946
Total Net Position - Beginning of Year	48,465,863	21,755,542	70,221,405
Total Net Position - End of Year	\$ 52,734,206	\$ 22,692,145	\$ 75,426,351

LOWER PAXTON TOWNSHIP
COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Sewer Fund	Stormwater Fund	Total
Cash Flows From Operating Activities			
Receipts from Customers and Users	\$ 16,336,257	\$ 3,513,901	\$ 19,850,158
Receipts from Miscellaneous Receipts	70,402	-	70,402
Payments to Suppliers	(5,395,898)	(487,894)	(5,883,792)
Lower Paxton Township	(2,339,837)	(756,648)	(3,096,485)
Net Cash Provided by Operating Activities	<u>8,670,924</u>	<u>2,269,359</u>	<u>10,940,283</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(7,671,755)	(4,385,698)	(12,057,453)
Disposal of Capital Assets	81,127	(29,176)	51,951
Tapping Fees	277,105	-	277,105
Contributions	915,850	306,606	1,222,456
Bond Proceeds	14,910,231	-	14,910,231
Principal Payments on Long-term Debt	(5,134,156)	(580,000)	(5,714,156)
Interfund Activity	562,172	86,033	648,205
Interest Payments	(5,536,942)	(1,075,484)	(6,612,426)
Net Cash Used in Capital and Related Financing Activities	<u>(1,596,368)</u>	<u>(5,677,719)</u>	<u>(7,274,087)</u>
Cash Flows from Investing Activities			
Purchase of Investments, net	(9,864,703)	1,473,397	(8,391,306)
Intergovernmental	1,000,000	-	1,000,000
Interest Income	1,730,537	433,261	2,163,798
Net Cash Provided by (Used in) Investing Activities	<u>(7,134,166)</u>	<u>1,906,658</u>	<u>(5,227,508)</u>
Net Decrease in Cash and Cash Equivalents	(59,610)	(1,501,702)	(1,561,312)
Cash and Cash Equivalents, Beginning of Year	<u>1,198,116</u>	<u>1,501,702</u>	<u>2,699,818</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,138,506</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,138,506</u></u>
Presented in Financial Statements as			
Cash and Cash Equivalents	\$ 1,119,836	\$ -	\$ 1,119,836
Restricted Cash and Cash Equivalents	18,670	-	18,670
	<u><u>\$ 1,138,506</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,138,506</u></u>

LOWER PAXTON TOWNSHIP
COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Sewer Fund	Stormwater Fund	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$ 4,156,891	\$ 1,166,883	\$ 5,323,774
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	3,191,876	707,731	3,899,607
Change in Assets and Liabilities			
Receivables	(1,028,121)	11,704	(1,016,417)
Accounts Payable	3,003,206	373,444	3,376,650
Due to Other Governments	189,414	-	189,414
Developers Escrows	(6,293)	-	(6,293)
Prepaid Items	(836,049)	9,597	(826,452)
Net Cash Provided by Operating Activities	<u>\$ 8,670,924</u>	<u>\$ 2,269,359</u>	<u>\$ 10,940,283</u>

Supplemental Disclosure of Noncash Transactions
(Capital Related and Investing Activities):

Deferred Loss on Refunding	\$ 156,183
Bond Premium	547,487
Transfer of capital asset	300,000

LOWER PAXTON TOWNSHIP
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION - PENSION TRUST FUNDS
 DECEMBER 31, 2024

	Non-Uniformed Pension	Police Pension	Fireman's LOSAP	Total
Assets				
Cash	\$ 783,903	\$ 1,124,990	\$ 22,744	\$ 1,931,637
Receivables				
Interest	2,651	4,088	75	6,814
Miscellaneous	700	-	-	700
Investments, at fair value	27,722,794	37,729,940	1,225,436	66,678,170
Total Assets	<u>\$ 28,510,048</u>	<u>\$ 38,859,018</u>	<u>\$ 1,248,255</u>	<u>\$ 68,617,321</u>
Liabilities				
Accounts Payable	\$ 10,829	\$ 700	\$ -	\$ 11,529
Total Liabilities	<u>10,829</u>	<u>700</u>	<u>-</u>	<u>11,529</u>
Net Position Restricted for Pensions	<u>\$ 28,499,219</u>	<u>\$ 38,858,318</u>	<u>\$ 1,248,255</u>	<u>\$ 68,605,792</u>

LOWER PAXTON TOWNSHIP
COMBINING SCHEDULE OF CHANGES IN PLAN NET POSITION - PENSION TRUST FUNDS
YEAR ENDED DECEMBER 31, 2024

	Non-Uniformed Pension	Police Pension	Fireman's LOSAP	Total
Additions				
Contributions				
Employee	\$ 203,486	\$ 327,398	\$ -	\$ 530,884
Employer	288,426	1,124,125	-	1,412,551
Employer - Commonwealth Funding	547,365	742,404	-	1,289,769
Total Contributions	1,039,277	2,193,927	-	3,233,204
Investment Income				
Interest and Dividends	748,669	1,009,622	33,941	1,792,232
Net Appreciation in Fair Value of Investments	2,124,228	2,827,468	99,610	5,051,306
Net Investment Gain	2,872,897	3,837,090	133,551	6,843,538
Total Additions	3,912,174	6,031,017	133,551	10,076,742
Deductions				
Retirement Benefits	1,302,650	1,952,972	54,720	3,310,342
Refunds to Terminated Employees	32,520	93,680	-	126,200
Administrative	71,887	91,524	9,806	173,217
Total Deductions	1,407,057	2,138,176	64,526	3,609,759
Changes In Net Position	2,505,117	3,892,841	69,025	6,466,983
Total Net Position - Beginning of Year	25,994,102	34,965,477	1,179,230	62,138,809
Total Net Position - End of Year	28,499,219	38,858,318	1,248,255	\$ 68,605,792

LOWER PAXTON TOWNSHIP

SINGLE AUDIT REPORT

YEAR ENDED DECEMBER 31, 2024

LOWER PAXTON TOWNSHIP
SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2024

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Zelenkofske Axelrod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Lower Paxton Township
Harrisburg, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and business type activities of Lower Paxton Township (the "Township"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 3, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



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Board of Supervisors
Lower Paxton Township

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Zelenkofske Axlerod LLC

ZELENKOFSCHE AXELROD LLC

Harrisburg, Pennsylvania
July 3, 2025



Zelenkofske Axelrod LLC

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Lower Paxton Township
Harrisburg, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lower Paxton Township's (the "Township") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2024. The Township's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Township's federal programs.



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Board of Supervisors
Lower Paxton Township

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



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Board of Supervisors
Lower Paxton Township

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the governmental activities and business-type activities of the Township, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Township's basic financial statements. We issued our report thereon dated July 3, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Zelenkofske Axelrod LLC

ZELENKOFSCHE AXELROD LLC

Harrisburg, Pennsylvania
July 3, 2025

LOWER PAXTON TOWNSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

<u>AL #</u>	<u>Federal Grantor/AL Program Name</u>	<u>Pass-through Grantor Agency</u>	<u>Pass-through Grantor Program Number(s)</u>	<u>Expenditures</u>	<u>Subrecipient Expenditures</u>
U.S. Department of Housing and Urban Development					
14.218	Community Development Block Grant Program	N/A	N/A	\$ 39,694	\$ -
Total U.S. Department of Housing and Urban Development				<u>39,694</u>	<u>-</u>
U.S. Department of Justice					
16.607	Patrick Leahy Bulletproof Vest Partnership Program	N/A	N/A	6,882	-
16.738	Edward Byrne Memorial Justice Assistance Grant Program	PA Commission on Crime and Delinquency	2022-JG-LS-43296	5,033	-
Total U.S. Department of Justice				<u>11,915</u>	<u>-</u>
U.S. Department of Transportation					
20.614	Police Traffic Services Enforcement Grant Program	PA Department of Transportation	C920002961	199,117	-
Total U.S. Department of Transportation				<u>199,117</u>	<u>-</u>
U.S. Department of Treasury					
21.027	* COVID-SFR Local Law Enforcement Support	PA Commission on Crime and Delinquency	2022-CL-01-39132	738,200	-
21.027	* COVID-SFR ARPA H20	Commonwealth Financing Authority	C000087303	545,991	-
Total U.S. Department of Treasury				<u>1,284,191</u>	<u>-</u>
Total Federal Awards				<u>\$ 1,534,917</u>	<u>\$ -</u>

* - Denotes tested as a major program

See Accompanying Notes to Schedule of Expenditures of Federal Awards

LOWER PAXTON TOWNSHIP
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

NOTE 1: REPORTING ENTITY

Lower Paxton Township (the "Township"), as the reporting entity for financial reporting purposes, is defined in Note 1 to the Township's financial statements.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Township's financial statements. The Township did not use the 10% de minimis indirect cost rate.

NOTE 3: MAJOR PROGRAM

The Township's only major federal program was the Coronavirus State and Local Fiscal Recovery Funds, Assistance Listing 21.027. The program is 83.67% of the total federal awards expended.

LOWER PAXTON TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Section I - Summary of Auditor's Findings

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes X No
- Significant deficiency(s) identified not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(s) identified not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516?

 Yes X No

Identification of major programs

Federal:

Coronavirus State and Local Fiscal Recovery Funds 21.027

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? X Yes No

Section II - Financial Statement Findings

None.

Section III - Federal and Findings and Questioned Costs

None.

LOWER PAXTON TOWNSHIP
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2024

The summary which follows indicates the current statues of findings identified in the prior year Single Audit Report:

<u>Federal Program</u>	<u>Prior Year Finding</u>	<u>Brief Description of Finding</u>	<u>Current Year Status</u>
None noted			



Township of Lower Paxton

***MAXIMUM PARAMETERS BOND SALE DOCUMENT
General Obligation Bonds, Series of 2025***

August 26, 2025

Prepared by:

Zach Williard, *Managing Director*
Karli Keisling, *Senior Managing Consultant*

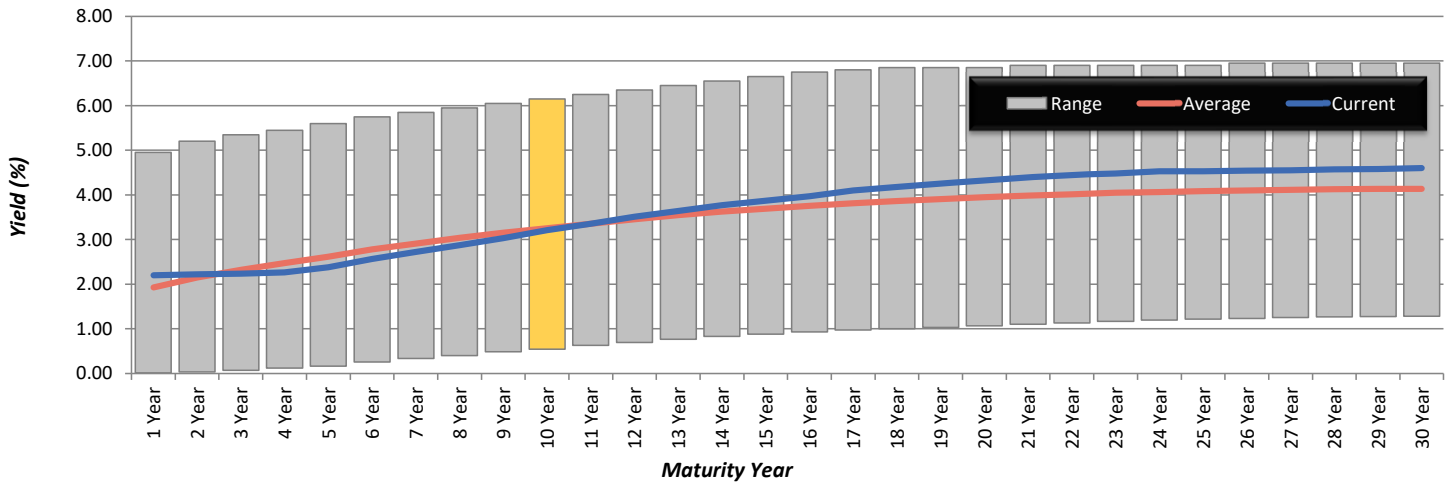


PFM Financial Advisors LLC
100 Market Street
Harrisburg, PA 17101
717.231.6265 (P)
www.pfm.com

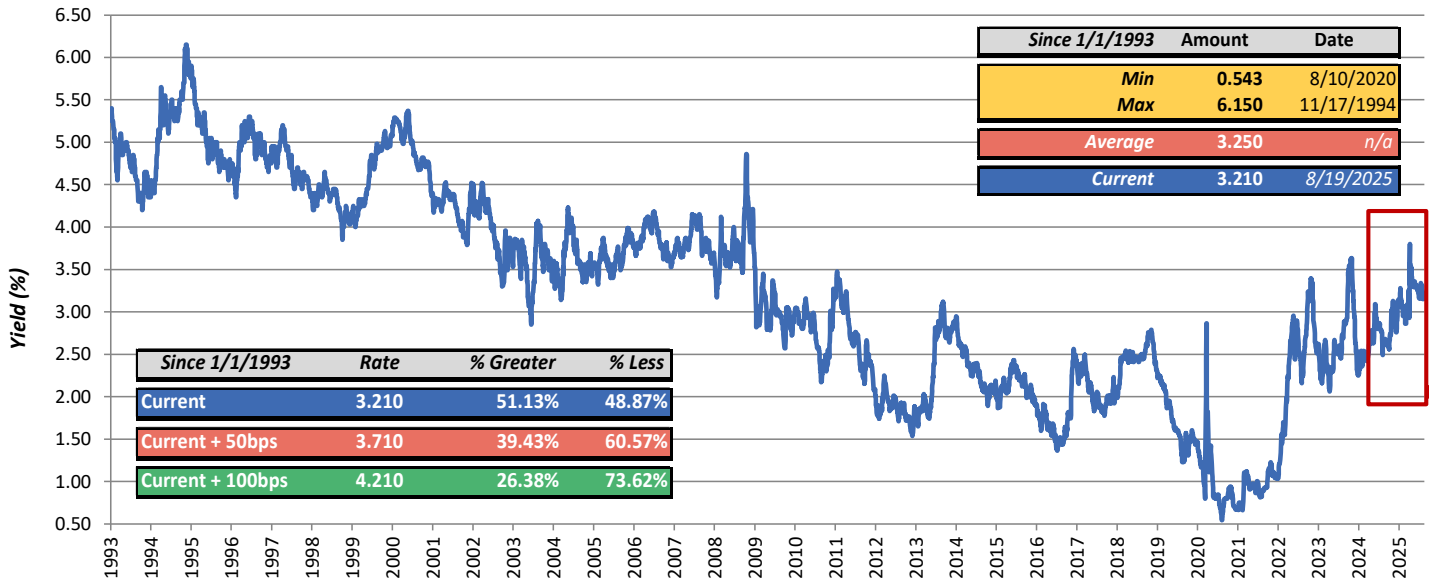
MUNICIPAL MARKET UPDATE

August 19, 2025

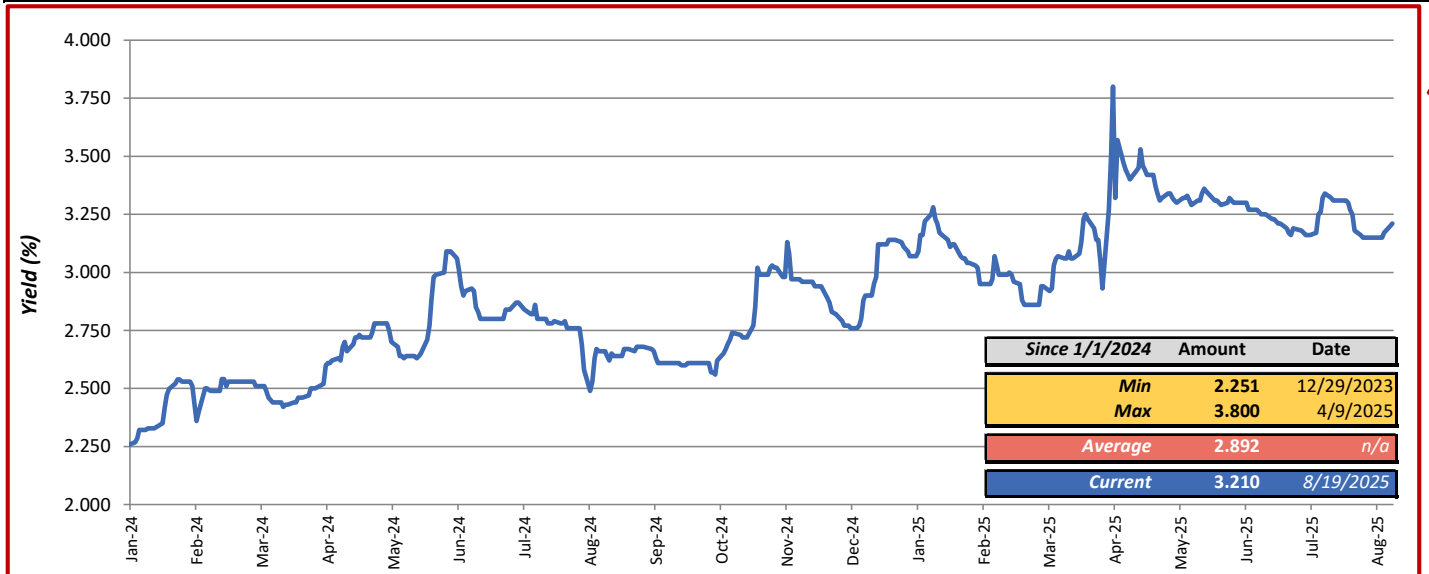
HISTORICAL BVAL CURVE ILLUSTRATION - SINCE JANUARY 1, 1993 [1]



SPOT ANALYSIS - 10 YEAR BVAL - SINCE JANUARY 1, 1993 [1]



SPOT ANALYSIS - 10 YEAR BVAL - SINCE JANUARY 1, 2024



[1] Datapoints prior to January 4, 2010 are provided by MMD, datapoints after January 4, 2010 are provided by BVAL.

Township of Lower Paxton

New Money Discussion

August 26, 2025

Proposed New Money – Series of 2025

- 1) The Township of Lower Paxton (the “Township”) is currently in the financing process to fund sewer capital needs for the Lower Paxton Township Authority (the “Authority”).
 - a. The Township is planning to borrow approximately \$5 million via a subsidy agreement with the Authority.
 - b. The goal is to complete the financing by November 2025.
- 2) Federal tax laws permit an Issuer to borrow at a tax-exempt interest rate and invest the proceeds at an unlimited (taxable) yield subject to arbitrage requirements during the period of project construction, but only if the following three tests can be satisfied. The governing board must reasonably expect at the time the borrowing:
 - a. **Expenditure Test** – issuer will spend 85% of the proceeds within three years.
 - b. **Time Test** – issuer will incur a substantial binding obligation (sign a design contract, award a construction bid) within six (6) months, equal to at least 5% of the borrowing amount.
 - c. **Due Diligence Test** – construction of the project will proceed, and the bonds funds will be spent, with due diligence to completion.

Parameters Ordinance

- 3) The Parameters Ordinance establishes a series of parameters that the ultimate financing must fit within.
 - a. Parameters established include maximum amount (\$7,800,000) in aggregate and maximum annual interest rate (6.00%) and principal payments that cannot be exceeded.
 - b. The Parameters Ordinance would be for an amount greater than what is authorized as final borrowing amount. After settlement, Bond Counsel will file additional documents with DCED to remove the difference from their records.
 - c. This gives the maximum amount of flexibility to be able to enter the market and price the bonds at an opportune time, rather than waiting for a board meeting date.

**TOWNSHIP OF LOWER PAXTON
SUMMARY OF OUTSTANDING INDEBTEDNESS**

Debt Service Requirements											
1 Fiscal Year Ended	2 G.O. Bonds Series of 2014	3 G.O. Bonds Series of 2015	4 G.O. Bonds Series of 2016	5 G.O. Bonds Series of 2019	6 Pennvest Loan Series of 2019	7 G.O. Bonds Series A of 2020	8 G.O. Bonds Series B of 2020	9 G.O. Bonds Series C of 2020 (Taxable)	10 G.O. Bonds Series of 2022	11 G.O. Bonds Series of 2024	12 Total Debt Service
12/31/2025	997,293	2,209,075	1,195,456	2,671,750	769,760	1,479,050	1,094,400	1,239,867	1,467,050	737,425	13,861,125
12/31/2026	994,630	2,205,113	1,195,538	2,734,250	769,759	1,480,200	833,500	1,245,318	1,465,550	737,275	13,661,132
12/31/2027	995,190	2,204,150	1,196,625	2,738,625	793,112	1,480,200	836,400	1,244,895	1,467,550	737,125	13,693,871
12/31/2028		2,206,375	1,195,113	2,731,800	800,896	1,476,600		2,240,617	1,394,450	736,975	12,782,825
12/31/2029		1,674,750	1,195,269	3,263,400	800,896	1,477,100		2,236,699	1,396,250	736,825	12,781,189
12/31/2030			1,193,044	4,938,000	800,896	1,476,600		2,235,867	1,396,450	736,675	12,777,532
12/31/2031			1,190,069	4,498,500	800,896	1,480,000		2,238,275	1,395,050	736,525	12,339,314
12/31/2032			1,195,581	4,840,900	800,896	1,477,300		2,238,601	1,058,850	736,375	12,348,503
12/31/2033			1,193,856	5,184,100	800,896	1,478,500		2,236,785	744,450	736,225	12,374,812
12/31/2034			1,195,463	5,184,300	800,896	1,478,500		2,237,713	745,450	736,075	12,378,396
12/31/2035			1,195,931	5,187,900	800,896	1,477,300		1,732,385	745,650	735,875	11,875,937
12/31/2036			1,194,566	5,179,800	800,896	1,474,900		1,733,462	745,050	735,625	11,864,298
12/31/2037			930,816	5,174,900	800,896	1,476,200		1,735,541	746,375	735,375	11,600,102
12/31/2038			930,441	5,182,600	800,896	1,476,100		1,731,715	744,800	735,125	11,601,677
12/31/2039				5,182,500	290,452	1,479,500		2,663,830	747,700	734,875	11,098,857
12/31/2040				593,100		1,476,400		2,661,469	745,075	1,855,875	7,331,919
12/31/2041				592,900		1,476,800		2,664,958	746,925	1,856,625	7,338,208
12/31/2042				596,800		1,475,600		2,659,162	743,250	1,854,375	7,329,187
12/31/2043				599,700		1,477,700		2,661,278	744,050	1,854,000	7,336,728
12/31/2044				596,700		1,478,000		2,661,156	744,250	1,855,250	7,335,356
12/31/2045						1,476,500		1,171,325	743,850	1,853,000	5,244,675
12/31/2046						1,478,100		1,177,307	747,775	1,852,125	5,255,307
12/31/2047						1,477,700			746,025	1,852,375	4,076,100
12/31/2048						1,475,300				1,853,500	3,328,800
12/31/2049						1,475,800				1,855,250	3,331,050
12/31/2050						1,479,000					1,479,000
12/31/2051											
12/31/2052											
12/31/2053											
12/31/2054											
12/31/2055											
Totals	2,987,113	10,499,463	16,197,766	67,672,525	11,432,935	38,414,950	2,764,300	44,648,223	22,221,875	29,586,750	246,425,899
Principal*:	1,930,000	7,840,000	12,340,000	47,510,000	9,517,303	23,355,000	1,605,000	32,755,000	15,600,000	14,665,000	167,117,303
Call Date:	4/1/2024	4/1/2025	4/1/2024	4/1/2029	Anytime	10/1/2028	Non-callable	4/1/2030	4/1/2030	4/1/2032	
Purpose:	New Money	Cur Ref 2009C	New Money	Cur Ref 2009D & New Money	New Money	New Money	Cur ref 2012A, 2013 & 2013A	Partially Adv Ref 2014 & 2016	New Money & Cur Ref 2010 Pennvest	New Money	

* Outstanding as of August 19, 2025

**TOWNSHIP OF LOWER PAXTON
SUMMARY OF OUTSTANDING INDEBTEDNESS**

FUND ALLOCATIONS

Debt Service Requirements

SEWER FUND ALLOCATION										
1 Fiscal Year Ended	2 G.O. Bonds Series of 2014	3 G.O. Bonds Series of 2015	4 G.O. Bonds Series of 2016	5 G.O. Bonds Series of 2019	6 Pennvest Loan Series of 2019	7 G.O. Bonds Series A of 2020	8 G.O. Bonds Series C of 2020 (Taxable)	9 G.O. Bonds Series of 2022	10 G.O. Bonds Series of 2024	11 Sub-Total Sewer Allocation
12/31/2025	636,080	2,209,075	928,181	1,700,550	769,760	1,479,050	1,094,556	648,000	737,425	10,202,677
12/31/2026	633,450	2,205,113	929,134	1,702,550	769,759	1,480,200	1,095,902	648,000	737,275	10,201,383
12/31/2027	634,688	2,204,150	929,669	1,705,225	793,112	1,480,200	1,096,557	652,100	737,125	10,232,825
12/31/2028		2,206,375	928,222	1,702,600	800,896	1,476,600	1,731,407	650,300	736,975	10,233,374
12/31/2029		1,674,750	929,219	2,232,800	800,896	1,477,100	1,729,953	647,700	736,825	10,229,242
12/31/2030			928,369	3,907,200	800,896	1,476,600	1,732,146	649,200	736,675	10,231,086
12/31/2031			926,919	3,904,800	800,896	1,480,000	1,733,107	649,700	736,525	10,231,947
12/31/2032			929,325	4,246,300	800,896	1,477,300	1,732,646	311,100	736,375	10,233,942
12/31/2033			930,013	4,589,200	800,896	1,478,500	1,730,722		736,225	10,265,555
12/31/2034			929,419	4,584,800	800,896	1,478,500	1,732,240		736,075	10,261,929
12/31/2035			928,013	4,589,500	800,896	1,477,300	1,732,385		735,875	10,263,968
12/31/2036			930,178	4,583,100	800,896	1,474,900	1,733,462		735,625	10,258,160
12/31/2037			930,816	4,580,500	800,896	1,476,200	1,735,541		735,375	10,259,327
12/31/2038			930,441	4,586,200	800,896	1,476,100	1,731,715		735,125	10,260,477
12/31/2039				4,584,900	290,452	1,479,500	2,663,830		734,875	9,753,557
12/31/2040						1,476,400	2,661,469		1,855,875	5,993,744
12/31/2041						1,476,800	2,664,958		1,856,625	5,998,383
12/31/2042						1,475,600	2,659,162		1,854,375	5,989,137
12/31/2043						1,477,700	2,661,278		1,854,000	5,992,978
12/31/2044						1,478,000	2,661,156		1,855,250	5,994,406
12/31/2045						1,476,500	1,171,325		1,853,000	4,500,825
12/31/2046						1,478,100	1,177,307		1,852,125	4,507,532
12/31/2047						1,477,700			1,852,375	3,330,075
12/31/2048						1,475,300			1,853,500	3,328,800
12/31/2049						1,475,800			1,855,250	3,331,050
12/31/2050						1,479,000				1,479,000
12/31/2051										
12/31/2052										
12/31/2053										
12/31/2054										
12/31/2055										
Totals	1,904,218	10,499,463	13,007,916	53,200,225	11,432,935	38,414,950	40,662,823	4,856,100	29,586,750	203,565,378

Principal*:	1,230,000	7,840,000	9,870,000	37,595,000	9,517,303	23,355,000	29,280,000	3,705,000	14,665,000	137,057,303
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Call Date:	4/1/2024	4/1/2025	4/1/2024	4/1/2029	Anytime	10/1/2028	4/1/2030	4/1/2030	4/1/2032
Purpose:	New Money	Cur Ref 2009C	New Money	Cur Red 2009D; New Money	New Money	New Money	Partially Adv Ref 2014 & 2016	New Money & Cur Ref 2010 Pennvest	New Money

* Outstanding as of August 19, 2025

WRAP STRUCTURE SCENARIO (SEWER FUND)												
			1	2	3	4	5	6	7	8		
			2024 NM	2025 NM	2027 NM	2029 NM	2031 NM	2032 NM	2035 NM	TOTAL		
Construction Fund Deposit			\$15,700,000	\$5,000,000	\$6,000,000	\$2,000,000	\$7,000,000	\$3,000,000	\$2,000,000	\$40,700,000		
Timing			March 2024	November 2025	October 2027	June 2029	February 2031	December 2032	July 2035	-		
Term			25 Years	25 Years	25 Years	15 Years	25 Years	15 Years	15 Years	-		
Structure			Wrap	Wrap	Wrap	Wrap	Wrap	Wrap	Wrap	-		
BQ Status ^[1]			Non-Bank Qualified	Bank Qualified	Bank Qualified	Bank Qualified	Bank Qualified	Bank Qualified	Bank Qualified	-		
Call Feature			8 - 10 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	-		
9	10	11	12	13	14	15	16	17	18	19	20	21
Fiscal Year Ending	Existing Aggregate Debt Service	Existing Sewer Fund Debt Service	ACTUAL Debt Service	Estimated Debt Service ^[2]	Estimated Debt Service ^[2]	Estimated Debt Service ^[2]	Estimated Debt Service ^[2]	Estimated Debt Service ^[2]	Estimated Debt Service ^[2]	Sub-Total New Debt Service	Total Sewer Fund Debt Service	Estimated Budgetary Impact
12/31/2024	13,117,080	9,466,409	415,083							415,083	9,881,493	415,083
12/31/2025	13,123,700	9,465,252	737,425							737,425	10,202,677	322,342
12/31/2026	12,923,857	9,464,108	737,275	232,897						970,172	10,434,280	232,897
12/31/2027	12,956,746	9,495,700	737,125	267,705						1,004,830	10,500,530	34,808
12/31/2028	12,045,850	9,496,399	736,975	267,455	313,805					1,318,235	10,814,634	313,555
12/31/2029	12,044,364	9,492,417	736,825	267,205	318,717	31,902				1,354,649	10,847,066	36,814
12/31/2030	12,040,857	9,494,411	736,675	266,955	318,540	100,619				1,422,789	10,917,200	63,805
12/31/2031	11,602,789	9,495,422	736,525	266,705	318,362	100,444	236,038			1,658,073	11,153,495	236,038
12/31/2032	11,612,128	9,497,567	736,375	266,480	318,182	100,267	358,970			1,780,273	11,277,840	122,932
12/31/2033	11,638,587	9,529,330	736,225	266,280	317,999	100,088	358,795	115,398		1,894,784	11,424,114	115,398
12/31/2034	11,642,321	9,525,854	736,075	266,080	317,813	104,818	358,618	143,389		1,926,792	11,452,646	27,992
12/31/2035	11,140,062	9,528,093	735,875	265,880	317,621	104,453	358,439	143,212	22,286	1,947,766	11,475,859	22,286
12/31/2036	11,128,673	9,522,535	735,625	265,678	317,423	104,081	358,259	143,034	94,058	2,018,156	11,540,691	71,771
12/31/2037	10,864,727	9,523,952	735,375	265,469	317,218	103,696	358,077	142,854	93,882	2,016,570	11,540,522	
12/31/2038	10,866,552	9,525,352	735,125	265,250	317,007	103,300	357,891	142,671	93,705	2,014,949	11,540,300	
12/31/2039	10,363,982	9,018,682	734,875	543,613	551,510	102,891	357,698	142,485	93,527	2,526,598	11,545,280	
12/31/2040	5,476,044	4,137,869	1,855,875	545,225	589,453	459,658	626,987	421,721	240,632	4,739,550	8,877,418	
12/31/2041	5,481,583	4,141,758	1,856,625	545,763	590,594	462,943	625,326	420,037	239,890	4,741,177	8,882,934	
12/31/2042	5,474,812	4,134,762	1,854,375	545,206	590,651	455,100	627,753	422,454	238,836	4,734,373	8,869,135	
12/31/2043	5,482,728	4,138,978	1,854,000	543,500	589,621	456,087	629,186	418,931	242,296	4,733,619	8,872,597	
12/31/2044	5,480,106	4,139,156	1,855,250	545,500	592,468	455,613	624,688	419,496	240,266	4,733,280	8,872,436	
12/31/2045	3,391,675	2,647,825	1,853,000	541,625	594,075		629,110	418,993	242,695	4,279,497	6,927,322	
12/31/2046	3,403,182	2,655,407	1,852,125	546,238	594,376		627,284	422,270	239,561	4,281,853	6,937,260	
12/31/2047	2,223,725	1,477,700	1,852,375	544,188	593,339		629,204	419,269	240,878	4,279,251	5,756,951	
12/31/2048	1,475,300	1,475,300	1,853,500	541,088	590,976		624,970	419,984	241,509	4,272,025	5,747,325	
12/31/2049	1,475,800	1,475,800	1,855,250	541,806	592,194		629,463		241,430	3,860,143	5,335,943	
12/31/2050	1,479,000	1,479,000		546,081	591,859		627,492		240,605	2,006,037	3,485,037	
12/31/2051				543,913	594,839		629,017			1,767,768	1,767,768	
12/31/2052					591,107		628,923			1,220,030	1,220,030	
12/31/2053					590,669		627,251			1,217,920	1,217,920	
12/31/2054							628,866			628,866	628,866	
12/31/2055							628,635			628,635	628,635	
12/31/2056							626,531			626,531	626,531	
12/31/2057												
TOTAL	229,956,229	183,445,037	30,001,833	10,503,782	12,330,413	3,345,956	13,773,467	4,756,195	3,046,051	77,757,697	261,202,735	2,015,721

Notes:
 [1] Bank qualified status dependent upon additional Township projects funded throughout each calendar year.
 [2] Estimated rates assume approximately 0.25% of contingency.
 [3] Size, structure and timing of proposed borrowings will likely change based on project refinement - borrowings may be combined as the project evolves and the draw schedule is updated.



TOWNSHIP OF LOWER PAXTON
Preliminary Financing Schedule
Series of 2025 - New Money Bonds



August 2025							September 2025							October 2025						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2		1	2	3	4	5	6				1	2	3	4
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31	
31																				

November 2025							December 2025						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1		1	2	3	4	5	6
2	3	4	5	6	7	8	7	8	9	10	11	12	13
9	10	11	12	13	14	15	14	15	16	17	18	19	20
16	17	18	19	20	21	22	21	22	23	24	25	26	27
23	24	25	26	27	28	29	28	29	30	31			
30													

Tentative Timeline

<u>Date</u>	<u>Objective</u>
Mid-August 2025	- PFM to Send Information Request to Township/Authority
Late August 2025	- Info Request Due Back to PFM - Draft Preliminary Official Statement ("POS")
Tuesday, August 26, 2025	* Authority Meeting * - PFM Discussion on Series of 2025 Borrowing Plan - Subsidy Agreement
Tuesday, September 2, 2025	* Township Board of Supervisors Meeting * - PFM Discussion on Series of 2025 Borrowing Plan - Board considers Maximum Parameters Ordinance
Mid-September 2025	- Credit Rating Packet and Draft POS to Rating
Late September 2025	- Due Diligence Call with Financing Team / Township - Credit Rating Interview
Early October 2025	- Credit Rating Due Back to District - PFM to Post Final POS
Mid-October 2025	- Bond Sale / Interest Rate Lock
Mid-November 2025	- Estimated Settlement Date



2025 Maximum Parameters Amortization

TOWNSHIP OF LOWER PAXTON					
Series of 2025				Settle	11/12/2025
(New Money - ESTIMATED)				Dated	11/12/2025
MAXIMUM PARAMETERS					
1	2	3	4	5	6
<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Fiscal Year Debt Service</u>
4/1/2026	5,000	6.000	180,700.00	185,700.00	
10/1/2026			233,850.00	233,850.00	419,550.00
4/1/2027	40,000	6.000	233,850.00	273,850.00	
10/1/2027			232,650.00	232,650.00	506,500.00
4/1/2028	40,000	6.000	232,650.00	272,650.00	
10/1/2028			231,450.00	231,450.00	504,100.00
4/1/2029	40,000	6.000	231,450.00	271,450.00	
10/1/2029			230,250.00	230,250.00	501,700.00
4/1/2030	40,000	6.000	230,250.00	270,250.00	
10/1/2030			229,050.00	229,050.00	499,300.00
4/1/2031	40,000	6.000	229,050.00	269,050.00	
10/1/2031			227,850.00	227,850.00	496,900.00
4/1/2032	40,000	6.000	227,850.00	267,850.00	
10/1/2032			226,650.00	226,650.00	494,500.00
4/1/2033	40,000	6.000	226,650.00	266,650.00	
10/1/2033			225,450.00	225,450.00	492,100.00
4/1/2034	40,000	6.000	225,450.00	265,450.00	
10/1/2034			224,250.00	224,250.00	489,700.00
4/1/2035	45,000	6.000	224,250.00	269,250.00	
10/1/2035			222,900.00	222,900.00	492,150.00
4/1/2036	45,000	6.000	222,900.00	267,900.00	
10/1/2036			221,550.00	221,550.00	489,450.00
4/1/2037	45,000	6.000	221,550.00	266,550.00	
10/1/2037			220,200.00	220,200.00	486,750.00
4/1/2038	45,000	6.000	220,200.00	265,200.00	
10/1/2038			218,850.00	218,850.00	484,050.00
4/1/2039	440,000	6.000	218,850.00	658,850.00	
10/1/2039			205,650.00	205,650.00	864,500.00
4/1/2040	460,000	6.000	205,650.00	665,650.00	
10/1/2040			191,850.00	191,850.00	857,500.00
4/1/2041	470,000	6.000	191,850.00	661,850.00	
10/1/2041			177,750.00	177,750.00	839,600.00
4/1/2042	500,000	6.000	177,750.00	677,750.00	
10/1/2042			162,750.00	162,750.00	840,500.00
4/1/2043	520,000	6.000	162,750.00	682,750.00	
10/1/2043			147,150.00	147,150.00	829,900.00
4/1/2044	530,000	6.000	147,150.00	677,150.00	
10/1/2044			131,250.00	131,250.00	808,400.00
4/1/2045	555,000	6.000	131,250.00	686,250.00	
10/1/2045			114,600.00	114,600.00	800,850.00
4/1/2046	590,000	6.000	114,600.00	704,600.00	
10/1/2046			96,900.00	96,900.00	801,500.00
4/1/2047	615,000	6.000	96,900.00	711,900.00	
10/1/2047			78,450.00	78,450.00	790,350.00
4/1/2048	635,000	6.000	78,450.00	713,450.00	
10/1/2048			59,400.00	59,400.00	772,850.00
4/1/2049	635,000	6.000	59,400.00	694,400.00	
10/1/2049			40,350.00	40,350.00	734,750.00
4/1/2050	660,000	6.000	40,350.00	700,350.00	
10/1/2050			20,550.00	20,550.00	720,900.00
4/1/2051	685,000	6.000	20,550.00	705,550.00	
10/1/2051					705,550.00
TOTALS	7,800,000		8,923,900.00	16,723,900.00	16,723,900.00



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RESOLUTION NO. 25-02
OF THE BOARD OF
LOWER PAXTON TOWNSHIP AUTHORITY
Adopted: August 26, 2025

AUTHORIZING THE UNDERTAKING OF CERTAIN CAPITAL PROJECTS; APPROVING THE TERMS OF, AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO SUBSIDY AGREEMENT BY AND BETWEEN THE TOWNSHIP OF LOWER PAXTON AND THE AUTHORITY RELATING TO THE AUTHORITY'S SEWER SYSTEM; AUTHORIZING NECESSARY OR APPROPRIATE ACTION IN CONNECTION WITH THE FOREGOING AND RESCINDING ALL INCONSISTENT RESOLUTIONS.

WHEREAS, the Lower Paxton Township Authority (the "Authority"), a municipality authority created by the Township of Lower Paxton, Dauphin County, Pennsylvania (the "Township") and existing under the Pennsylvania Municipality Authorities Act, 53 Pa. Cons. Stat. §§5601-5622, as amended, presently owns and operates certain sewer facilities for the collection, transportation, treatment or disposition of sewage within the Township, or within such additional areas as may, from time to time, be designated by the Township and the Authority (all thereof, together with, *inter alia*, any additions, extensions and improvements from time to time hereafter acquired or constructed and all property and interests in property now or hereafter acquired by the Authority in connection therewith, being hereinafter collectively called the "Sewer System"); and

WHEREAS, the Township is a political subdivision of the Commonwealth of Pennsylvania, is governed by the Board of Supervisors, and is a "township" within the meaning of the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.*, as amended (the "Debt Act"); and

WHEREAS, at the request of the Authority, and within the Authority parameters as set forth herein, the Township intends to authorize the issuance of one or more series of general obligation bonds, in the maximum aggregate amount of \$7,800,000 (the "Bonds"), with the proceeds to be applied for and toward a project, consisting of (i) the design, planning, acquisition, construction and/or equipping of improvements to the Authority's Sewer System (the "Capital Project"); and (ii) the payment of the costs of issuance related to the issuance of the Bonds ((i) and (ii), the "Project"), all in accordance with the applicable and appropriate provisions of the Debt Act; and

WHEREAS, the Authority, in connection with the issuance by the Township of its Bonds to finance the Project, intends to enter into a First Amendment to Subsidy Agreement dated as of the date of issuance and delivery of the Bonds (the "First Amendment to Subsidy Agreement"), amending and supplementing that certain Subsidy Agreement, dated as of March 7, 2024 (the "Original Subsidy Agreement", and together with the First Amendment to Subsidy Agreement, the "Subsidy Agreement"), which shall provide that the Authority shall periodically

pay certain sums to the Township, derived solely from the receipts and revenues from the Authority's Sewer System, for application toward the payment of the debt service on the Bonds; and

WHEREAS, the Township has requested the Board of the Authority to make recommendations and to indicate its intentions with respect to appropriate and required legal action and proceedings related to the Project and the issuance of the Bonds.

NOW, THEREFORE, the Board of the Lower Paxton Township Authority resolves as follows:

Section 1. Authorizing the Project. The Authority requests the Township to proceed with the Project, subject to the conditions as set forth herein. Further, the Authority acknowledges that the Township intends to award the Bonds, at a negotiated sale, to Raymond James & Associates, Inc., Lancaster, Pennsylvania and RBC Capital Markets, LLC, Lancaster, Pennsylvania (collectively, the "Underwriter") at the meeting of the Board of Supervisors of the Township on September 2, 2025, upon the terms set forth in its bond purchase proposal (the "Proposal") to be dated as of such date, and as described in the Ordinance of the Township, to be considered for enactment by the Board of Supervisors of the Township on September 2, 2025 a copy of which shall be filed with the records of the Authority (the "Township Ordinance"). Such details are hereby approved, and a copy of the Township Ordinance, upon enactment, will be presented to the Authority.

Section 2. Further Authorizations. The Authority expresses its intention to take all necessary and appropriate legal action and proceedings which shall be required to enable the Township to issue and to deliver the Bonds in accordance with the terms, conditions and provisions of the Proposal and the requirements of Section 1 herein.

Section 3. Approval of First Amendment to Subsidy Agreement. The form, terms and provisions of the First Amendment to Subsidy Agreement, to be substantially in the form as submitted to this meeting (a copy of which shall be filed with the records of the Authority) are hereby approved. The Chairman or Vice Chairman of the Authority is hereby authorized and directed, upon execution thereof by the Township, to execute and deliver the First Amendment to Subsidy Agreement in such form, subject to such changes and modifications, if any, as may be approved by such Chairman or Vice Chairman, with the advice of the Authority's Solicitor, the execution of the First Amendment to Subsidy Agreement to be conclusive evidence of such approval, and the Secretary or Assistant Secretary of the Authority is hereby authorized and directed to affix thereto the corporate seal of the Authority and to attest the same.

Section 4. Debt Service Account. The Authority hereby authorizes and directs the establishment with the bank, bank and trust company or other financial institution which shall be appointed by the Township pursuant to the Township Ordinance (in such capacity, the "Paying Agent"), a special fund, to be known as the "Lower Paxton Township Authority 2025 Sewer Subsidy Agreement Debt Service Account" (the "Debt Service Account"). The Debt Service Account shall be held for the benefit of the Authority until disbursed in accordance with the provisions hereof. The Authority shall periodically transfer to the Paying Agent for deposit in

the Debt Service Account such receipts and revenues from the Authority's Sewer System as required to effectuate the payments due to the Township under the Subsidy Agreement.

Section 5. Disposition of Proceeds. The Authority acknowledges that all money derived from the Bonds shall be deposited in a settlement account established by the Township pursuant to the Township Ordinance, and shall be appropriated to payment of the costs of the Project, including but not limited to payment of the costs and expenses of preparing and issuing the Bonds, and shall not be used for any other purpose except as specified in the Township Ordinance. Promptly upon the deposit of the proceeds of the Bonds to the Settlement Account and the payment of costs of issuance of the Bonds as set forth in the closing receipt to be executed by the Township, the Authority and the Underwriter at the time of closing on the sale of the Bonds (the "Closing Receipt"), the Underwriter shall cause the transfer of the balance of the proceeds of the Bonds to such account as designated by the Authority in the Closing Receipt, to effectuate the Capital Project.

Section 6. Further Covenants. The proper officers of the Authority are hereby authorized, directed and empowered on behalf of the Authority to execute any and all papers and documents, including a Continuing Disclosure Agreement enabling the Underwriter to meet the requirements imposed upon it by SEC Rule 15c2-12(b)(5), and any certificates described in the Proposal; and to do or cause to be done any and all acts and things necessary or proper for the carrying out of the provisions of this Resolution, the Township Ordinance and the issuance by the Township of the Bonds, including all action as may be necessary or appropriate to comply, or to evidence compliance with, the requirements of Section 103(b)(2) and Section 148 of the Internal Revenue Code of 1986, as amended, and with regulations implementing such Sections.

Section 7. Rescinding Inconsistent Resolutions. All resolutions or parts of resolutions inconsistent herewith be and the same hereby are rescinded, canceled and annulled.

[Remainder of Page Intentionally Left Blank; Signatures Follow]

DULY ADOPTED, this 26th day of August, 2025, by the Board of the Lower Paxton Township Authority, in lawful session duly assembled.

ATTEST

LOWER PAXTON TOWNSHIP
AUTHORITY

(Assistant) Secretary

(Vice) Chairman

FIRST AMENDMENT TO SUBSIDY AGREEMENT

Dated as of [_____], 2025

Between

LOWER PAXTON TOWNSHIP AUTHORITY

and

TOWNSHIP OF LOWER PAXTON,
Dauphin County, Pennsylvania,

With Respect To The

General Obligation Bonds, Series of 2025

Dated as of [_____], 2025

of

The Township of Lower Paxton
Dauphin County, Pennsylvania

FIRST AMENDMENT TO SUBSIDY AGREEMENT

THIS FIRST AMENDMENT TO SUBSIDY AGREEMENT, dated as of [____], 2025 (the “First Amendment”), is between the LOWER PAXTON TOWNSHIP AUTHORITY, a municipal authority existing under the Authorities Act (the “Authority”), and the TOWNSHIP OF LOWER PAXTON (the “Township”), Dauphin County, Pennsylvania, a political subdivision of the Commonwealth, and further amends and supplements that certain Subsidy Agreement dated as of March 7, 2024, by and between the Authority and the Township (the “Original Subsidy Agreement,” and together with this First Amendment, the “Subsidy Agreement” or “Agreement”).

WITNESSETH:

WHEREAS, the Authority (which capitalized term and other capitalized terms and phrases set forth herein shall have the meanings as defined or specified in the Subsidy Agreement), pursuant to power and authority vested in it by law and pursuant to the request and approval of the Township, acquired or constructed the Sewer System; and

WHEREAS, the Board of Supervisors of the Township heretofore issued its \$14,670,000 General Obligation Bonds, Series of 2024 (the “Series of 2024 Bonds”) for the purpose of financing a certain Project, as described in the Original Subsidy Agreement; and

WHEREAS, the Authority, as an inducement to the Township to authorize and to issue its Series of 2024 Bonds, entered into the Original Subsidy Agreement with the Township, with respect to the Series of 2024 Bonds, as permitted by the Debt Act; and

WHEREAS, pursuant to the Original Subsidy Agreement, Debt Service related to the Series of 2024 Bonds is paid by the Township from available Authority funds to the extent and in the manner provided in the Original Subsidy Agreement; and

WHEREAS, the Board of Supervisors of the Township contemplates the authorization, sale, issuance and delivery of its General Obligation Bonds, Series of 2025 (the “Series of 2025 Bonds”) with the proceeds to be applied for the purposes of providing funds for and toward the 2025 Project; and

WHEREAS, the Series of 2025 Bonds are to be issued under and pursuant to Ordinance No. 25-[____] duly enacted by the Board of Supervisors of the Township on September 2, 2025 (the “2025 Ordinance”);

WHEREAS, the Board of Supervisors of the Township has appointed the Paying Agent as paying agent and sinking fund depository for the Series of 2025 Bonds; and

WHEREAS, the Authority, as an inducement to the Township to undertake the 2025 Project and to authorize and to issue the Series of 2025 Bonds, desires to enter into this First Amendment with respect to the Series of 2025 Bonds, as permitted by the Debt Act; and

WHEREAS, the parties hereto desire to set forth the terms and conditions under and pursuant to which certain Debt Service related to the Series of 2025 Bonds shall be paid by the

Township from available Authority funds to the extent and in the manner provided herein and related matters.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

ARTICLE I

Definitions

SECTION 1.01. All defined terms used but not defined herein shall have the meanings set forth in the Original Subsidy Agreement. The terms defined in this First Amendment and in this Section 1.01, for all purposes of the Agreement have the meanings herein specified, unless the context clearly otherwise requires:

“***Bonds***” shall mean, collectively, the Series of 2024 Bonds and the Series of 2025 Bonds;

“***Debt Service***” shall mean, with respect to any Fiscal Year, the sum of amounts required to be set aside in such Fiscal Year for payment of interest on and principal of the Bonds and applicable amounts required to be deposited in such Fiscal Year to the credit of any sinking, purchase, redemption or analogous fund established for such Bonds (such “***Debt Service***” being more particularly described in Schedule A attached hereto and hereby made a part hereof); provided, however, that “***Debt Service***,” with respect to any Fiscal Year, for a series of Bonds for which there shall have been established a sinking, purchase, redemption or analogous fund shall be determined after projecting operation of such fund to retirement of such Bonds of such series to the extent that the same shall be required to be retired and giving effect to the reduction in interest payments to be made with respect to such Bonds by reason of such retirement;

“***Ordinance***” shall mean, collectively, the Ordinance authorizing the issuance delivery of the Series of 2024 Bonds duly enacted by the Board of Supervisors of the Township on December 5, 2023 and the 2025 Ordinance;

“***Paying Agent***” shall mean Manufacturers and Traders Trust Company, a New York state chartered bank with trust powers, having a corporate trust office in the City of Harrisburg, Pennsylvania.

“***2025 Project***” shall mean the Township’s financing for the benefit of the Authority in connection with the following project: (i) the design, planning, acquisition, construction and/or equipping of improvements to the Sewer System; and (ii) the payment of the costs of issuance related to the issuance of the Series of 2025 Bonds;

“***2024 Sinking Fund***” shall mean the special fund of the Township established for the benefit of the Series of 2024 Bonds.

“***2025 Sinking Fund***” shall mean the special fund of the Township established under the 2025 Ordinance, for the benefit of the Series of 2025 Bonds.

SECTION 1.02. Section 1.01 of the Original Subsidy Agreement is hereby amended to strike the following terms:

“*Sinking Fund*” shall mean the special fund of the Township established under the Ordinance for the benefit of the holders of the Series of 2024 Bonds.

“*2024 Paying Agent*” shall mean Manufacturers and Traders Trust Company, a New York state chartered bank with trust powers, having a corporate trust office in the City of Harrisburg, Pennsylvania.

ARTICLE II ***Covenants and Agreements of the Township***

SECTION 2.01. The Township agrees that the proceeds derived from the sale of the Series of 2025 Bonds shall be made immediately available for application toward the 2025 Project.

ARTICLE III ***Representations and Warranties of the Township***

SECTION 3.01. The Township represents and warrants that:

A. The Township is a municipality (Township of the Second Class) of the Commonwealth;

B. The Township is possessed of all requisite power and authority under laws of the Commonwealth to enter into and to perform all covenants and agreements contained in this First Amendment;

C. The Township has been duly authorized to enter into this First Amendment, pursuant to proper and necessary official action of its Board of Supervisors, in accordance with laws of the Commonwealth;

D. The Township, in entering into this First Amendment, is acting in the public interest in connection with preservation and protection of the general health and welfare of inhabitants of the Township and of the Commonwealth; and

E. The Township has duly enacted the 2025 Ordinance and has authorized and issued the Series of 2025 Bonds.

ARTICLE IV
Payment of Sums by the Authority

SECTION 4.01. The Authority hereby unconditionally agrees to pay to the Township, or its assigns, but only from the Receipts and Revenues from the Sewer System and other legally available funds and only after payment or proper provision for payment of Administrative Expenses and Operating Expenses, the following sums as hereunder set forth at the following times (or less frequently if paid in advance, subject to Section 4.02 hereof) in immediately available funds:

A. Commencing on or before March 15, 2026, and on or before March 15 of each year thereafter, the amount which, together with other available funds, is required to pay the Debt Service with respect to the Series of 2025 Bonds, as provided in Schedule A hereto, on the next succeeding April 1; and

B. Commencing on or before September 15, 2026, and on or before September 15 of each year thereafter, the amount which, together with other available funds, is required to pay the Debt Service with respect to the Series of 2025 Bonds, as provided in Schedule A hereto, on the next succeeding October 1; and

C. Additionally, the Authority shall also pay to the Township or its assigns, when and as required, all Paying Agent's fees and expenses reasonably required and fairly attributable to the portion of the Series of 2025 Bonds attributable to the 2025 Project, as applicable and appropriate.

SECTION 4.02. The Authority may make payments in advance from time to time, on account of the amounts payable to the Township or its assigns hereunder, in installments, all of which amounts shall be credited against the payments at the time next due. All such payments shall be made directly to the Paying Agent, as applicable and appropriate, unless otherwise directed by the Township, and shall be deposited by the Paying Agent, as applicable and appropriate, in the 2025 Sinking Fund created under the 2025 Ordinance, as applicable and appropriate, in the respective amounts for the Series of 2025 Bonds set forth in Schedule A hereto. The Authority may also prepay all or any portion of the amounts payable hereunder at the times, to the extent and upon the same conditions that the Township has the right under the 2025 Ordinance to redeem the Series of 2025 Bonds and such amounts shall promptly be applied by the Township toward optional redemption of the Series of 2025 Bonds.

SECTION 4.03. The obligation of the Authority to make the payments hereunder and to perform and observe the other agreements on its part contained herein shall be specifically enforceable and shall be absolute and unconditional, subject only to the limitations contained herein. During the term of the Subsidy Agreement, the Authority: (a) will perform and observe all of its agreements contained in the Subsidy Agreement, and (b) will pay without abatement, diminution or deduction (whether for taxes or otherwise) all amounts required to be paid hereunder, regardless of any cause or circumstances whatsoever including, without limiting the generality of the foregoing, any defense, set-off, recoupment or counterclaim which the Authority may have or assert against the Township, the Paying Agent or any other Person, any failure of the Township to perform any covenant or agreement contained herein or in any other agreement between the Authority and the Township, any indebtedness or liability at any time owing to the

Authority by the Township, any commercial frustration of purpose, any change in the tax or other laws of the United States or of the Commonwealth or any political subdivision of either or any failure of the Township to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with the Subsidy Agreement, the 2025 Ordinance, the Series of 2025 Bonds or the Sewer System. Amounts required to be paid by the Authority pursuant to the Subsidy Agreement shall be received by the Township as net sums and the Authority covenants to pay all charges against or which might diminish such net sums.

Nothing contained in this Section 4.03 shall be construed to release the Township from the performance of any of the agreements on its part herein contained; in the event the Township should fail to perform any such agreement on its part, the Authority may deem it necessary to compel performance so long as such action does not affect the performance of the obligations of the Authority contained herein. The Authority may, however, at its own cost and expense and in its own name or in the name of the Township, prosecute or defend any action or proceeding or take any other action involving third persons which the Authority deems reasonably necessary in order to secure or protect its rights hereunder, and in such event the Township hereby agrees to cooperate fully with the Authority and to take all actions necessary to effect the substitution of the Authority for the Township in any such action or proceeding if the Authority shall so request.

The Authority hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate or cancel or to limit its liability under the Subsidy Agreement, except in accordance with the express terms of the Subsidy Agreement.

SECTION 4.04. It is the intent and purpose of this First Amendment that (1) the Authority shall be obligated to subsidize the full Debt Service on the Series of 2025 Bonds, as specified on Schedule A hereto and (2) that the Township shall be required to pay over to the Paying Agent only that portion of the Debt Service on the Series of 2025 Bonds that cannot be paid from the Receipts and Revenues from the Sewer System or from other money of the Authority that shall be available for the purpose.

Therefore, the parties hereto agree that the Township shall be entitled to credits against the Debt Service on the Series of 2025 Bonds, which credits shall be equal to the total of (1) the amount that from time to time shall be paid by the Authority to the Paying Agent in each Fiscal Year to be available for applicable Debt Service on the Series of 2025 Bonds in accordance with terms of the 2025 Ordinance; and (2) any other amount that shall be available for Debt Service on the Series of 2025 Bonds in accordance with the terms of the 2025 Ordinance, respectively.

Accordingly, on or before April 1 and on or before October 1, respectively, of each Fiscal Year, the Paying Agent, after having received from the Authority such money as shall be available for transfer to the 2025 Sinking Fund, as applicable and appropriate, each, as applicable and appropriate, shall notify the Township of any deficiency in the funds that shall be available for transfer to the 2025 Sinking Fund, for Debt Service on the Series of 2025 Bonds, and the Township forthwith shall pay over to the Paying Agent, any amount or amounts required at the time to eliminate such deficiency for Debt Service on the Series of 2025 Bonds for such Fiscal Year that would occur on the following April 1 or October 1, as appropriate. If in any Fiscal Year the total Debt Service on the Series of 2025 Bonds shall be in excess of the credits to which the Township is

entitled under this Section 4.04 and the Township has paid over to the Paying Agent, such amount or amounts as at that time shall be required to discharge, in full, the obligations of the Township under the 2025 Ordinance, the Authority agrees to cause to be repaid to the Township the amount or amounts actually advanced to the Paying Agent from any money that shall be available for that purpose.

SECTION 4.05. In order to facilitate the budgeting of anticipated credits by the Township as provided in Section 4.04, the Authority agrees to furnish to the Township, on or before September 15 of each Fiscal Year, a Consulting Engineers' Certificate with respect to the money anticipated to be available for payment by the Authority to the Paying Agent on or before April 1 and on or before October 1 of the following Fiscal Year for deposit in the 2025 Sinking Fund and to be available for Debt Service.

ARTICLE V

Representations and Warranties of the Authority

SECTION 5.01. The Authority makes the following representations and warranties, upon which the Township may rely, and upon which the Authority understands the Township is relying in entering into this First Amendment, and the Authority covenants and agrees that such representations and warranties shall be deemed to be continuing during the entire life of this First Amendment:

- A. The Authority duly is existing under the Authorities Act and is authorized and empowered to acquire, construct, own, hold and operate the Sewer System;
- B. The Authority duly is authorized and empowered to enter into this First Amendment and to incur the obligations provided for in this First Amendment;
- C. The Authority, by due and legal action of its Board, has authorized execution and delivery of this First Amendment;
- D. Upon issuance and delivery of the Series of 2025 Bonds, the Authority will proceed promptly with the undertaking of the 2025 Project;
- E. There is no litigation, pending or threatened, against the Authority, the outcome of which might affect the ability of the Authority to own and/or operate the Sewer System or which otherwise might affect the validity of this First Amendment;
- F. There is no statute, rule, regulation, contract or agreement which is binding upon the Authority, which will be contravened by execution and delivery hereof or by performance of any term, condition, agreement or undertaking of the Authority provided for herein; and
- G. The Authority has acquired, or the Authority has legal power and authority to acquire and will acquire, at the appropriate time, good and adequate title in and to all land and interests in land which shall be required for operation and use of the Sewer System.

ARTICLE VI
Amendment to Original Subsidy Agreement

SECTION 6.01. Each reference in the Original Subsidy Agreement to the “2024 Paying Agent” shall be deleted and replaced with the “Paying Agent”.

SECTION 6.02. Each reference in the Original Subsidy Agreement to the “Sinking Fund” shall be deleted and replaced with the “2024 Sinking Fund”.

SECTION 6.03. Section 5.06 of the Original Subsidy Agreement is amended and restated in its entirety as follows:

A. “**SECTION 5.06.** The obligations of the Authority under this Subsidy Agreement shall be absolute and unconditional, subject to the limitations contained herein, irrespective of any other agreement or instrument to which the Authority shall be a party, and shall remain in full force and effect until the entire principal of and interest on the Bonds shall have been paid or shall have been provided for to the satisfaction of the Paying Agent and shall not be affected, modified, diminished or impaired upon the happening, from time to time, of any event, including, without limitation, any of the following, whether or not with notice to or consent of the Township, unless such notice or consent is required hereunder:

A. The failure of the Authority to perform any obligation contained in any other agreement, for any reason whatsoever, including, without limiting the generality of the foregoing, insufficiency of funds, negligence or willful misconduct on the part of the Authority or its agents or independent contractors, legal action of any nature that shall delay construction relating to, or operation of, the Sewer System, labor disputes, war, insurrection, natural catastrophe or laws, rules or regulations of any body, governmental or otherwise, having proper jurisdiction;

B. The failure to give notice to the Authority of the occurrence of a default under terms and provisions of this Subsidy Agreement or the Ordinance;

C. The inaccuracy of the estimate of credits or anticipated credits, as appropriate, required under Section 5.05;

D. The validity, enforceability or termination of the Ordinance;

E. The neglect or failure of the Township or the Paying Agent to exercise or to preserve any rights or rights of action against any party, person or property;

F. The failure of the Township or the Paying Agent to have enforced, on prior appropriate occasions, any right or right of action against any party, person or property;

G. The compromise, settlement, release, alteration, indulgence or any other change or modification of any obligation or liability of the Township under the Ordinance, regardless of the nature of such obligation or liability and regardless of the extent to which such obligation or liability shall have been modified, compromised or otherwise changed;

H. The waiver of the payment, performance or observance by the Authority, the Paying Agent or the Township of any obligations, covenants or agreements contained in the Ordinance or in this Subsidy Agreement;

I. The extension of the time for payment of the principal of any Bonds or any part thereof owing or payable under this Subsidy Agreement or of the time for performance of any other obligations, covenants or agreements under or arising out of the Ordinance or this Subsidy Agreement;

J. The modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Ordinance;

K. The taking of, or the omission to take, any action referred to in the Ordinance or in this Subsidy Agreement;

L. Any failure, omission or delay on the part of the Township or the Paying Agent to enforce, to assert or to exercise any right, power or remedy conferred upon or vested in the Township or the Paying Agent hereunder or under the Ordinance, or to enforce, to assert or to exercise any other right or rights on the part of the Township, the Paying Agent or any of the holders, at any time or from time to time, of the Bonds;

M. The voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustments or other similar proceedings affecting the Township or the Authority or any of the assets of either of them, or any allegation or contest of the validity of this Subsidy Agreement in any such proceeding;

N. The release or discharge of the Authority, to the extent permitted by law, from performance or observance of any obligation, covenant or agreement contained in this Subsidy Agreement, by operation of law;

O. The default or failure of the Authority fully to perform any of its obligations set forth in this Subsidy Agreement; or

P. The damage to or partial or total destruction of the Sewer System or the taking of title to or the temporary or permanent use of the Sewer System by any lawful body or authority.”

SECTION 6.04. Section 7.01, Section 7.02, Section 8.01 and Section 8.03 shall be amended so that all references to the “Series of 2024 Bonds” shall be deleted and replaced with a reference to the “Bonds” and all references to the “Project” shall refer to both the “Project” and the “2025 Project”.

ARTICLE VII Miscellaneous

SECTION 7.01. All terms, conditions, covenants, and agreements of the Original Subsidy Agreement, as amended and supplemented by this First Amendment, except to the extent that the same are modified or amended or supplemented hereby, are ratified and confirmed and are declared to be and shall be and shall remain in full force and effect and shall apply in all respects to this First Amendment and to the Series of 2025 Bonds, all as shall be applicable and appropriate, with like effect, as applicable and appropriate, as if the same were repeated substantively, in full herein; provided, however, that the Original Subsidy Agreement always shall be construed so as to give proper effect and meaning to the intent and purposes hereof.

No further amendment, change, modification, alteration or termination of the 2025 Ordinance that would in any way increase obligations of the Authority under this First Amendment shall be effective without obtaining the prior written consent of the Authority.

SECTION 7.02. The obligations of the Authority hereunder shall arise absolutely and unconditionally when the Series of 2025 Bonds shall have been issued, sold and delivered by the Township.

SECTION 7.03. The Authority covenants with the Township that it duly and punctually will perform every covenant and agreement undertaken by the Authority under this First Amendment.

SECTION 7.04. In the event of default by the Authority in the punctual discharge of its obligations hereunder, the Township shall be entitled to exercise such remedies as are provided under the Debt Act, together with any other remedies that otherwise may be provided at law or in equity, including specific performance, or by other statutes, including but not limited to the remedies provided by the Authorities Act.

SECTION 7.05. No remedy conferred upon or reserved to the Township hereunder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Township to exercise any remedy reserved in this Agreement, it shall not be necessary to give any notice other than such notice as herein expressly may be required. In the event any provision contained in this Agreement shall be breached by any party and thereafter duly shall be waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver, amendment, release or modification hereof shall be established by conduct, custom or

dealing, but shall be established solely by an instrument, in writing, duly executed by the appropriate parties.

SECTION 7.06. This First Amendment, being a supplement to the Original Subsidy Agreement, shall be construed as an integral part thereof.

SECTION 7.07. This First Amendment is entered into by the Authority for the benefit of the Township.

SECTION 7.08. Terms of this First Amendment may be enforced as to any one or more breaches, either separately or cumulatively.

SECTION 7.09. The Township may assign the sums due hereunder to the Paying Agent to be held and applied pursuant to the provisions of the 2025 Ordinance. The Authority consents to such assignment and accepts notice thereof with the same legal effect as though such acceptance were embodied in a separate instrument, separately executed after execution of such assignment.

SECTION 7.10. Provisions of this First Amendment shall be severable; if any one or more of the phrases, sentences, clauses, Articles, Sections or parts contained in this First Amendment shall be deemed or declared invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of remaining portions of this First Amendment or any remaining parts thereof.

SECTION 7.11. This First Amendment shall be construed in accordance with and shall be governed by laws of the Commonwealth.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, each of the parties hereto, intending to be legally bound, pursuant to proper authorization of its governing body, causes this Agreement to be executed by its duly authorized officer or officers and to be attested by its duly authorized officer and its official or corporate seal to be affixed to this Agreement, all as of the day and year first above written.

Attest:

TOWNSHIP OF LOWER PAXTON

(Asst.) Secretary

By:_____
Chairman, Board of Supervisors

Attest:

LOWER PAXTON TOWNSHIP
AUTHORITY

(Asst.) Secretary

By:_____
Chairman

SCHEDULE A
DEBT SERVICE SCHEDULE OF THE SERIES OF 2025 BONDS

SCHEDULE A (con't)

DEBT SERVICE SCHEDULE OF THE SERIES OF 2024 BONDS

RESOLUTION 25-03
LOWER PAXTON TOWNSHIP AUTHORITY

MUNICIPAL/AUTHORITY TO SIGN REIMBURSEMENT AGREEMENT

BE IT RESOLVED by authority of the _____
(Borough Council, Board of Supervisors, etc.)

of the _____,
(Name of Municipality) (Name of County)

County, and it is hereby resolved by authority of the same, that the _____
(Chairman or designated Title)

of said Municipality/Authority be authorized and directed to sign the attached Agreement on its behalf

and the _____ be authorized and directed to attest the same.
(Sec. or Designated Title)

(Name of Municipality)

ATTEST: _____ BY: _____
Tim Pramik, Secretary David B. Blain, Chairman

(SEAL)

I, _____ of the _____
(Name of Authority)

do hereby certify that the foregoing is a true and correct copy of the Resolution adopted _____

at a regular meeting of the _____ held the _____ day of _____, 20____.

DATE

LPTA
ESTIMATED REVENUE AND EXPENSES

CURRENT PROJECT SCHEDULE

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
	Actual	Actual	Actual	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Users and Rates																							
Total EDUs	28,718	27,892	27,274	27,376	27,478	27,580	27,682	27,784	27,886	27,988	28,090	28,192	28,294	28,396	28,498	28,600	28,702	28,804	28,906	29,008	29,110	29,212	29,314
New EDUs	188	374	182	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102
Rate Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Quarterly Rate	153	158	158	158	163	168	173	178	182	187	192	198	204	210	215	221	226	231	236	241	246	251	256
Annual Rate	612	632	632	632	652	672	692	712	728	748	768	788	808	828	848	868	888	908	928	948	968	988	1,008
Annual Rate Increase	0.0%	3.3%	0.0%	0.0%	3.2%	3.1%	3.1%	2.9%	2.2%	2.7%	3.1%	2.8%	2.4%	2.8%	2.3%	2.2%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tapping Fee Estimate	\$ 2,000	\$ 2,000	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950	\$ 2,950

Acct 36 - Operating Fund																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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341 - Interest Earnings ⁽¹⁾	\$	269,406	\$	945,448	\$	1,189,109	\$	940,000	\$	860,000	\$	760,000	\$	660,000	\$	560,000	\$	460,000	\$	360,000	\$	322,985	\$	280,183	\$	244,999	\$	221,646	\$	210,534	\$	206,449	\$	215,679	\$	234,453	\$	244,453	\$	326,649	\$	399,546	\$	483,223	\$	563,532																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
350/357 - Contributions/Grants	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$

Acct 36 - Capital Reserve	
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LOWER PAXTON TOWNSHIP AUTHORITY

Proposed 2026 Budget

Sanitary Sewer Fund

		12/31/2023	12/31/2024	12/31/2024	12/31/2025	12/31/2026	
Account Number	Account Title	2023 Actual	2024 Adopted Budget	2024 Projected Actual	2025 Proposed Budget	2026 Proposed Budget	Notes/Remarks
OPERATING REVENUES:							
36-3001-341.01	Interest Earnings	\$ 945,448	\$ 850,000	\$ 1,066,000	\$ 940,000	\$ 860,000	Sam Notes 3/2025
36-3001-364.10	Sewer - Rent Charges	17,347,788	17,200,000	17,350,000	17,400,000	\$ 17,915,656	27,278 EDU's at increase rate of \$163/qt
36-3001-364.11	Sewer - Tapping Fees	295,889	300,000	250,000	300,000	\$ 300,900	102 new EDU's at \$2,900/EDU
36-3001-364.12	Sewer - Misc Reimbursements	20,977	94,584	66,100	120,000	\$ 120,000	
36-3001-391.10	Proceeds - Sales of Fixed Assets	540,987	-	-	-	\$ -	
36-3001-393.10	Proceeds - Debt Issuance - Operations	946,769	-	240,231	-	\$ -	
TOTAL SANITARY SEWER FUND OPERATING REVENUES		20,097,857	18,444,584	18,972,331	18,760,000	19,196,556	
OPERATING EXPENDITURES:							
36-4400-429.300	Supp & Admin - Office Supplies	30,247	27,150	27,150	27,150	29,000	
36-4400-429.306	Supp & Admin - IT Supplies	1,839	250	700	500	1,000	
36-4400-429.310	Supp & Admin - Bank Fees	15,361	8,905	5,000	8,950	9,500	
36-4400-429.312	Supp & Admin - Advertising	1,853	1,000	2,250	2,000	2,000	
36-4400-429.314	Supp & Admin - Postage	14,895	17,000	17,000	17,000	19,000	
36-4400-429.322	Supp & Admin - Training/Seminars	12,253	9,500	11,000	6,000	9,000	
36-4400-429.500	Prof Svcs - Solicitor & Debt Collection	110,908	125,000	80,000	110,000	110,000	
36-4400-429.510	Prof Svcs - Engineering Services	148,967	163,000	163,000	152,000	150,000	
36-4400-429.512	Prof Svcs - CRW Rate Services	2,491	60,000	9,600	110,400	60,000	
36-4400-429.520	Prof Svcs - Accounting & Auditing	8,360	8,240	8,240	13,000	13,000	Finance?
36-4400-429.521	Prof Svcs - Contracted Labor	787	14,500	4,350	-	-	
36-4400-429.530	Prof Svcs - Township Management Admin Reimbursements	2,521,865	470,198	465,832	623,577	643,000	3% increase per contract
36-4400-429.535	Prof Svcs - Township Admin Rents	43,029	44,350	34,500	35,500	35,500	
36-4400-429.542	Prof Svcs - IT Subscriptions/Licenses	52,237	60,000	75,000	73,000	80,000	
36-4400-429.570	Prof Svcs - Copier Maintenance Contracts	6,880	5,750	4,500	3,550	4,000	
36-4400-429.598	Prof Svcs - Communications & Newsletter Services	8,085	9,240	9,240	9,240	9,000	
36-4400-429.670	Utilities - Telephone & Alarm	23,817	24,500	20,000	20,000	20,000	
36-4400-486.730	Misc - Liability & Casualty Insurances	49,795	44,100	44,100	47,000	49,000	
Administration - General Services Expenditures Subtotal		3,053,669	1,092,683	981,462	1,258,867	1,243,000	
36-4405-429.302	Supp & Admin - Building Supplies	7,537	8,000	5,000	8,000	6,000	
36-4405-429.326	Supp & Admin - Uniforms	9,915	4,000	4,000	4,000	4,000	
36-4405-429.352	Supp & Admin - Small Tools/Equipment	7,336	10,000	7,000	8,000	8,000	
36-4405-429.402	R&M - Pump Station Maintenance	23,709	30,000	10,000	20,000	20,000	
36-4405-429.400	R&M - Facilities Maintenance	2,715	-	8,500	8,000	8,000	
36-4405-429.420	R&M - Vehicle Maintenance	31,413	15,000	17,000	15,000	20,000	
36-4405-429.460	R&M - Sewer Line Maintenance	49,444	40,000	95,000	50,000	50,000	
36-4405-429.530	Prof Svcs - Township Management Program Reimbursements	-	1,906,500	1,653,530	1,591,622	1,639,370	3% increase per contract
36-4405-429.535	Prof Svcs - Township Program Rents	-	-	9,600	9,600	9,600	

LOWER PAXTON TOWNSHIP AUTHORITY

Proposed 2026 Budget

Sanitary Sewer Fund

Account Number	Account Title	2023 Actual	2024 Adopted Budget	2024 Projected Actual	2025 Proposed Budget	2026 Proposed Budget	Notes/Remarks
36-4405-429.572	Prof Svcs - Cleaning Services	-	-	1,000	3,500	3,500	
36-4405-429.579	Prof Svcs - Enterprise Vehicle Leases	88,294	60,000	118,000	121,332	121,322	
36-4405-429.581	Prof Svcs - DEP/Related Fines	3,000	4,500	6,250	6,500	3,000	
36-4405-429.582	Prof Svcs - PA One Call Services	37,459	40,000	40,000	42,000	42,000	
36-4405-429.588	Prof Svcs - PennDOT Expenses	4,076	2,000	2,000	2,000	2,000	
36-4405-429.600	Utilities - Vehicle Fuel	28,519	35,000	25,000	30,000	30,000	
36-4405-429.610	Utilities - Electric	4,410	4,000	4,000	4,000	4,000	
36-4405-429.612	Utilities - Electric - Pumps	18,292	25,000	20,000	20,000	20,000	
36-4405-429.620	Utilities - Natural Gas	7,256	4,800	4,800	4,800	4,800	
36-4405-429.630	Utilities - Water	5,807	5,200	5,200	5,200	5,200	
36-4405-429.632	Utilities - Water - Pumps	1,639	4,000	1,500	2,000	2,000	
36-4410-429.560	Prof Svcs - Swatara Transmision/Treatment	1,769,322	2,300,000	2,435,000	2,450,000	2,460,000	updated after Swatara final 2026 budget
36-4410-429.562	Prof Svcs - Swatara Flow Surcharges	9,637	30,000	30,000	35,000	25,000	
36-4410-429.564	Prof Svcs - CRW Transmission/Treatment	4,163,992	4,000,000	4,250,000	4,350,000	4,350,000	based on 2023 rates
36-4410-429.566	Prof Svcs - Paxtang Transmission	12,361	14,000	12,500	13,000	13,390	
Sewer Operations & Transmission Expenditures Subtotal		6,286,130	8,542,000	8,764,880	8,803,554	8,851,182	
36-4700-471.800	Debt - Principal - Capital Leases	17,788	-	-	-	-	
36-4700-471.817	Debt - Principal - 2014 Bonds	550,000	570,000	570,000	590,000	605,000	
36-4700-471.818	Debt - Principal - 2015 Bonds	1,735,000	1,845,000	1,845,000	1,945,000	2,005,000	
36-4700-471.819	Debt - Principal - 2016 Bonds	570,000	590,000	590,000	615,000	635,000	
36-4700-471.820	Debt - Principal - 2019 PennVest Loan	604,434	622,500	579,156	573,354	582,084	
36-4700-471.822	Debt - Principal - 2019 Bonds	235,000	210,000	210,000	195,000	205,000	
36-4700-471.823	Debt - Principal - 2020A Bonds	520,000	535,000	535,000	545,000	560,000	
36-4700-471.824	Debt - Principal - 2020B Bonds	-	-	-	-	-	
36-4700-471.826	Debt - Principal - 2020C Bonds	330,000	335,000	335,000	335,000	340,000	
36-4700-471.827	Debt - Principal - 2022 Bonds	455,000	470,000	470,000	490,000	510,000	
36-4700-471.828	Debt - Principal - 2024 Bonds	-	-	-	5,000	5,000	
36-4700-472.800	Debt - Interest - Capital Leases	799	-	-	-	-	
36-4700-472.817	Debt - Interest - 2014 Bonds	88,435	66,035	66,035	46,080	28,450	
36-4700-472.818	Debt - Interest - 2015 Bonds	411,475	339,875	339,875	264,075	200,112	
36-4700-472.819	Debt - Interest - 2016 Bonds	360,481	337,281	337,281	313,181	294,134	
36-4700-472.820	Debt - Interest - 2019 PennVest Loan	165,325	160,000	172,629	165,592	156,862	
36-4700-472.822	Debt - Interest - 2019 Bonds	1,522,550	1,513,650	1,513,650	1,505,550	1,497,550	
36-4700-472.823	Debt - Interest - 2020A Bonds	955,400	944,850	944,850	934,050	920,200	
36-4700-472.824	Debt - Interest - 2020B Bonds	-	-	-	-	-	
36-4700-472.826	Debt - Interest - 2020C Bonds	765,537	762,758	762,758	759,556	755,901	
36-4700-472.827	Debt - Interest - 2022 Bonds	193,425	177,200	177,200	158,000	138,000	
36-4700-472.828	Debt - Interest - 2024 Bonds	-	437,575	415,083	732,425	737,275	
36-4700-472.829	Debt - Interest - 2025 Bonds					203,063	PFM wrap - 2025 interest
Debt Service Expenditures Subtotal		9,480,650	9,916,724	9,863,517	10,171,863	10,378,631	
TOTAL SANITARY SEWER FUND OPERATING EXPENDITURES		18,820,448	19,551,407	19,609,859	20,234,284	20,472,813	

LOWER PAXTON TOWNSHIP AUTHORITY

Proposed 2026 Budget

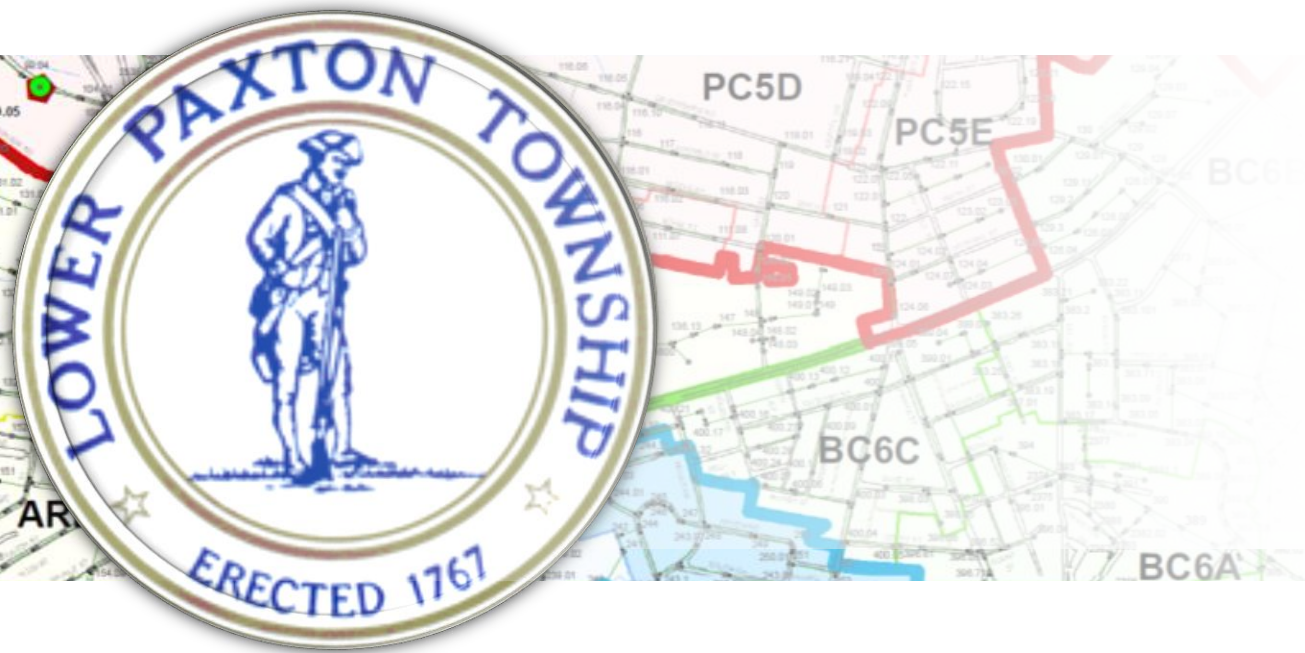
Sanitary Sewer Fund

<u>Account Number</u>	<u>Account Title</u>	<u>2023 Actual</u>	<u>2024 Adopted Budget</u>	<u>2024 Projected Actual</u>	<u>2025 Proposed Budget</u>	<u>2026 Proposed Budget</u>	<u>Notes/Remarks</u>
NET TOTAL SANITARY SEWER FUND CHANGE IN OPERATING RESERVES		1,277,409	(1,106,823)	(637,528)	(1,474,284)	(1,276,257)	
	Net Financial Operating Reserves - Beginning	24,170,665	25,448,074	25,448,074	24,810,546	23,336,262	
NET FINANCIAL OPERATING RESERVES - ENDING		\$ 25,448,074	\$ 24,341,251	\$ 24,810,546	\$ 23,336,262	\$ 22,060,005	

CAPITAL RESERVE REVENUES:							
36-3900-341.04	Interest Earnings - PLGIT Bonds	\$ 367,899	\$ 354,000	\$ 425,000	\$ 222,000	\$ 100,000	interest at 3.5% new 2025 bonds
36-3900-354.04	State - Sewer Grants	-	1,000,000	800,000	200,000	-	
36-3900-392.01	Transfers In - Township Capital Funds	150,912	-	-	1,400,826	-	Finance?
36-3900-393.10	Proceeds - Debt Issuance - Capital	-	16,165,000	15,907,603	-	-	
TOTAL SANITARY SEWER FUND CAPITAL RESERVE REVENUES		518,811	17,519,000	17,132,603	1,822,826	100,000	
CAPITAL RESERVE EXPENDITURES:							
36-4700-475.880	Debt - Issuance Costs	-	200,000	201,357	-	-	
36-4800-429.940	Capital - Paxton Creek Act 537 Improvements	-	500,000	-	700,000	-	
36-4800-429.941	Capital - Beaver Creek Act 537 Improvements	-	-	900,000	-	5,000	
36-4900-429.910	Capital - Equipment Purchases	41,124	67,500	72,289	48,500	96,000	20% share crew equipment
36-4900-429.920	Capital - Facilities Improvements	-	40,000	29,920	-	-	
36-4900-429.940	Capital - Engineering GIS	342	75,000	5,000	20,000	30,000	
36-4900-429.941	Capital - Engineering Data Analysis	106,732	80,000	95,000	95,000	95,000	
36-4900-429.942	Capital - Enigneering Meetings & Reporting	30,482	30,000	35,000	-	-	
36-4900-429.943	Capital - Mainline Repairs	148,731	275,000	395,000	1,600,000	300,000	
36-4900-429.944	Capital - Metering	55,576	45,000	39,000	35,000	35,000	
36-4900-429.951	Capital - PC-2 Sewer Improvements	36,194	2,275,000	450,000	1,650,000	-	
36-4900-429.952	Capital - PC-3 Sewer Improvements	403,852	5,225,000	900,000	10,000,000	1,600,000	Final paving and contract closeout / punchlist
36-4900-429.961	Capital - BC-2/5 Sewer Improvements	126,707	-	2,232	-	-	
36-4900-429.966	Capital - BC-7 Sewer Improvements	10,202,727	4,170,400	3,900,000	250,000	-	
36-4900-429.971	Capital - SC-2 Sewer Improvements	174,876	-	-	-	-	
36-4900-429.981	Capital - Red Top Rd Bridge Sewer	158,854	-	-	-	-	
36-4900-429.530	Prof Svcs - Sewer PW Capital Management Reimbursements	-	-	6,336	-	-	
39-4900-429.982	Capital Trunk H					240,000	Design and Bid only
39-4900-429.983	Capital Wilshire Extension					35,000	Design only, placeholder pending grant
TOTAL SANITARY SEWER FUND CAPITAL RESERVE EXPENDITURES		11,486,197	12,982,900	7,031,134	14,398,500	2,436,000	
NET TOTAL SANITARY SEWER FUND CHANGE IN CAPITAL RESERVES		(10,967,386)	4,536,100	10,101,469	(12,575,674)	(2,336,000)	
	Net Financial Capital Reserves - Beginning	12,285,394	1,318,008	1,318,008	11,419,477	(1,156,197)	
NET FINANCIAL CAPITAL RESERVES - ENDING		\$ 1,318,008	\$ 5,854,108	\$ 11,419,477	\$ (1,156,197)	\$ (3,492,197)	

LPTA Second Consent Decree

Annual DEP Progress Meeting 2024-2025



July 29, 2025

PROGRAM SUCCESS

Program Success – I/I Removal to Date

LPT has completed projects in 37 mini-basins using the “total replacement” approach and replaced/upgraded several trunk lines and interceptors in the three drainage basins to increase conveyance capacity and assist in reducing the hydraulic overload. LPT has seen great success with the modified approach which includes the following:

- Averaged over 90% excess I/I removal in each basin
- Removed over 41 mgd of peak hourly I/I from the sanitary sewer system
- Spent over \$119 million; averaged a very cost-effective \$2.92/gpd of I/I removed per mini-basin project

Program Success – Overflow Reduction & Elimination

Beaver Creek – Consent Decree Target of Eliminating Overflows: September 2028

- **Last overflow was experienced in 2024**
- Under the majority of wet weather conditions, it is highly likely that the overflow locations have been successfully addressed. This is a reduction in 19 overflow locations experienced at program initiation.

Paxton Creek – Consent Decree Target of Eliminating Overflows: June 2022

- **Last essential overflow was experienced in 2014**
- 100% reduction in overflow locations from 22 sites at program initiation

Spring Creek – Consent Decree Target of Eliminating Overflows: December 2013

- **Last overflow was experienced in 2014**
- 100% reduction in overflow locations from 8 sites at program initiation

Flood



No Overflow

Program Success – Reduction in Peak Flows and Storage Needs

Paxton Creek:

- ~ **60% estimated reduction in peak hourly flow**
- 31.50 mgd down to 12.34 mgd (~19.16 mgd removed)
 - Peak hourly flow will be further reduced with the completion of the PC-3E Mini-Basin Project

Beaver Creek:

- ~ **53% estimated reduction in peak hourly flow**
- 19.75 mgd down to 10.5 mgd (~9.25 mgd removed)

LPT has eliminated the need for wet weather storage with the completion of recent Beaver Creek Projects.

WET WEATHER SUMMARY 2024 – 2025

2024 – 2025 Wet Weather Overflows

LPT experienced approximately 34 inches of rain during this report period. Thirteen (13) reportable wet weather events (WWEs):

- 8 significant events
- 3 extreme events
- 2 non-excused flood events

No overflows occurred during WWEs in the 2024-2025 metering season.

BEAVER CREEK

STATUS UPDATE

Beaver Creek – Program Status

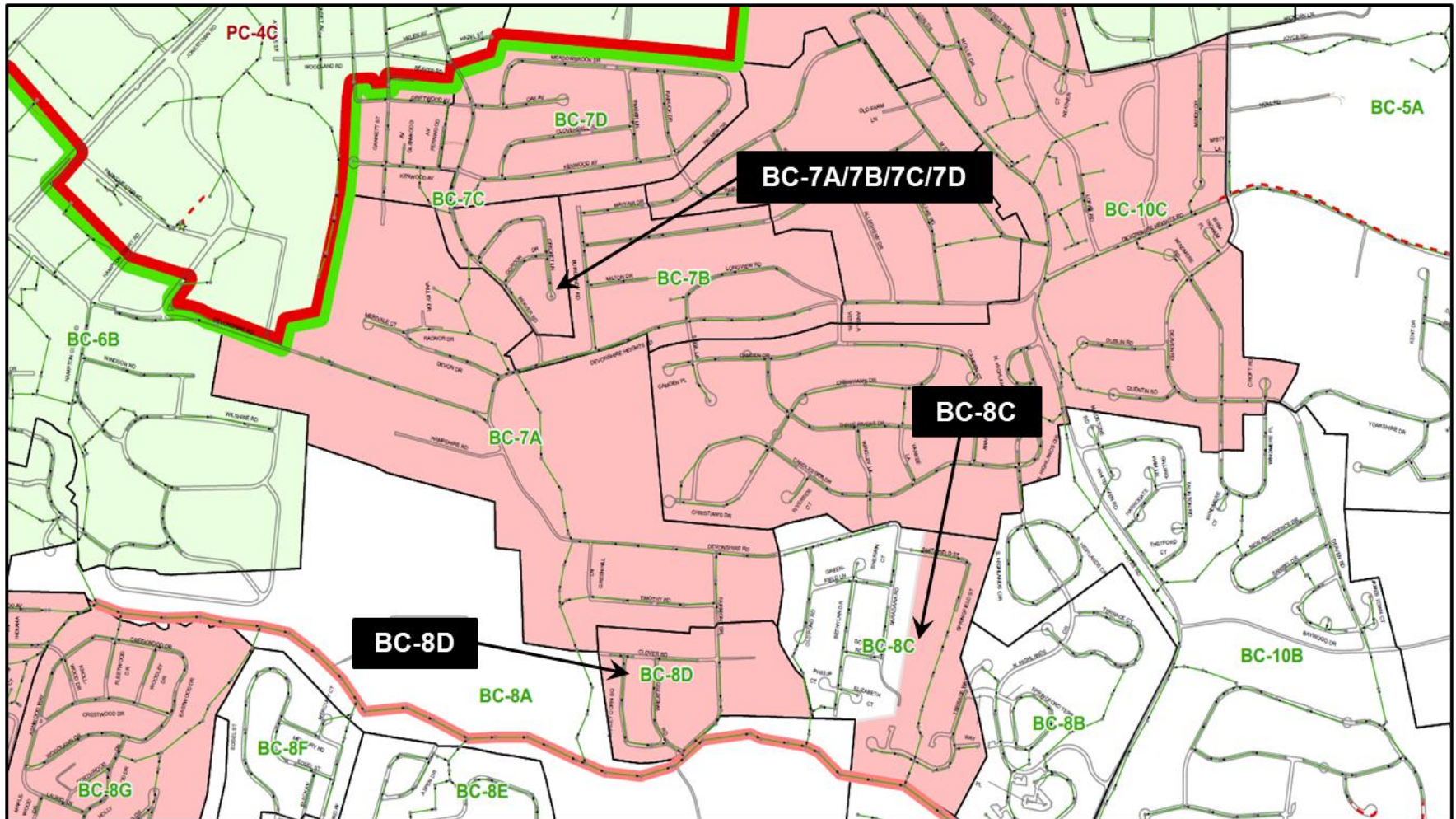
A green circle with a thin green border containing the white letters "BC".

BC

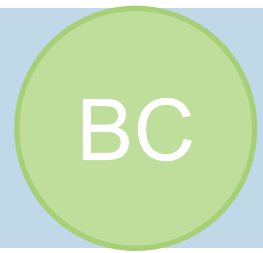
- No overflows occurred during WWEs in 2024-2025 metering season.
- Improved 30 miles of pipeline
- Current peak flows are 10.50 mgd, almost half of what was experienced at the beginning of the program

BC-7A/7B/7C/7D/8C/8D Sanitary Sewer Replacement/Rehabilitation Project

BC



BC-7A/7B/7C/7D/8C/8D Sanitary Sewer Replacement/Rehabilitation Project



Sanitary sewer work reached substantial completion in Spring 2024

- **3.25 mgd** of total peak flow removed
- **100%** of excess I/I was eliminated from BC-7 Sub Basin.

Program Evaluation and Storage Sizing

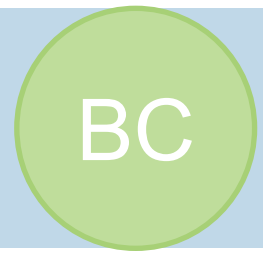
A green circular logo with the letters "BC" in white, representing the Beaver Creek Basin.

Beaver Creek Basin model was updated to reflect current conditions.

- Pipes & Manholes updated to reflect rehabilitation efforts
- Dry weather flows updated to reflect revised diurnal patterns
- May 31, 2025, WWE was modeled as peak WWE without overflows (flood level event)

Based on this evaluation, LPT/LPTA has decided to revise its approach to meeting the Intermunicipal Agreement (IMA) and addressing hydraulic overload within the Beaver Creek Basin. With the success of the I/I Removal Projects, the previously recommended storage upgrades and Nyes Road Interceptor improvements are no longer deemed necessary. Consequently, LPT/LPTA is proposing a new Corrective Action Plan (CAP) that focuses on continued I/I removal as the selected alternative for effectively reducing hydraulic overload by 2033 and meeting the Swatara IMA limits.

Beaver Creek CAP – Proposed 2025



2025 Proposed BC CAP Implementation Schedule

Tentative Priority For 2025 – 2028: Eliminate Overflows

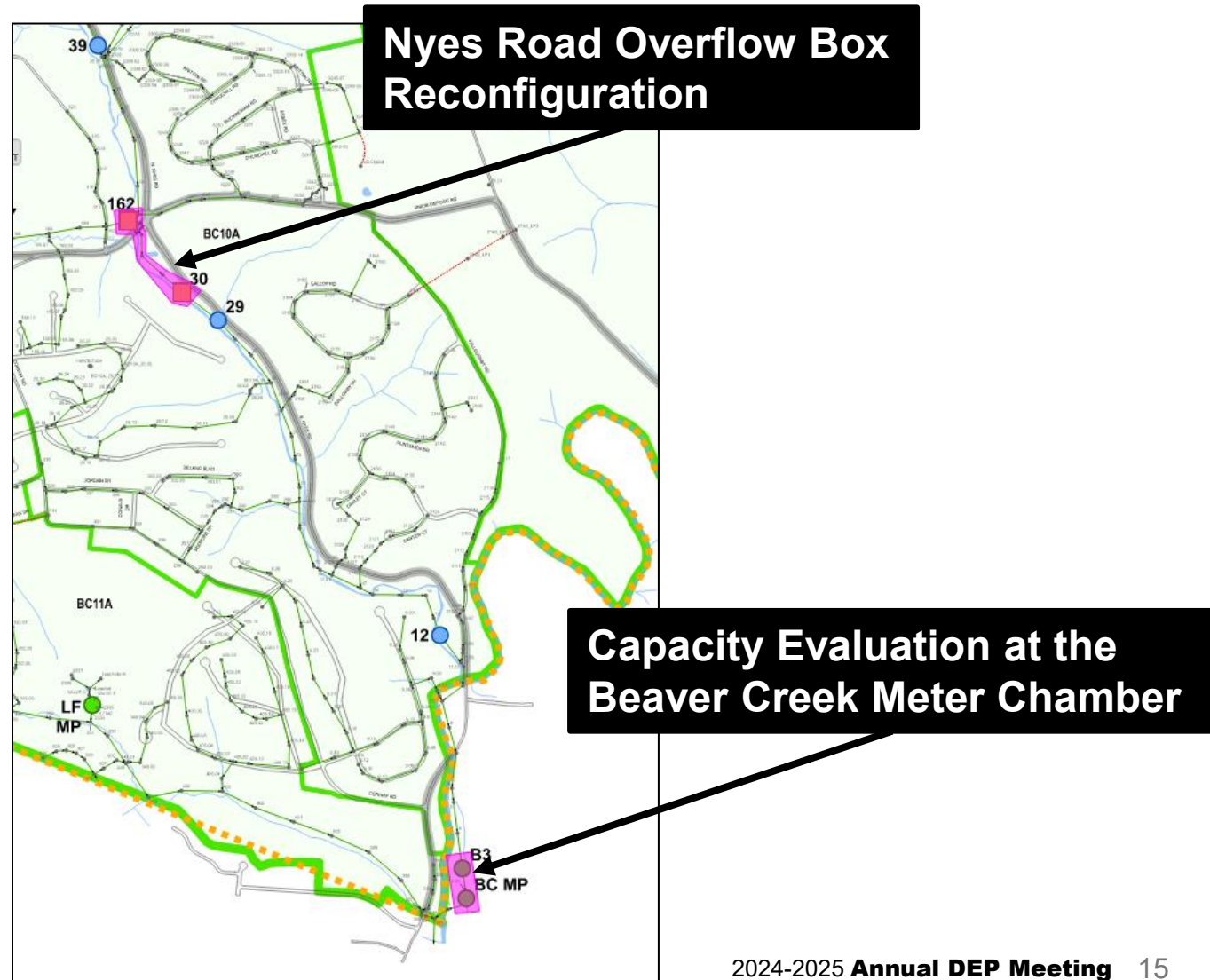
Key Maintenance Repairs	2025
Nyes Road Overflow Box Reconfiguration and Capacity Evaluation at the Beaver Creek Meter Chamber	2026
Trunk H Replacement/Rehabilitation	2027

Tentative Priority For 2028 – 2033: Reduce the Hydraulic Overload

Priority Mini-Basin Rehabilitation (as needed)	2033
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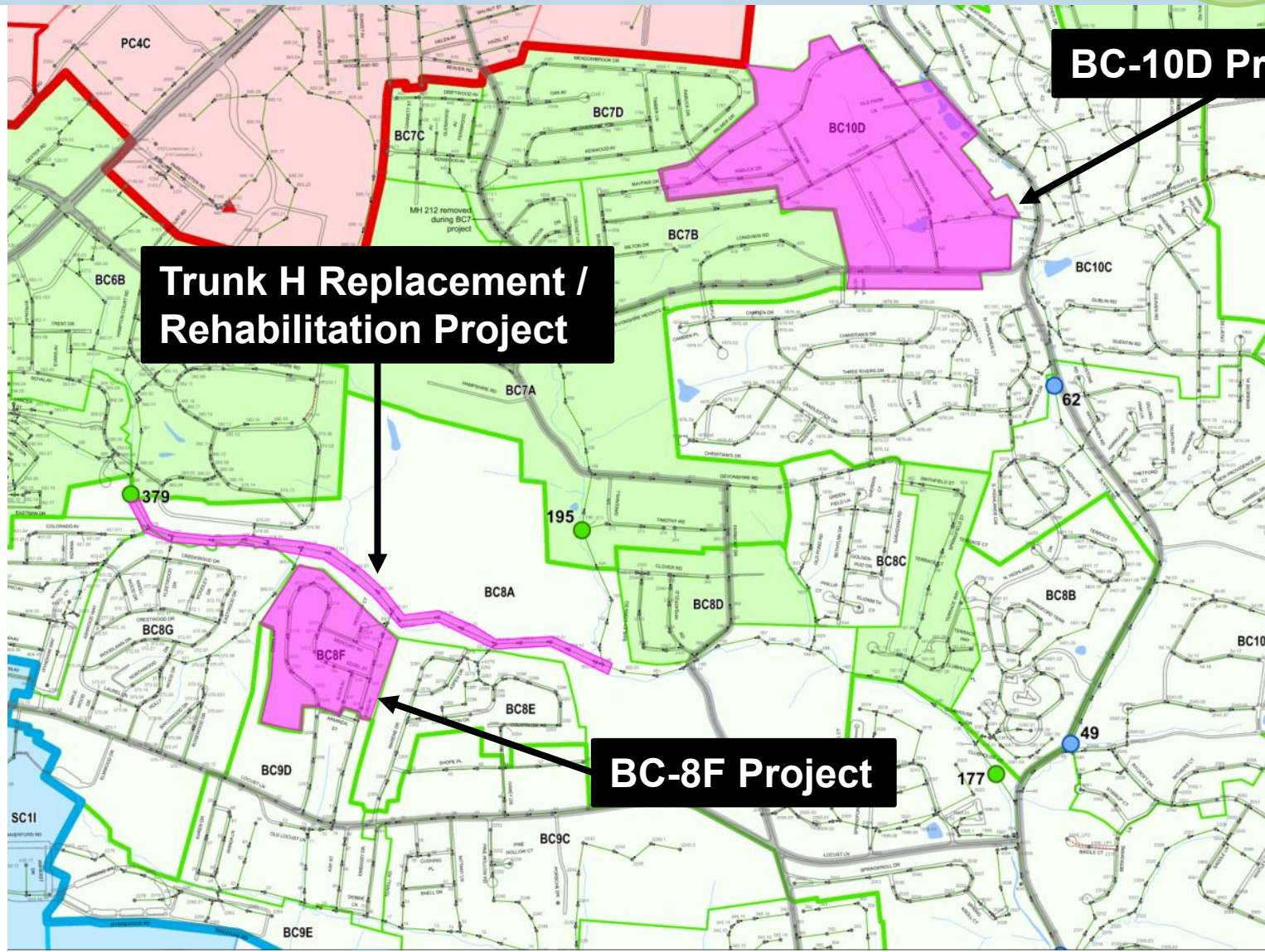
Beaver Creek CAP – Proposed Projects

BC



Beaver Creek CAP – Proposed Projects

BC



Settlement Agreement & Swatara IMA

BC

- LPTA Staff will discuss closing out the Settlement Agreement with Swatara at annual meetings

(b) In any event, if Lower Paxton does not exceed its reserved capacity in the Joint Use Interceptor or Swatara plant, as revised by any approved maximum monthly flow limitation, for any month for a period of three (3) consecutive years this Agreement shall automatically terminate.

- Peak Hourly flow limit 9.487 mgd, Current flows are 10.50 mgd
- Maximum Monthly Average Flow limit 5.361 mgd, Current flows are 3.42 mgd

EXHIBIT B

Swatara Township Authority
Water Pollution Control Plant Upgrade and Modifications – 2010
Total Plant Flow Capacity – 6.3 MGD (AAF)

	Hummelstown	Lower Paxton	South Hanover	Swatara
Reserve Flow Capacities				
Plant Flow Capacities:				
Annual Average Flow (AAF) – 6.3 MGD	0.615 MGD	3.795 MGD	0.032 MGD	1.858 MGD
Maximum Monthly Average Flow (MMAF) – 8.90 MGD*	0.869 MGD	5.361 MGD	0.045 MGD	2.625 MGD
Peak Daily Flow (PDF) – 14.18 MGD	1.384 MGD	8.542 MGD	0.072 MGD	4.182 MGD
Peak Hourly Flow (PHF) – 15.75 MGD	1.538 MGD	9.487 MGD	0.080 MGD	4.645 MGD
Upgrading Ratio – Percent of Plant Capacity Based on AAF	9.762%	60.238%	0.508%	29.492%

Settlement Agreement & Swatara IMA

BC

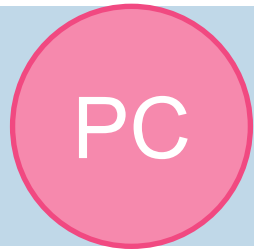
- Exhibit C needs to be revised to match existing peak hourly flow limit in Exhibit B. LPTA will request the peak hourly flows to match the Joint Used Interceptor Safe Carrying Capacity of 11.39 mgd.

ALLOCATED CAPACITIES						
SEGMENT	SIZE	CAP. FULL M.G.D.	SWATARA	LOWER PAXTON	HUMMELSTOWN	SOUTH HANOVER
A—B	10"	1.400	0.791	0.609	-----	-----
B—C	12"	2.100	1.218	0.882	-----	-----
C—D	30"	10.700	3.090	7.610	-----	-----
D—E	30"	11.800	3.806	7.930	-----	0.064
E—F	30"	12.000	3.806	8.130	-----	0.064
F—G	33"	12.500	3.806	7.400	1.230	0.064
G—H	33"	12.500	3.806	7.400	1.230	0.064

PAXTON CREEK

STATUS UPDATE

Paxton Creek - Consent Decree / IMA



- No overflows occurred during WWEs in the 2024-2025 metering season.
- Did not exceed IMA peak daily flow limit of 12.34 mgd to Susquehanna

Mini-Basin	2019 EDUs	Estimated Pre-Rehab Comp. Peak (gpd/EDU)	Estimated Comp. Peak Excess I/I (mgd)	Est. Peak Hourly I/I Removed (\$/gpd)	Estimated ACP/VCP Mainline (LF)	Estimated "Other" Mainline (LF)	Proposed Completion Date
TENTATIVE PRIORITY FOR 2023 - 2027							
PC-3E	428	4,000	1.28	\$7.30	19,759	8,982	2025
Program Evaluation							2026 / 2027

Planned

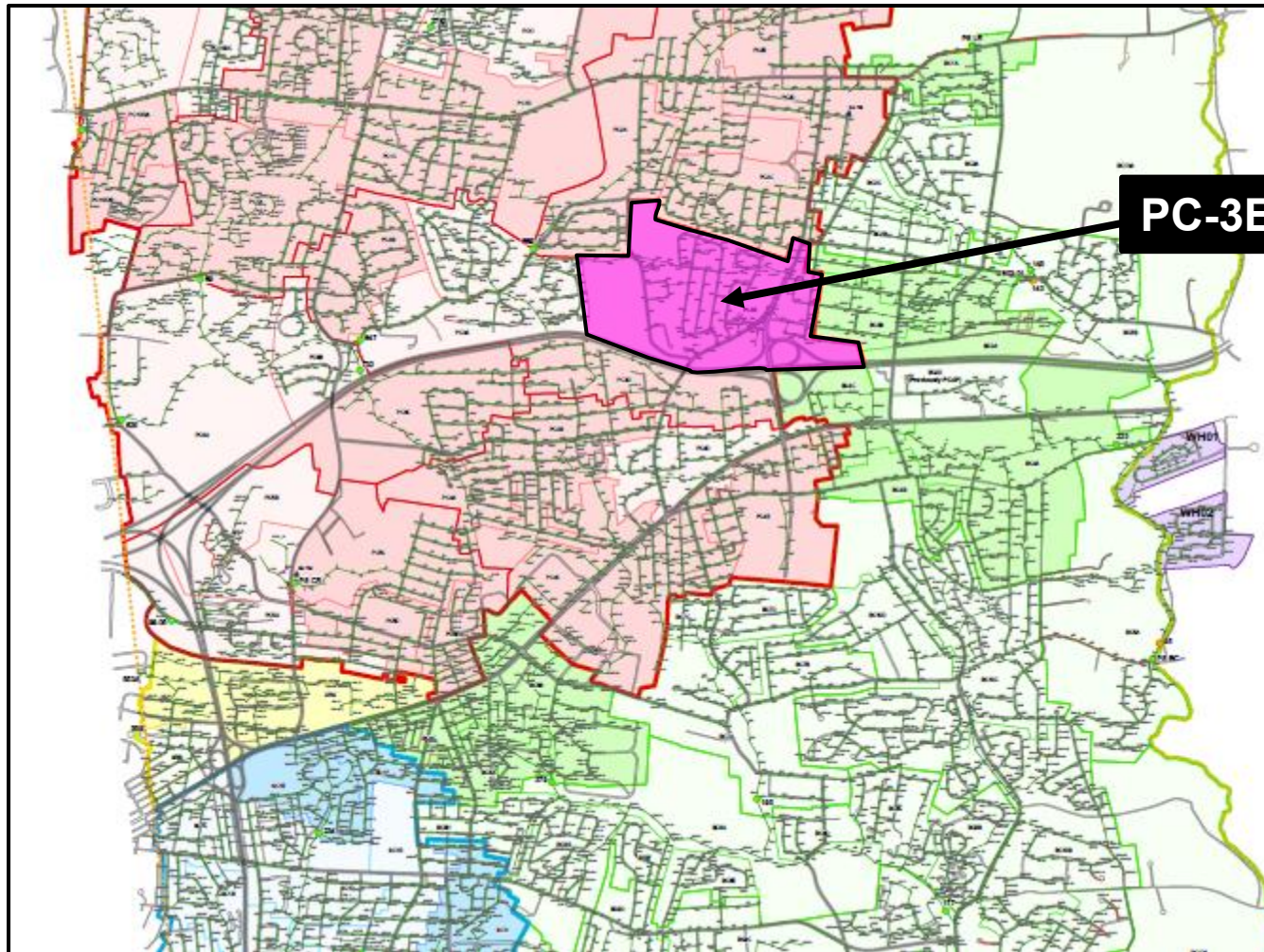
Under Construction

Completed

- Complete rehabilitation in the PC-3E Mini-Basin by 2025 (currently under construction)
- Evaluate success of the project and future growth projections in 2026

Paxton Creek CAP PC-3E Sanitary Sewer Replacement/Rehabilitation

PC

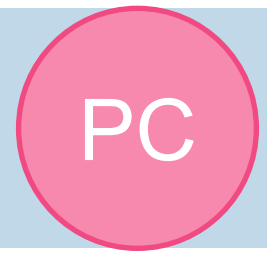


PC-3E Project

Paxton Creek CAP

PC-3E Sanitary Sewer

Replacement/Rehabilitation



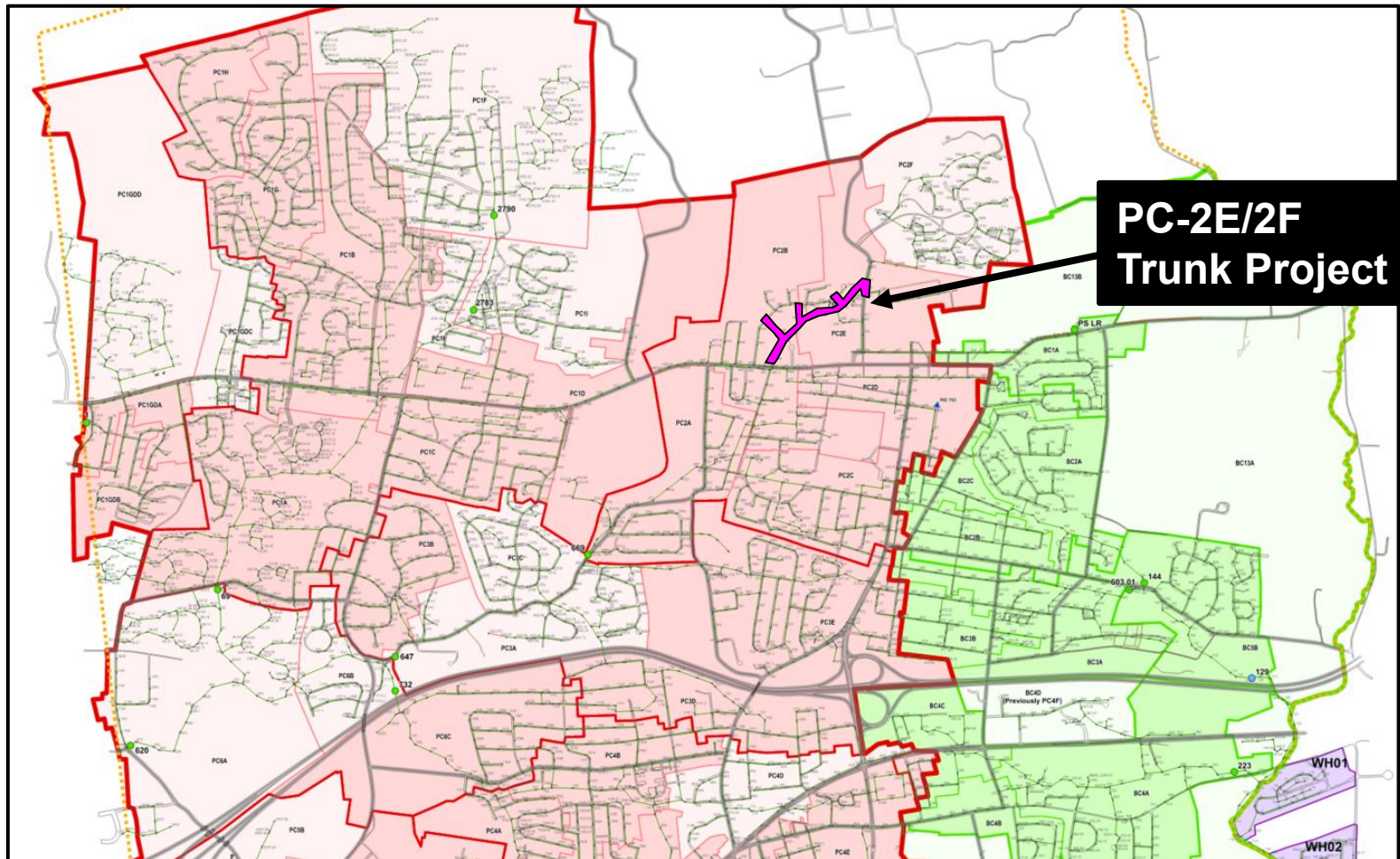
- Replacing approximately 19,850 linear feet of existing 8-inch and 10-inch ACP pipe with PVC and replacing manholes and laterals
- Final completion is November 2025
- Post-rehabilitation monitoring of the PC-3E Mini-Basin is planned for the next report period

Paxton Creek CAP

PC-2E/2F Trunkline Replacement

(Additional Effort completed outside of the CAP)

PC



Paxton Creek CAP

PC-2E/2F Trunkline Replacement

(Additional Effort completed outside of the CAP)



- 3,900 linear feet of existing 8-inch and 10-inch ACP pipe was replaced along with associated manholes and laterals
- Final completion is August 2025
- **0.68 mgd of peak flow removed**

Program Evaluation – Current Status

A pink circle with a thin pink border, containing the white text "PC".

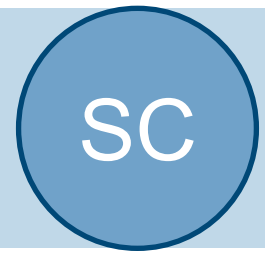
PC

- Evaluation of PC will occur in 2026 following completion PC-3E in November 2025
- Current Status, recent peak daily flows were below the IMA limit 12.34 mgd to Susquehanna Township
- No wet weather overflows
- Program evaluation shall include reduction in flows required to accommodate growth projections

SPRING CREEK

STATUS UPDATE

Intermunicipal Agreement Threshold & Surcharge Monitoring



- LPT/LPTA did not exceed the IMA 24-hour peak flow threshold of 4.50 mgd and modeled capacity peak instantaneous flow threshold of 6.50 mgd for the SC-1 Sub-Basin during the report period.
- There was a total of 13 reported WWEs and the peak events are shown below – remaining events did not surcharge

Surcharging Monitoring Location	Pipe Diameter (in)	Manhole Depth (in)	WWE 05/06/2025	WWE 05/14/2025	WWE 05/31/2025
			Peak Level (in)		
MH 227	10	72	12.5	56.2	40.6
MH 430	8	78	4.1	17.3	24.0

Program Evaluation



SC

- No wet weather overflows
- Program evaluation shall include reduction in flows required to accommodate growth projections (minimum growth projected) and aging system
- Future mini-basin project placeholder identified to be completed to accommodate growth
- LPT/LPTA capacity needs are being evaluated for the CRW's Spring Creek Interceptor / Pump Station Replacement Projects

Presentation Summary:

KEY TAKEAWAY AND ACTION ITEMS

Key Takeaway and Action Items

- No overflows & significant reduction in peak flows since the beginning of the program
- Beaver Creek
 - DEP approval of proposed BC CAP
- Paxton Creek
 - Future discussions with DEP about completion of Consent Decree for reducing the hydraulic overload, definition in Second Amendment vs. Chapter 94
 - Elimination of DEP annual connection limitations (Elimination of PC CAP June 2027)
- Spring Creek
 - Surcharge monitoring
 - Evaluating future capacity requirements for redevelopment

QUESTIONS?

ENGINEER'S REPORT

21 August 2025

Title	Engineer's Report for the Lower Paxton Township Authority		
Copy to	Lower Paxton Township Authority		
From	Melissa Tomich Smith, PE	Tel	717-541-0622
Subject	Engineer's Report for Active Projects	Project no.	1257258

The following is a summary of GHD's activities since the May 27th meeting.

1. DEP Consent Order and Annual Report

GHD has prepared a draft 3rd CAP for the Beaver Creek Basin. Due to the overall success of the program, the 3rd CAP proposes to eliminate a few projects and to extend the construction dates of others. GHD presented the 3rd CAP to DEP with the annual report, this is the same document that was included in the May Board Packet. DEP was very pleased with the I/I removal efforts and program progress being ahead of schedule. DEP will review the proposed BC CAP and send a response letter. Lower Paxton requested we begin discussions on post June 2027 Paxton Creek reporting requirements.

It should be celebrated that there were no overflows in the 2024/2025 water year!

1.1 Modeling

GHD has updated the Beaver Creek model to evaluate the following:

- The restrictions in the lower section of the Nyes Road Interceptor
- Removal expectation for projects proposed in the Beaver Creek CAP

The May 30th, 2025, wet weather event was perfect to model to show LPTA's sanitary sewer system's hydraulic capacity. This even was ideal because the system did not overflow but surcharged following the completion of BC-7/8 Mini-Basin Project.

2. Wet Weather Summary

The wet weather events (WWEs) in April, May, June, and July of 2025 are presented in the following table. There were two (2) flood, two (2) extreme, five (5) significant, and two (2) minor WWEs. There were no overflows reported during this metering period.

Wet Weather Event Summary Table

Date	Rainfall (in.) ⁽¹⁾	MH 2790 Control Basin Peak (mgd) ⁽²⁾	Pre-Groundwater (ft)	Post-Groundwater (ft)	Storm Category	Weather Summary & Notes	Overflows
4/4/2025	1.2	0.4	444.6	445.1	Significant	-	No
4/13/2025	0.4	0.29	444.9	445.1	Minor	-	No
4/28/2025	0.4	0.22	444.6	444.7	Minor	-	No
5/6/2025	3.2	0.91	444.8	445.3	Extreme	-	No
5/14/2025	2.2	1.2	445.5	445.7	Flood	-	No
5/21/2025	1.2	0.55	445.2	445.5	Significant	-	No
5/31/2025	2.1	1.5	445.1	445.8	Flood	-	Yes
6/10/2025	1.5	0.36	445.1	445.3	Significant	-	No
6/18/2025	1.1	0.33	445.1	445.2	Significant	-	No
7/2/2025	2.9	0.44	444.8	444.9	Significant	Control basin data dropout	No
7/13/2025	3.6	0.74	444.5	445.1	Extreme	-	No

(1) Rainfall data from Koons Park Rain Gauge (RG 753).

(2) Control basin flow reduced by a correction factor of 0.13 mgd to account for growth in the basin @ 850 gpd/EDU.

3. CRW Intermunicipal Agreement

A meeting was held on the morning of August 14, 2025, with CRW, CDM Smith, and GHD to review a draft revised diagram of flow from all the partners and CRW.

The last legal team meeting was scheduled for May 28, 2025. The following objectives were discussed:

1. Consultants work together to develop multiple approaches to distribute cost allocation for CRW's Capital Improvement Projects and then present them to the group.
2. Completion of a limited cost of service study and wholesale rates development.
3. Allocate a limited cost of service / rate study will result in separate rates for each of the municipalities as if they were separate rate classes and the balance of CRW customers, the retail sector, will be treated as one customer class.
4. Development on memorandum of understanding.

The date for the next legal team meeting has yet to be determined.

Lower Paxton requested GHD to assist with the CRW rate study RFP.

4. Construction Projects

4.1 BC-7A/7B/7C/7D/8C/8D

DOLI completed the punch list items on August 15, 2025, minus the line painting on Devonshire Heights. Change orders 1 and 2 extended the substantial and final completion dates by 263 days and 226 days, respectively. While DOLI meet the amended substantial completion date of April 30, 2025, they did not meet the amended final completion date of May 27, 2025. The final completion date was missed by 92 calendar days or 64 working days (subtracting weekends and holidays). GHD is preparing the liquidated damages invoice for approval by the Township. The contract allows for \$1,300/day.

An ADA ramp was found to be ponding water and needs to be replaced. HB Engineers are currently evaluating that ramp and will provide the guidance to DOLI to correct this situation, this would be considered a maintenance item and not be included in the calculation for liquidated damages.

4.2 PC-2E Trunkline Project

All of the sanitary sewer and storm sewer work is complete, minus final testing and yard restoration. Final paving of Blue Mountain Parkway is also outstanding. The remaining work is scheduled to be complete by October 15, 2025.

GHD is currently reviewing applications for payment and performing misc. construction engineering services.

4.3 Misc. External Mainline Repairs

The Misc. External Mainline Repairs were bid with the PC-2E Trunkline Project and awarded to PACT One. LLC. All of the external repairs have been completed. The lining work and restoration is outstanding. This work is scheduled to be complete by October 15, 2025.

4.4 BC-2 Replanting to Comply with DEP Permit

GHD performed a site visit on August 11, 2025 to prepare the annual report that is required under the project permit and to determine the number of trees that need to be replaced due to the original planting dying and not being in compliance. GHD is preparing a map showing where new plants and seeding is required to comply with the permit and will reach out to contractors under COSTARS to get the plants purchased and planted.

5. Wilshire Road Request for Sanitary Sewer Extension

GHD prepared the DCED Small Water grant application and submitted it to the funding agency by the April 30th deadline. The project will be on hold until the Authority hears if they received the grant money or not.
No update since last meeting.

6. Emergency Repairs to the Wastewater and Stormwater Collection System

GHD will issue Work Order number 4 to Rogele shortly. Work Order number 4 will address a broken pipe found in the SC-2A mini-basin. GHD is preparing the project manual to bid the next emergency contract, as the current contract expires in November 2025.

7. PennDOT Projects

7.1 Locust Lane (MPMS #108527)

The time extension to the Locust Lane HOP was approved by PennDOT. Township staff will raise the manhole frame and covers before the PennDOT paving project is completed in 2026.

7.2 Nyes Road Bridge Replacement (MPMS #117189)

PennDOT will be replacing the bridge on Nyes Road, north of its intersection with Pine Hill Road. Township staff will provide a new frame and cover and cone section to raise one manhole to grade that is affected by the Department's project. PennDOT will include the work in the Department's contract and will pay for the labor costs to retrofit the manhole. GHD prepared the PennDOT paperwork and specifications to include in the project contract. PennDOT will also pay for and incorporate the CCTV work into their project to determine the pre and post construction condition of the adjacent sanitary sewer main to ensure that the construction does not compromise the structural integrity of the pipe.

8. Developments

GHD's activities since the May 27th meeting:

- Cider Press: Construction is underway.
- Union Deposit Road (Ricker Properties): All sanitary sewer comments were addressed in the 2nd submission and GHD returned an approval letter on June 2, 2025. GHD will schedule a preconstruction meeting to discuss construction activities.
- Buffalo Wild Wings Go: All sanitary sewer comments were addressed in the 2nd submission and GHD returned an approval letter on on July 24, 2025.
- Wenrich Street Development: GHD received a preliminary layout of development on July 29, 2025. It is unclear if the entire development will be served by LPTA's sanitary sewer system at this time.



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LOWER PAXTON TOWNSHIP AUTHORITY

STORMWATER ASSET MANAGEMENT PLANNING

OVERVIEW OF PROJECT

The Authority owns stormwater utility assets that would cost hundreds of millions of dollars to replace. Developing a comprehensive and informed Asset Management Plan (AMP) will guide future management of the overall program and its assets. The process involves evaluating the utility needs, including regulatory compliance, rehabilitation of existing infrastructure and public stormwater concern areas. The condition of existing assets will be assessed first in areas of planned paving and sanitary projects. Projects will be prioritized in a capital improvement plan, which considers construction method (in-house crews or by contract), projected schedule, cost and financing strategies. Projection of revenue needs will enable a rate strategy to support the program needs across a 10-year period.

The revenue needs and rate strategy will also include engineering and project costs needed to support the MS4 Permit requirements for the next permit cycle of 5/1/30 to 4/30/35. The PADEP has published new draft criteria that focuses on runoff volume reduction rather than sediment load reduction. If the new DEP criteria is adopted, Lower Paxton Township will be required to prepare a Volume Management Plan (VMP) and a final Volume Management Objective (VMO) to achieve 2% volume reductions per year over a 50-year period. The plan will be required to be submitted with the MS4 Permit renewal application due October 31, 2029, and must include volume reduction projects needed over the 5 year permit term.



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LOWER PAXTON TOWNSHIP AUTHORITY
RETAINER AGREEMENT
PROJECT ASSIGNMENT
STORMWATER ASSET MANAGEMENT PLANNING
R004807.0459

This document will serve as confirmation for a request for services under the existing Retainer Agreement, last renewed on February 25, 2025, for CLIENT Consulting Services with Lower Paxton Township Authority (Authority). The Scope of Services, Schedule, and Compensation for this project are based on information included with the request.

Herbert, Rowland & Grubic, Inc. (HRG) is pleased to submit the following project assignment to undertake Engineering and related services associated with stormwater asset management planning in Lower Paxton Township.

BACKGROUND AND INTRODUCTION

The Authority is committed to strategically managing their stormwater assets to support the long-term sustainability of the stormwater utility and its services to customers. The Authority recognizes that they own and maintain a significant amount of assets with an estimated value in the hundreds of millions of dollars. Recognizing that progressive repairs and replacements will span decades, the Authority intends to develop a comprehensive and informed Asset Management Plan (AMP) to guide future management of the overall program and its assets.

Management of the assets includes consideration for the overall program. Thus, the AMP will holistically evaluate the stormwater utility to determine and quantify needs, including regulatory compliance and rehabilitation of existing infrastructure. It will also develop and prioritize projects through preparation of a capital improvement plan, determining the appropriate construction method (in-house crews or by contract) and evaluating financing strategies for individual projects, as well as the program as a whole. This includes cash funding (Pay-Go), individual borrowings, or broader borrowing. The AMP will establish a projected schedule for asset investments, estimate revenue needs to sustain the program and develop a rate strategy to support these needs. The Authority desires to evaluate the stormwater utility needs broadly, then compile the planning into a 10-year AMP strategy.

A comprehensive system-wide assessment can be completed to fully inform the planning, however, due to the size of the system and funding limitations, a full assessment is not desired by the Authority at this time. The initial assessment effort will focus on a rapid assessment of specific portions of the system, among other tasks described below, to compile the 10-year AMP strategy.

BASIC SCOPE OF SERVICES

PHASE 1 – LEVEL OF SERVICE AND NEEDS EVALUATION

1. Staff Collaboration

- a. Evaluate targeted Level of Service for the stormwater utility. This includes defining measurable performance goals (e.g., response times for complaints, number of system failures, compliance metrics) that reflect community expectations and regulatory requirements. As projects and schedules are being developed, consider the impact on the Level of Service being delivered and discuss with stormwater staff.
- b. Review findings from the below tasks with stormwater staff to refine prioritization and assumptions.

2. Support Improvements to Stormwater Geographic Information System (GIS)

- a. Evaluate and Update GIS Schema for Stormwater Assets
 - i. Provide stormwater staff with the current GIS schema of existing stormwater layers.
 - ii. Collaborate with staff to revise and enhance the GIS schema to align with current operational needs, including the integration of SewerAI inspection data.
 - iii. Incorporate the approved attribute fields into the stormwater layers within the Authority's ArcGIS Online environment.
- b. Update Attributes and Spatial Locations of Stormwater Features
 - i. Utilize data gathered from asset condition surveys to update the spatial locations and attribute records of stormwater features.
 - ii. Ensure all updates accurately reflect field-verified information to support ongoing asset management and regulatory compliance.
- c. Add New Stormwater Records to GIS
 - i. Integrate stormwater assets into the ArcGIS Online environment based on provided design drawings and/or as-built documentation.
 - ii. Coordinate BMP additions and updates to the ArcGIS, to be provided by Dauphin County, BMP Inventory and BMP GIS Mapping project.
- d. Ongoing GIS Support Services
 - i. Provide continued GIS support, as requested by the Authority, including but not limited to assistance with:
 - ii. Customer service and complaint records.
 - iii. Flushing and maintenance workflows.
 - iv. Additional GIS tasks and directives as identified by the Authority.

3. Develop Regulatory Strategy

- a. Develop approach to meeting future MS4 Permit requirements. It is our understanding that PRP requirements have already been met, so projected regulatory projects will focus on future projects and be on a concept-level in order to provide estimated costs for financial projections.
- b. Prepare a letter report which compiles the list of projects and their projected timing.

4. Evaluate Public Stormwater Concern Areas

- a. Evaluate known concerns. It is anticipated that up to ten (10) known concern areas will be evaluated.
- b. Develop concept designs to address the concerns.
 - i. Prepare concept-level GIS-based map depicting proposed projects.
 - ii. Prepare concept-level estimated costs for the projects, including Contractor Bid costs vs Township Crew Costs
- c. Prepare a letter report that summarizes the identified concern areas and the projects or other activities to address the concerns.

5. Assess Condition of Stormwater System

- a. Conduct rapid condition assessment of the stormwater system in select areas within the Township, including stormwater system areas identified as having poor road conditions under the 2024 Roadway AMP, stormwater systems within planned sewer replacement projects under the DEP Consent Decree, and stormwater systems identified above as concern areas. The representative rapid assessment will include the following activities.
 - i. HRG will create a new version of the Authority's existing GIS database of the Stormwater Management System, modified for use in the condition assessment. This includes creation of new data fields and map setup in the ArcGIS "Field Maps" application. For this task, HRG assumes that the Authority will allow HRG to access and modify their existing GIS map through the ArcGIS Online portal.
 - ii. HRG will perform a field investigation of inlets or endwalls and the associated pipe ends.
 1. Data collection will be performed using two-person crews. HRG will use ArcGIS Field Maps as well as measurement and photography equipment to perform a visual inspection of stormwater collection and conveyance system areas identified above and collect the following data:
 - a. Type, number, and severity of functional defects in inlets, endwalls, and associated pipe ends
 - b. Type, number, and severity of structural defects in inlets, endwalls, and associated pipe ends
 - c. Depth of inlets, endwalls, and associated pipe ends
 - d. Material of inlets, endwalls, and associated pipe ends
 - e. Asset ID (brought over from existing GIS database)
 - f. Inspection date
 - g. Inspection status
 - h. Pipes recommended for additional cleaning. For example, if a pipe invert cannot be visually inspected because of silt accumulation, HRG will recommend that the pipe receives cleaning.
 - i. Inspector Notes
 - j. Photographs inside each pipe end assessed
 - k. Photographs inside each inlet assessed
 - l. Photographs inside each endwall assessed
 2. The camera inspections performed under this agreement will not involve removing grates from inlets but will instead make use of a 360-degree camera that is slim enough to fit between the grates of a PennDOT standard inlet. Several factors can prevent the successful assessment of a stormwater inlet or endwall and its connected pipes using this equipment. These factors include, but are not limited to:
 - a. Inlet grate openings narrower than the PennDOT standard width of 1.625 inches
 - b. Inlet grate openings that are not vertical such as those in an inlet grate with slanted vanes
 - c. Accumulation of silt, trash or debris
 - d. Inlets or endwalls that hold standing water
 - e. Inlets beneath parked cars
 - f. Inlets over 9 feet deep
 3. Structures that cannot be assessed will be investigated by the field crew and will be designated as "could not be assessed" along with a note indicating the reason for their inaccessibility.
 - iii. HRG will assign an alphanumeric score representing the condition of each inlet, manhole, and pipe end assessed.

For pipe ends, the score will represent the following information:

1. Severity of the worst defect observed (score of 1 to 5)
2. Type of the defect for the worst defect observed (corrosion, obstruction, cracking, collapse, offset joint, etc.)
3. Total number of defects visible
4. Estimated loss of cross-sectional area due to defects

For inlets and endwalls, the score will represent the following information:

1. Severity of the worst defect observed (score of 1 to 5)
2. Type of the defect for the worst defect observed (cracking, spalling, missing masonry, offset sections, separation at pipe connection, etc.)
3. Total number of defects visible
4. Estimated percentage of the interior inlet box area affected by defects

- iv. For each inlet, endwall, and pipe end assessed in this phase, HRG will attach standard format (.jpg or .bmp) photographs and the condition score to that asset in the Authority's GIS system using the Field Maps application. HRG understands that 4G or 5G mobile internet coverage is available in all areas of the Township and therefore assumes that this information will be attached directly from the field. Therefore, no additional post-processing time is included to upload data to the GIS system via a hard-wired internet connection.

Under this task, HRG will also prepare a color-coded condition assessment map for the area assessed. HRG will employ 5 colors ranging from red to green to depict the "severity of worst defect observed" parameter from the Condition Assessment task. HRG will generate a "heat map" showing the area around each inlet or endwall assessed under this task with this color in the GIS database.

- v. Upon completion of the tasks described above, HRG will conduct an in-person meeting with Authority staff at their office location to review the findings and results. The review meeting will cover topics such as:
 1. Actual proportion of inlets and endwalls that could be assessed and/or require assessment
 2. Potential discovery of emergency issues
 3. Areas of poor condition identified through the rapid assessment task described above.
 4. Potential project locations identified by both the rapid condition assessment work and the full-scale inlet to inlet CCTV work performed by staff.
 5. Potential project locations and types based upon existing drainage problem areas or localized flooding.
 6. Planned paving, utility, or similar work by others that may affect the implementation schedule for the potential projects.

6. Develop a 10-year Rehabilitation Strategy

- a. Identify approach and timing for lining and replacement of existing infrastructure based on estimated existing pipe useful life.
- b. Prepare concept-level projects with estimated costs that would be included in the rehabilitation strategy for a 10-year projection.
- c. Coordinate with Township paving schedules to align rehabilitation activities with planned paving efforts.
- d. Compile language that can be used in a draft rehabilitation strategy policy for Authority consideration.

PHASE 2 – PLAN DEVELOPMENT

1. Prepare Internal Capital Improvement Plan (CIP)

- a. Assemble projects from Needs Evaluation Phase into a 10-year CIP.
 - i. Include consideration of anticipated method of constructions (in-house Township crew or contract)
 - ii. Included estimated costs, escalated based on implementation schedule.
- b. Develop an implementation schedule.
 - i. Consider other Township infrastructure plans (roads, bridges, sewer) in preparing the schedule.
 - ii. Contact the owner of the water system in the Township to request their capital improvement plan for coordination.
 - iii. As applicable, depict the various capital improvement plans in GIS and produce a map overlaying the various plans for comparison.
 - iv. Depict the projects schedule in a chart similar to a Gantt Chart

2. Perform Financial Analysis

- a. Develop 10-year projected operating expenses
 - i. Review the current stormwater utility budget, including personnel, maintenance, inspection, regulatory compliance, and administrative costs.
 - ii. Collaborate with stormwater staff to identify anticipated changes in operations (i.e., staffing increases, permit-driven activities, new technology etc.).
 - iii. Develop a detailed 10-year projection of operating expenses, including annual cost escalations based on historical trends or inflationary factors.
- b. Capital funding strategy
 - i. Utilize the 10-year Capital Improvement Plan (CIP) developed in Phase 2, Task 1 as the basis for funding needs.
 - ii. Evaluate alternative funding mechanisms for projects (pay-go, project-based borrowings or broader program debt). Potential grant programs will be identified as part of this process.
 - iii. Develop bond drawdown schedule related to projects, as applicable.
- c. Rate strategy development
 - i. Create multiple rate scenarios to evaluate the impact of different funding approaches.
 - ii. Ensure that rate scenarios support the projected O&M and capital costs while maintaining fund balance targets or reserve policies.
- d. Compile 10-year projected budget
 - i. Integrate projected operating expenses, capital costs and debt service, if applicable, into a 10-year projected budget.

3. Compile Public-Facing Communications Structure to support Level of Service Goals.

- a. Prepare a simplified 5-year public-facing CIP for use in communication and outreach such as the Authority website.
- b. Prepare a GIS-based stormwater concern form for customers to submit concerns along with observations such as photos and videos. Develop a process for reviewing these concerns.

4. Develop Draft Policy Framework

- a. Draft a set of written policies to formalize key aspects of the AMP and provide consistent and long-term guidance for decision-making.
- b. Coordinate with stormwater staff to review draft policies and align them with current operations and planning goals.
- c. Develop the following draft policies for Authority and Solicitor review and potential adoption:
 - i. Asset Management Policy – Establishes the Authority’s commitment to proactive, lifecycle-based asset management practices.
 - ii. Rehabilitation and Replacement Policy – Outlines procedures for reinvestment in aging infrastructure based on asset condition, risk, and coordination with other utility or roadway projects.
 - iii. Capital Project Prioritization Policy – Provides criteria and a structured process for evaluating and prioritizing stormwater projects.
 - iv. Reserve Balance Policy – Sets target fund balances for operating, capital and emergency reserves to promote financial resilience.
 - v. Rate and Funding Policy – Encourages periodic rate reviews, sustainable rate structures and prudent use of debt and cash financing.

5. Compile Asset Management Plan

- a. Integrate the above evaluations, strategies and schedules into an overall AMP document.
- b. Review the draft AMP with stormwater staff and Authority Solicitor.
- c. Present the final AMP to the Authority Board.

WORK PRODUCTS

The following work products will be delivered throughout the course of the project as each corresponding task is completed. These reports and tools will serve to inform decision-making, guide implementation, and communicate progress to stakeholders. The final AMP will incorporate and synthesize all of these components into a single, comprehensive document that establishes a strategic roadmap for the Authority’s stormwater program over the next decade.

Project deliverables will include the following:

1. Regulatory Strategy Letter Report
2. Stormwater Concerns Letter Report
3. Results of Rapid Condition Assessment, as follows
 - a. Updated GIS database including images and condition scores for the assets assessed delivered via the Authority’s online GIS
 - b. Interactive online GIS dashboard with map views showing color-coded representative condition assessment and overall project data
 - c. Organized directory of 360-degree image files for the area assessed
4. Draft Policies
5. Internal Capital Improvement Plan
6. Projected Bond Drawdown Schedule as applicable
7. 10-year Projected Budget
8. Public-Facing Capital Improvement Plan
9. GIS-based Stormwater Concerns Form

10. Ongoing Stormwater GIS Support including performing updates needed to maintain the stormwater asset ArcGIS Map
11. Asset Management Plan

SCHEDULE

We will begin working on the above-listed work immediately upon your authorization to proceed. It is estimated that the basic scope of services will be completed within twelve months of CLIENT authorization.

COMPENSATION

We propose to complete this work on an Hourly Basis.

This work will be subject to the General Conditions, included within our Retainer Agreement, our current Fee Schedule and current Billable Expense Schedule. Our policy is to render invoices monthly based on the time and expenses incurred.

Meetings with Authority staff and the Board that are necessary to complete the scope will be covered under the above amounts. However, if there is a material increase in meetings or requests outside the assumed level of coordination (e.g., additional workshops, stakeholder engagements or advisory sessions), those efforts may be billed separately on a time and materials basis.

In addition, in the event that work outside this scope of services is required to complete the project, HRG will prepare a supplemental scope of services for the Authority's review and approval prior to completing that work.

HERBERT, ROWLAND & GRUBIC, INC.

LOWER PAXTON TOWNSHIP
AUTHORITY

Approved by:

Jason R. Himmig

Group Manager | Municipal
& Water Resources

Title:

Date:

8/14/25

Approved by:

Title:

Date:

LOWER PAXTON TOWNSHIP AUTHORITY

Proposed 2026 Budget

Stormwater Fund

		12/31/2023	12/31/2024	12/31/2024	12/31/2025	12/31/2026	
Account Number	Account Title	2023 Actual	2024 Adopted Budget	2024 Projected Actual	2025 Proposed Budget	2026 Proposed Budget	Notes/Remarks
OPERATING REVENUES:							
40-3001-341.01	Interest Earnings	\$ 165,066	\$ 189,000	\$ 240,000	\$ 189,000	\$ 239,789	Based on Sam data 3/2025
40-3001-364.15	Stormwater - Fee Charges	3,538,059	3,375,000	3,400,000	3,450,000	3,510,352	Based on 33,923 ERUs at 104/qt
40-3001-391.20	Proceeds - Loss Compensation	9,089	-	-	-		
TOTAL STORMWATER FUND OPERATING REVENUES		3,712,214	3,564,000	3,640,000	3,639,000	3,750,141	
OPERATING EXPENDITURES:							
40-4450-436.300	Supp & Admin - Office Supplies	15,521	15,250	15,250	15,000	15,000	
40-4450-436.306	Supp & Admin - IT Supplies	772	250	500	500	500	
40-4450-436.310	Supp & Admin - Bank Fees	3,108	4,905	1,000	4,905	5,000	
40-4450-436.312	Supp & Admin - Advertising	1,679	1,000	800	1,250	2,000	
40-4450-436.314	Supp & Admin - Postage	14,831	17,000	17,000	17,000	19,000	
40-4450-436.322	Supp & Admin - Training/Seminars	3,966	3,000	5,500	3,500	4,000	
40-4450-436.500	Prof Svcs - Solicitor & Debt Collection	8,354	20,000	7,500	28,000	30,000	
40-4450-436.510	Prof Svcs - Engineering Services	32,763	42,000	32,000	32,000	40,000	see HRG budget
40-4450-436.520	Prof Svcs - Accounting & Auditing	8,090	8,240	8,240	9,200	9,200	confirm with Finance
40-4450-436.521	Prof Svcs - Contracted Labor	787	14,500	4,350	-	-	
40-4450-436.530	Prof Svcs - Township Management Admin Reimbursements	1,672,123	356,977	347,635	364,798	375,000	3% increase per contract
40-4450-436.535	Prof Svcs - Township Admin Rents	21,091	20,750	20,750	20,000	-	
40-4450-436.542	Prof Svcs - IT Subscriptions/Licenses	34,263	33,500	40,500	39,750	60,000	increase for AI storm pipe TV program
40-4450-436.570	Prof Svcs - Copier Maintenance Contracts	3,356	1,500	2,080	2,000	2,000	
40-4450-436.598	Prof Svcs - Communications & Newsletter Services	3,465	2,310	2,310	2,310	2,400	
40-4450-436.670	Utilities - Telephone & Alarm	7,186	7,000	7,000	7,000	7,000	
40-4450-486.730	Misc - Liability & Casualty Insurances	17,906	17,650	20,050	21,000	23,000	
Administration - General Services Expenditures Subtotal		1,849,362	565,832	532,465	568,413	594,100	
40-4455-436.302	Supp & Admin - Building Supplies	372	2,000	1,250	2,000	2,000	
40-4455-436.326	Supp & Admin - Uniforms	-	4,000	1,750	3,000	3,000	
40-4455-436.352	Supp & Admin - Small Tools/Equipment	1,689	5,000	4,500	5,000	5,000	
40-4455-436.400	R&M - Facilities Maintenance	-	-	3,500	5,000	5,000	
40-4455-436.420	R&M - Vehicle Maintenance	1,605	2,000	11,000	5,000	20,000	confirm with JW
40-4455-436.460	R&M - Stormwater Maintenance	52,647	125,000	125,000	150,000	170,000	increase for flushing program
40-4455-436.530	Prof Svcs - Township Management Program Reimbursements	-	1,230,422	1,221,457	1,301,432	1,340,000	3% increase per contract
40-4455-436.572	Prof Svcs - Cleaning Services	-	-	250	875	1,000	
40-4455-436.579	Prof Svcs - Enterprise Vehicle Leases	40,090	70,800	25,000	23,976	26,000	update for Nov final budget
40-4455-436.581	Prof Svcs - NPDES Permitting	2,500	2,500	2,500	2,500	2,500	
40-4455-436.582	Prof Svcs - PA One Call Services	40,457	40,000	40,000	42,000	42,000	
40-4455-436.600	Utilities - Vehicle Fuel	12,019	5,000	13,500	12,000	15,000	
40-4455-436.610	Utilities - Electric	-	1,000	1,000	1,000	1,000	

LOWER PAXTON TOWNSHIP AUTHORITY

Proposed 2026 Budget

Stormwater Fund

<u>Account Number</u>	<u>Account Title</u>	<u>2023 Actual</u>	<u>2024 Adopted Budget</u>	<u>2024 Projected Actual</u>	<u>2025 Proposed Budget</u>	<u>2026 Proposed Budget</u>	<u>Notes/Remarks</u>
40-4455-436.620	Utilities - Natural Gas	-	1,200	1,200	1,200	1,200	
40-4455-436.630	Utilities - Water	-	1,300	1,300	1,300	5,000	increase for flushing program
Public Works & Operations Facilities Expenditures Subtotal		151,379	1,490,222	1,453,207	1,556,283	1,638,700	
40-4700-471.820	Debt - Principal - 2019 Bonds	245,000	255,000	255,000	265,000	280,000	
40-4700-471.827	Debt - Principal - 2022 Bonds	315,000	325,000	325,000	340,000	355,000	
40-4700-472.820	Debt - Interest - 2019 Bonds	330,200	320,200	320,200	309,800	298,900	
40-4700-472.827	Debt - Interest - 2022 Bonds	431,875	420,650	420,650	407,350	393,450	
Debt Service Expenditures Subtotal		1,322,075	1,320,850	1,320,850	1,322,150	1,327,350	
TOTAL STORMWATER FUND OPERATING EXPENDITURES		3,322,817	3,376,904	3,306,522	3,446,846	3,560,150	
NET TOTAL STORMWATER FUND CHANGE IN OPERATING RESERVES		389,397	187,096	333,478	192,154	189,991	
Net Financial Operating Reserves - Beginning		6,089,035	6,478,432	6,478,432	6,811,910	7,004,064	
NET FINANCIAL OPERATING RESERVES - ENDING		\$ 6,478,432	\$ 6,665,528	\$ 6,811,910	\$ 7,004,064	\$ 7,194,055	

CAPITAL RESERVE REVENUES:							
40-3900-341.02	Interest Earnings - PLGIT Bonds	\$ 425,889	\$ 314,500	\$ 292,000	\$ 150,000	\$ 138,734	Based on Sam data 3/2025
40-3900-387.02	Contributions - JPRP Contributions	914	-	860	1,290	3,010	CRW & Susq model share
40-3900-392.01	Transfers In - Township Capital Funds	-	-	-	319,314	-	confirm with finance - grants
TOTAL STORMWATER FUND CAPITAL RESERVE REVENUES		426,804	314,500	292,860	470,604	141,744	
CAPITAL RESERVE EXPENDITURES:							
40-4800-436.940	Capital - Joint Polution Reduction Plan Programs	2,126	352,000	5,000	60,000	10,000	placeholder
40-4800-436.941	Capital - County WREP Programs	-	18,000	18,000	22,000	5,960	see county quote
40-4900-436.910	Capital - Equipment Purchases	145,150	192,500	90,926	31,500	384,000	80% share truck, excavator trade and paver for PW
40-4900-436.920	Capital - Facilities Improvements	-	10,000	7,480	-	-	
40-4900-436.940	Capital - Engineering GIS	-	7,500	4,000	5,000	30,000	update for Nov final budget
40-4900-436.941	Capital - Engineering MS4	90,287	130,000	75,000	130,000	70,000	
40-4900-436.951	Capital - PC-2 Storm Improvements	-	100,000	10,000	200,000	-	
40-4900-436.952	Capital - PC-3 Storm Improvements	452,877	1,575,000	125,000	1,900,000	100,000	contingency for closeout
40-4900-436.961	Capital - BC-2 Storm Improvements	1,843	-	-	-	-	
40-4900-436.966	Capital - BC-7 Storm Improvements	1,273,347	2,510,000	3,600,000	100,000	-	contract closed in 2025
40-4900-436.970	Capital - Bryson/Springford Storm Improvements	130,954	-	-	-	-	

LOWER PAXTON TOWNSHIP AUTHORITY

Proposed 2026 Budget

Stormwater Fund

<u>Account Number</u>	<u>Account Title</u>	<u>2023 Actual</u>	<u>2024 Adopted Budget</u>	<u>2024 Projected Actual</u>	<u>2025 Proposed Budget</u>	<u>2026 Proposed Budget</u>	<u>Notes/Remarks</u>
40-4900-436.971	Capital - Forest Hills Storm Improvements	-	-	45,000	148,000	50,000	HRG design
40-4900-436.972	Capital - Mountain View Acres Storm Improvements	-	500,000	10,000	200,000	800,000	crew supplies and sub work
40-4900-436.973	Capital - Army Televising Project	-	120,000	112,000	-		
40-4900-436.974	Capital - Colonial Park Improvements	-	-	32,500	496,500	975,000	HRG design 175,000 & construction costs PHC 800,000
40-4900-436.975	Capital - Friendship Center Basin Retrofit Project	-	-	20,000	263,875	5,000	closeout
40-4900-436.976	Capital - Storm Non-Consent Decree Replacements	91,973	500,000	175,000	200,000	200,000	HRG 20K, 180K crew supplies
40-4900-436.977	Capital - Storm Extension Projects	-	50,000	3,000	100,000	100,000	HRG 10k, 80K crew supplies
40-4900-436.978	Capital - Conway Park Stormwater Project	-	-	15,000	30,000	-	check with Parks for update
40-4900-436.979	Capital - George Park Stormwater Project	-	-	30,000	270,000	-	
40-4900-436.980	Capital - Public Works Campus Basin Retrofit Project	-	-	10,000	207,164	-	
40-4900-436.981	Capital - Friendship Center Discharge Improvements	-	-	14,000	35,000	-	
40-4900-436.982	Capital - Utah Ave Stormwater Project	-	-	22,000	128,000	100,000	HRG design and bid docs, construction in 2027
40-4900-436.983	Capital - Asset Management Plan					300,000	HRG proposal and sub contract costs
40-4900-435.984	Capital - PW Annual Paving Project					50,000	crew supplies and sub work
40-4900-436.530	Prof Svcs - Storm PW Capital Management Reimbursements	-	-	-	78,500	78,500	update for Nov final budget
40-4900-436.532	Prof Svcs - Storm Capital Management Reimbursements	84,483	426,342	288,170	248,896	248,896	update for Nov final budget
TOTAL STORMWATER FUND CAPITAL RESERVE EXPENDITURES		2,273,040	6,491,342	4,712,076	4,854,435	3,507,356	
NET TOTAL STORMWATER FUND CHANGE IN CAPITAL RESERVES		(1,846,237)	(6,176,842)	(4,419,216)	(4,383,831)	(3,365,612)	
Net Financial Capital Reserves - Beginning		12,899,415	11,053,178	11,053,178	6,633,962	2,250,131	
NET FINANCIAL CAPITAL RESERVES - ENDING		\$ 11,053,178	\$ 4,876,336	\$ 6,633,962	\$ 2,250,131	\$ (1,115,481)	

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2031 Projected	2032 Projected	2033 Projected	2034 Projected	2035 Projected	2036 Projected	2037 Projected	2038 Projected
Users and Rates																				
Total ERUs	30,750	30,985	31,220	33,293	33,542	33,453	33,688	33,923	34,158	34,393	34,628	34,863	35,098	35,333	35,568	35,803	36,038	36,273	36,508	36,743
New ERUs	-	235	235	2,073	249	(89)	235	235	235	235	235	235	235	235	235	235	235	235	235	235
Proposed Rate Increase																				
Annual Rate	\$ 128	\$ 128	\$ 104	\$ 104	\$ 104	\$ 104	\$ 104	\$ 104	\$ 104	\$ 108	\$ 108	\$ 108	\$ 108	\$ 112	\$ 112	\$ 112	\$ 112	\$ 112	\$ 116	\$ 116
Annual Rate Increase		0.00%	-18.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.85%	0.00%	0.00%	3.70%	0.00%	0.00%	0.00%	0.00%	3.57%	0.00%

Acct 36 - Operating Fund																				
Operating Revenues																				
341 - Interest Earnings ⁽¹⁾	\$ 867	\$ 5,157	\$ 356	\$ 29,435	\$ 165,066	\$ 245,446	\$ 189,000	\$ 239,789	\$ 246,436	\$ 251,566	\$ 250,100	\$ 252,027	\$ 248,051	\$ 232,640	\$ 220,243	\$ 206,243	\$ 185,442	\$ 152,464	\$ 116,968	\$ 83,675
364 - Stormwater Fees ⁽¹⁾	\$ 3,017,691	\$ 4,004,781	\$ 3,448,635	\$ 3,176,063	\$ 3,538,059	\$ 3,502,197	\$ 3,450,000	\$ 3,510,352	\$ 3,534,670	\$ 3,558,988	\$ 3,721,125	\$ 3,746,378	\$ 3,771,631	\$ 3,937,510	\$ 3,963,698	\$ 3,989,886	\$ 4,016,075	\$ 4,042,263	\$ 4,213,753	\$ 4,240,877
387 - Contributions/Grants	\$ -	\$ -	\$ -	\$ -	\$ 914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
391/393 - Miscellaneous	\$ -	\$ -	\$ -	\$ 673	\$ 9,089	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 3,018,558	\$ 4,009,937	\$ 3,448,991	\$ 3,206,172	\$ 3,713,128	\$ 3,747,643	\$ 3,639,000	\$ 3,750,141	\$ 3,781,106	\$ 3,810,554	\$ 3,971,225	\$ 3,998,405	\$ 4,019,682	\$ 4,170,149	\$ 4,183,941	\$ 4,196,130	\$ 4,201,517	\$ 4,194,727	\$ 4,330,721	\$ 4,324,552
Operating Expenditures																				
40-4450 - General Services ⁽²⁾	\$ 1,118,939	\$ 1,587,517	\$ 1,544,149	\$ 1,196,264	\$ 1,849,362	\$ 398,528	\$ 568,413	\$ 594,100	\$ 597,189	\$ 612,119	\$ 627,422	\$ 643,107	\$ 659,185	\$ 675,664	\$ 692,556	\$ 709,870	\$ 727,617	\$ 745,807	\$ 764,452	\$ 783,564
300 - Supp & Admin	\$ 8,462	\$ 22,479	\$ 33,962	\$ 39,886	\$ 39,877	\$ 34,718	\$ 42,155	\$ 43,209	\$ 44,289	\$ 45,396	\$ 46,531	\$ 47,695	\$ 48,887	\$ 50,109	\$ 51,362	\$ 52,646	\$ 53,962	\$ 55,311	\$ 56,694	\$ 58,111
500 - Prof Svcs	\$ 1,102,548	\$ 1,558,534	\$ 1,500,508	\$ 1,144,412	\$ 1,784,293	\$ 334,791	\$ 498,058	\$ 510,509	\$ 523,272	\$ 536,354	\$ 549,763	\$ 563,507	\$ 577,595	\$ 592,034	\$ 606,835	\$ 622,006	\$ 637,556	\$ 653,495	\$ 669,833	\$ 686,578
600/700 - Utilities & Misc.	\$ 7,929	\$ 6,504	\$ 9,678	\$ 11,966	\$ 25,193	\$ 29,019	\$ 28,200	\$ 28,905	\$ 29,628	\$ 30,368	\$ 31,128	\$ 31,906	\$ 32,703	\$ 33,521	\$ 34,359	\$ 35,218	\$ 36,098	\$ 37,001	\$ 37,926	\$ 38,874
40-4455 - PW & Oper. Facilities ⁽²⁾	\$ 136,794	\$ 144,342	\$ 151,450	\$ 148,776	\$ 151,379	\$ 1,456,020	\$ 1,556,283	\$ 1,638,700	\$ 1,635,070	\$ 1,675,947	\$ 1,717,845	\$ 1,760,791	\$ 1,804,811	\$ 1,849,931	\$ 1,896,180	\$ 1,943,584	\$ 1,992,174	\$ 2,041,978	\$ 2,093,028	\$ 2,145,353
300 - Supp & Admin	\$ -	\$ -	\$ -	\$ -	\$ 3,843	\$ 2,061	\$ 6,748	\$ 10,250	\$ 10,506	\$ 10,769	\$ 11,038	\$ 11,314	\$ 11,597	\$ 11,887	\$ 12,184	\$ 12,489	\$ 12,801	\$ 13,121	\$ 13,449	\$ 13,785
400 - Repairs & Maintenance	\$ 118,533	\$ 98,756	\$ 107,005	\$ 100,677	\$ 54,252	\$ 123,677	\$ 160,000	\$ 164,000	\$ 168,100	\$ 172,303	\$ 176,610	\$ 181,025	\$ 185,551	\$ 190,190	\$ 194,944	\$ 199,818	\$ 204,814	\$ 209,934	\$ 215,182	\$ 220,562
500 - Prof Svcs	\$ 17,168	\$ 45,499	\$ 44,445	\$ 43,951	\$ 83,048	\$ 1,306,335	\$ 1,370,783	\$ 1,405,053	\$ 1,440,179	\$ 1,476,183	\$ 1,513,088	\$ 1,550,915	\$ 1,589,688	\$ 1,629,034	\$ 1,670,166	\$ 1,711,920	\$ 1,754,718	\$ 1,798,586	\$ 1,843,551	\$ 1,889,640
600/700 - Utilities & Misc.	\$ 1,094	\$ 87	\$ -	\$ 304	\$ 12,019	\$ 18,261	\$ 15,500	\$ 15,888	\$ 16,285	\$ 16,692	\$ 17,109	\$ 17,537	\$ 17,975	\$ 18,425	\$ 18,885	\$ 19,357	\$ 19,841	\$ 20,337	\$ 20,846	\$ 21,367
4700- Debt Service ⁽³⁾	\$ -	\$ 578,135	\$ 579,100	\$ 802,802	\$ 1,322,075	\$ 1,320,850	\$ 1,322,150	\$ 1,327,400	\$ 1,402,289	\$ 1,564,378	\$ 1,570,903	\$ 1,708,110	\$ 1,995,993	\$ 1,998,755	\$ 1,995,196	\$ 2,136,997	\$ 2,423,966	\$ 2,421,109	\$ 2,424,458	\$ 2,423,894
820 - 2019 Bonds	\$ -	\$ 578,135	\$ 579,100	\$ 574,800	\$ 575,200	\$ 575,200	\$ 574,800	\$ 578,950	\$ 578,600	\$ 576,400	\$ 578,700	\$ 575,500	\$ 576,800	\$ 577,500	\$ 577,600	\$ 577,100	\$ 576,000	\$ 574,300	\$ 576,900	\$ 578,700
827 - 2022 Bonds	\$ -	\$ -	\$ -	\$ 228,002	\$ 746,875	\$ 745,500	\$ 747,350	\$ 748,450	\$ 744,050	\$ 744,150	\$ 748,500	\$ 747,250	\$ 745,350	\$ 747,750	\$ 744,450	\$ 745,450	\$ 745,650	\$ 745,050	\$ 746,375	\$ 744,800
82X - 2027 Bonds (\$4.4MIL ESTIMATE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 79,639	\$ 243,828	\$ 243,653	\$ 243,476	\$ 243,279	\$ 243,117	\$ 242,935	\$ 242,749	\$ 242,566	\$ 242,358	\$ 242,145	\$ 241,726
82X - 2030 Bonds (\$8MIL ESTIMATE)												\$ 141,884	\$ 430,564	\$ 430,388	\$ 430,211	\$ 430,033	\$ 429,853	\$ 429,670	\$ 429,484	\$ 429,292
2034 (\$8MIL ESTIMATE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,665	\$ 429,907	\$ 429,731	\$ 429,554	\$ 429,376
Total Expenditures	\$ 1,255,734	\$ 2,309,994	\$ 2,274,699	\$ 2,147,842	\$ 3,322,817	\$ 3,174,397	\$ 3,446,846	\$ 3,560,200	\$ 3,634,548	\$ 3,852,443	\$ 3,916,170	\$ 4,112,009	\$ 4,459,989	\$ 4,524,351	\$ 4,583,932	\$ 4,790,451	\$ 5,143,757	\$ 5,208,894	\$ 5,281,938	\$ 5,352,811
Reserves																				
Operating Surplus (Deficit)	\$ 1,762,825	\$ 1,699,943	\$ 1,174,292	\$ 1,058,330	\$ 390,312	\$ 573,246	\$ 192,154	\$ 189,941	\$ 146,559	\$ (41,890)	\$ 55,055	\$ (113,604)	\$ (440,307)	\$ (354,201)	\$ (399,991)	\$ (594,322)	\$ (942,240)	\$ (1,014,168)	\$ (951,217)	\$ (1,028,259)
Cummulative Operating Reserves	\$1,762,825	\$3,462,768	\$4,637,060	\$5,695,390	\$6,085,701	\$6,658,948	\$6,851,102	\$7,041,042	\$7,187,601	\$7,145,711	\$7,200,766	\$7,087,162	\$6,646,855	\$6,292,654	\$5,892,663	\$5,298,341	\$4,356,101	\$3,341,934	\$2,390,717	\$1,362,458
Target Reserves (25% Expenses)	\$ 313,933	\$ 577,499	\$ 568,675	\$ 536,961	\$ 830,704	\$ 793,599	\$ 861,712	\$ 890,050	\$ 908,637	\$ 963,111	\$ 979,042	\$ 1,028,002	\$ 1,114,997	\$ 1,131,088	\$ 1,145,983	\$ 1,197,613	\$ 1,285,939	\$ 1,302,224	\$ 1,320,484	\$ 1,338,203
						Reserves	\$ 7,064,020													
						Actual Cash Reserves	\$ 6,512,690													

Acct 36 - Capital Reserve																					
Revenues/Funding																					
341 - Interest Earnings ⁽¹⁾	\$ 39,578	\$ 48,440	\$ 2,601	\$ 275,971	\$ 425,889	\$ 286,132	\$ 150,000	\$ 138,734	\$ 156,761	\$ 103,035	\$ 1,035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
35X/387 - Contributions/Grants	\$ -	\$ 10,972	\$ -	\$ 391,058	\$ -	\$ 860	\$ 1,290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
391/393 - Miscellaneous	\$ 10,244,245	\$ -	\$ -	\$ 13,563,738	\$ -	\$ 34,000	\$ 319,314	\$ 8,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Revenues/Funding	\$ 10,283,823	\$ 59,412	\$ 2,601	\$ 14,230,766	\$ 425,889	\$ 320,992	\$ 470,604	\$ 8,238,734	\$ 156,761	\$ 103,035	\$ 1,035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating Expenditures																					
40-7000 - Debt Issuance Costs	\$ -	\$ -	\$ -	\$ 165,550	\$ -	\$ -	\$ -	\$ 100,000													
40-4800 - JPRP Programs	\$ -	\$ 657,363	\$ 263,437	\$ 1,915,927	\$ 2,126	\$ 20,000	\$ 82,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
40-4900 - Stormwater Capital Expenditures	\$ 1,197,858	\$ 1,318,113	\$ 2,165,763	\$ 3,992,263	\$ 2,270,914	\$ 3,968,235	\$ 4,772,435	\$ 6,140,434	\$ 1,486,264	\$ 3,417,518	\$ 3,849,210	\$ 635,236	\$ 654,293	\$ 673,922	\$ 694,139	\$ 714,964	\$ 736,412	\$ 758,505	\$ 781,260	\$ -	
950 - Paxton Creek	\$ 21,503	\$ -	\$ -	\$ 110,291	\$ 452,877	\$ 63,673	\$ 2,100,000	\$ 1,866,667	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
960 - Beaver Creek	\$ -	\$ 801,495	\$ 1,781,248	\$ 1,312,130	\$ 1,275,189	\$ 2,920,886	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
942/943/970/532 - Contracted/Internal Other Projects	\$ 1,069,464	\$ 201,257	\$ 197,307	\$ 1,893,324	\$ 307,410	\$ 705,178	\$ 1,957,271	\$ 3,801,667	\$ -	\$ 2,916,667	\$ 3,333,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
910/941 - Equipment & Misc.	\$ 106,892	\$ 315,360	\$ 187,208	\$ 676,519	\$ 235,437	\$ 278,498	\$ 615,164	\$ 472,101	\$ 486,264	\$ 500,851	\$ 515,877	\$ 635,236	\$ 654,293	\$ 673,922	\$ 694,139	\$ 714,964	\$ 736,412	\$ 758,505	\$ 781,260	\$ -	
Total Expenditures	\$ 1,197,858	\$ 1,975,476	\$ 2,429,199	\$ 6,073,740	\$ 2,273,040	\$ 3,988,235	\$ 4,854,435	\$ 6,240,434	\$ 1,486,264	\$ 3,417,518	\$ 3,849,210	\$ 635,236	\$ 654,293	\$ 673,922	\$ 694,139	\$ 714,964	\$ 736,412	\$ 758,505	\$ 781,260	\$ -	
Reserves																					
Operating Surplus (Deficit)	\$ 9,085,965	\$ (1,916,064)	\$ (2,426,598)	\$ 8,157,026	\$ (1,847,151)	\$ (3,667,243)	\$ (4,383,831)	\$ 1,998,300	\$ (1,329,502)	\$ (3,314,483)	\$ (3,848,175)	\$ (635,236)	\$ (654,293)	\$ (673,922)	\$ (694,139)	\$ (714,964)	\$ (736,412)	\$ (758,505)	\$ (781,260)	\$ -	
Cummulative Operating Reserves	\$9,085,965	\$7,169,901	\$4,743,303	\$12,900,329	\$11,053,178	\$7,385,935	\$3,002,104	\$5,000,404	\$3,670,901	\$356,419	-\$3,491,756	-\$4,126,992	-\$4,781,285	-\$5,455,207	-\$6,149,346	-\$6,864,309	-\$7,600,722	-\$8,359,227	-\$9,140,487	-\$9,140,487	
Cash Reserves						\$ 7,648,336															
Cash Reserves, Less YE Payables						\$ 7,648,336															

July 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
		Londonderry Storm/Sewer Repair			(Dartmouth)	
6	7	8	9	10	11	12
	Dartmouth Storm/Sewer Repair					
13	14	15	16	17	18	19
	Public Works Campus Basin Work					
20	21	22	23	24	25	26
	Public Works Campus Basin Work					
27	28	29	30	31		
	Public Works Campus Basin Work					

August 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 (PW Basin)	2
3	4 Public Works Campus Basin Work	5	6	7	8	9
10	11 Public Works Campus Basin Work	12	13	14	15	16
17	18 PC-3E Work Lancaster	19	20	21	22	23
24	25 PC-3E Work Lancaster	26	27	28	29	30

September 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
	PC-3E Work Lancaster					
7	8	9	10	11	12	13
	PC-3E Work Lancaster					
14	15	16	17	18	19	20
	PC-3E Work Lancaster					
21	22	23	24	25	26	27
	PC-3E Work Lancaster					
28	29	30				
	PC-3E Work Lancaster					

Public Works Basin



Public Works Basin



Public Works Basin



Public Works Basin



Public Works Basin



Public Works Basin





Herbert, Rowland & Grubic, Inc.
369 East Park Drive
Harrisburg, PA 17111
717.564.1121
www.hrg-inc.com

STORMWATER ENGINEER'S REPORT

LOWER PAXTON TOWNSHIP/AUTHORITY

Attn: Tom Vernau

Report Period: 05/28/25 – 08/26/25

HRG Project Number: R004807.0435

August 26, 2025

MS4 – TECHNICAL ASSISTANCE:

- HRG assigned tasks by LPT
 - MS4 Annual Reporting
 - A summary of activities required for the 2024-2025 MS4 Permit Year are provided below:
 - > **MCM-1:** The Township continues to exceed Public Education and Outreach requirements by publishing multiple stormwater related newspaper & newsletter articles, maintaining the Township's stormwater management website, and posting stormwater related information at the municipal building. Such material is periodically collected for inclusion in the Township's MS4 Annual Report.
 - > **MCM-2:** The Township met the MS4 permit requirements by holding at least one stormwater related public meeting during the 5-year permit term. The monthly Stormwater Authority meetings are open to the public to participate. The Township also solicited public input on the revised PRP as required. Stream cleanup activities and other examples of public involvement from community organizations, like the Paxton Creek Watershed and Education Association (PCWEA), are documented.
 - > **MCM-3:** The Township continues to meet permit requirements by maintaining an updated GIS based map of the stormwater collection and conveyance system. HRG performed outfall screenings in the Paxtonia and Union Deposit Road areas utilizing the Survey 123 mobile app. The Township continues to provide spill and sanitary sewer overflow reports to HRG for inclusion in the annual MS4 report.
 - > **MCM-4:** The Township continues to meet permit requirements by conforming to the conditions of the Memorandum of Understanding held with the Dauphin County Conservation District as it relates to implementation of the NPDES PAG-02 permitting program for construction activities. HRG also provides documentation on construction observation reports that E&S controls are installed and being maintained.
 - > **MCM-5:** Similar to MCM-4, the Township continues to meet permit requirements by conforming to the conditions of the Memorandum of Understanding held with the Dauphin County Conservation District as it relates to implementation of the NPDES PAG-02 permitting program for construction activities. HRG continues to document the installation of

Post Construction Stormwater Measures (PCSMs) on new land development projects. HRG conducts routine and complaint driven inspections of PCSMs to document their functionality. Identified deficiencies are reported to the Township for coordination of necessary maintenance/repairs.

- > **MCM-6:** The Township continues to meet permit requirements by providing Township Public Works and Sewer Authority staff annual MS4 training. The Township continues to maintain an inventory of all municipal activities, facilities, and operations that have the potential to contribute to stormwater pollution as required by their MS4 Permit. The annual MS4 training for municipal staff required by the permit will be provided prior to the June 30, 2025, permit year deadline.
- > **Annual Report for MS4:** Currently underway and being coordinated with the township. Anticipated to be ready for review 9/15/2025.

- Individual MS4 Permit renewal.

- HRG submitted the Notice of Intent (NOI) and accompanying documentation for the MS4 permit renewal to PADEP prior to the February 1, 2025, deadline. The Township received final permit approval on April 21, 2025. The permit became effective on May 1, 2025, and is set to expire April 30, 2030.

- HRG's understanding of LPT tasks being completed in-house.

- Continue coordinating with HRG, GHD, and the Township's GIS Manager on GIS mapping efforts.
 - Assistance with final inspection of Tucsan Villas HOA Basin for NPDES closeout is scheduled for 8/22/25.

MS4 – JOINT POLLUTANT REDUCTION PLAN (PRP) (PAXTON CREEK COLLABORATIVE - CRW, LPT, ST):

- PennDOT Partnership Program Management

- All previous projects through the contract with RES have been completed, and it is our understanding that LPT/A is handling any future coordination with the other entities directly.

OUTSTANDING PROPOSALS:

- None.

DESIGN PROJECT STATUS:

- Melbourne Drive and Surrounding Area Drainage Improvements {HRG #R000184.0555}
 - HRG completed the preliminary design for the expanded project area. HRG provided the additional SUE Level A test pit locations to LPTA. LPTA is in progress of completing the SUE Level A test pits. Test pit estimated completion is December 2025.
- Colonial Park Stormwater Improvements Project {HRG #R004807.0450}

- Colonial Park Area A (Oak Park Circle) survey and basemapping are completed. Preliminary design has been completed and reviewed with LPTA staff. HRG has developed test pit exhibits and is coordinating with a subconsultant to receive a quote for SUE Level A services.
 - Colonial Park Areas B (Berryhill Rd/North Rd/South Rd) survey and basemapping have been completed. HRG has completed preliminary design. HRG has developed test pit exhibits and is coordinating with a subconsultant to receive a quote for SUE Level A services.
 - Colonial Park Area C (Edwin Ave/Ricker Ave) survey and basemapping have been completed. HRG has completed preliminary design. A portion of the project area is in pursuit of a grant opportunity through the PA SWS grant program (estimated award is spring 2026). HRG has developed test pit exhibits and is coordinating with a subconsultant to receive a quote for SUE Level A services.
- Conway Road Park Conceptual Stormwater Management Feature Layout {HRG #R004807.0454}
- HRG and LPTA staff met on 10/15 to review the Conceptual Stormwater Management layout.
 - HRG is awaiting future direction from the Township on this project as we understand funding opportunities are being pursued.
- Public Works Basin Water Quality Retrofit Project {HRG #R004807.0456}
- HRG provided the final design and quantities to LPTA staff on 12/12/2024. HRG provided control points for LPTA staff week of 2/3/25. We understand that LPT/A staff have been constructing the project with technical assistance from HRG on an as needed basis.
- Utah Avenue Drainage Improvements {HRG #R004807.0456}
- HRG has completed the Survey and Basemapping for the project area. HRG has completed preliminary design and reviewed with LPTA staff. LPTA staff is coordinating with sanitary engineer regarding potential upgrades to the sanitary system. HRG is awaiting further direction from LPTA staff prior to finalizing design.

CONSTRUCTION PROJECT STATUS:

- BC 7-8 Drainage Improvements – Design; {HRG #R000184.0539}
- The contract completion dates were extended to April 21, 2025 and May 15, 2025 for substantial and final completion respectively, with the caveat that dates would be contingent on PPL completing relocations to accommodate remaining storm sewer work. PPL completed the relocations in mid/late April and Doli subsequently finished the storm sewer work. Doli is currently progressing with addressing punchlist items as the project moves towards its conclusion.
- PC-3E and PC-1F Sanitary and Storm Sewer System Replacement and Rehabilitation Projects: HRG #R004807.0444}
- Doli mobilized to the project site and began working in October 2024. Through mid-August 2025, Doli has completed pipe work through the right of way from Goose Valley

Road to Banbridge Dr., Blanchester Rd., Kingston Rd., Clermont Dr., Roxbury Dr., and Chesterfield Ct. Work is on-going along N. Lockwillow Ave., Ryan Dr., and Lancaster Ave. Base paving has occurred in portions of Colonial Club Dr., Lemar Ave., and Santo Cir. Next areas planned for pipe work are along N. Mountain Rd. and to the east of N. Mountain Rd. (Blue Eagle Ave., Blue Stone Ave., etc.) LPT/A staff are periodically updating the Lower Paxton at Work website with completion status.

- As the project has progressed, construction costs have exceeded \$2.4M, and accordingly, HRG and LPT/A staff developed the reimbursement documents to submit to access the full grant amounts awarded to the project through the CFA Local Share Account (\$1M) and PA H2O (~\$1.4M) programs.
- Substantial and final completion dates set as September 27, 2025, and November 26, 2025, respectively.
- Work at the Conway Fill site continues. The western portion of the site was final graded, seeded and matted in June. Active fill and grading operations continue on the eastern portion.
- HRG, LPTA, and Doli came to terms on Work Change Directive #2 to formally incorporate contractor-initiated scope changes for replacement of the Kingston Ave. culvert, 10" ACP sewer lining near Goose Valley Rd., addressing discrepancies related to sewer depth pay items, and incorporating pay items for other work included in the project documents. Additionally, Work Change Directive #3 was finalized to re-assign storm sewer work responsibilities along Banbridge Dr. from LPTA crews to Doli. LPTA crews have been shifted to other priorities and Doli has verbally agreed to take on the additional work. Estimated costs associated with the Work Change Directives are ~\$1M.
- On August 13, 2025, LPTA executed an agreement with HB Engineering for the design of an additional twelve (12) curb ramps in the project area that will be added to Doli's scope of work upon completion.

■ Friendship YMCA Stormwater Basins Water Quality Retrofit Project {HRG #R004807.0451}

- The lower bidder for the project was Final Grade Excavation, LLC with a bid amount of \$185,313.90. The bid was awarded on March 11, 2025. A preconstruction meeting was held on April 23, 2025 with Final Grade Excavation, LLC, HRG, and LPTA staff. Notice to Proceed was issued at the preconstruction meeting. Construction is set for substantial completion week of 8/18.
- Installation of the Dechlorination Unit was completed by PSI Pumping Solutions, and chlorine testing completed by HRG on July 31, 2025. The System is deemed operational by HRG. An Operation and Maintenance Manual was also generated by HRG and provided to LPT/YMCA on August 13, 2025. HRG will continue to monitor updates from the YMCA, Township, or PADEP.

MISCELLANEOUS ITEMS:

■ Stormwater Fee Credit Application Reviews {HRG #R004807.0441}

- There are no active credit applications under review.

- Emergency Contract Support {HRG #R004807.0440}
 - No work orders that necessitated HRG's involvement were developed in the last reporting cycle.
- Dauphin County Water Resource Enhancement Program (WREP) [HRG #R006524.0433]
 - Tri-County Regional Planning Commission is leading the planning objectives and activities for 2025. HRG's support is focused on project management for CAP Block Grant-funded projects.
- Storm Sewer System Inventorying and Condition Assessment partnership with the U.S. Army Corps of Engineers (USACE) [HRG #R004807.0436]
 - LPTA presented a scope of work and agreement for storm sewer condition assessments through the USACE to the LPTA Board during their meeting in November 2023. The total estimated costs for the technical assistance project were \$224,000 with LPTA and USACE splitting the cost on 50-50 arrangement. LPTA staff have been working directly with USACE on the project.
 - USACE has provided various inspection logs and video logs for review, however, it is not believed that the whole scope has been completed, and we understand that LPTA desires to withdraw from the agreement at this time. HRG is assisting LPTA in reviewing the data provided versus the original scope of work in hopes of receiving reimbursement from USACE for unfinished work.
- Stormwater Asset Management Plan
 - LPTA and HRG have been collaborating and met on 5/20/2025, 7/17/2025, and 8/5/2025 to discuss an asset management plan relative to the public stormwater system and the need/benefits of developing and implementing a plan. Through our discussions, we were able to develop a proposal, and the associated scope will be discussed at the 8/26/25 meeting with the goal of receiving the LPTA Board's support to begin work in September.

Herbert, Rowland & Grubic, Inc.



Jason R. Hinz, P.E.

JRH/LB
R004807.0435

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