

# Hampden Township

## Pennsylvania



## Annual Financial Report

For Fiscal Year Ended December 31, 2021  
Prepared by the Department of Finance  
Terri Noll, Finance Director

HAMPDEN TOWNSHIP

PENNSYLVANIA

*“Where People Come First”*

ANNUAL  
FINANCIAL  
REPORT

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FOR THE YEAR ENDING DECEMBER 31, 2021

PREPARED BY THE DEPARTMENT OF FINANCE

TERRI NOLL, FINANCE DIRECTOR

**HAMPDEN TOWNSHIP**  
**ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2021**

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## **INTRODUCTORY SECTION**





# Hampden Township

## Board of Commissioners

Nathan P. Silcox, President  
Sherri B. Chipko, Vice President  
John P. Gaspich, Jr., Asst. Secretary  
Albert H. Bienstock  
John V. Thomas

## Township Manager

Keith B. Metts

June 22, 2022

To the Citizens of Hampden Township  
and the Township Board of Commissioners  
209 S. Sporting Hill Road  
Mechanicsburg, PA 17050

The Annual Financial Report of Hampden Township (Township), Cumberland County, Pennsylvania, for the year ending December 31, 2021 is submitted herewith. This report is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

The financial statements herein were prepared by Township management, which is responsible for both the accuracy of the data presentation and the completeness and fairness of this report taken as a whole. To provide a reasonable basis for making these representations, management of the Township has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Township's financial statements in conformity with GAAP. Because internal controls should not outweigh their benefits, the Township's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free of material misstatement. The data presented, we believe, is accurate in all material aspects; all disclosures necessary to enable the reader to acquire the maximum understanding of the Township's financial activity have been provided.

The Township's financial statements have been audited by Maher Duessel, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Township for the year ended December 31, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that the 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Township's MD&A can be found immediately following the report of the independent auditor.

## **Profile of the Government**

Scotch-Irish farmers first settled the area, which now makes up the Township, in the 18th century. It was incorporated January 23, 1843 and was part of Pennsboro Township until 1845, when it became a separate township. It attained the status of first-class township - population of more than 10,000 - in 1960. As of the 2020 Census its population had grown to more than 32,848, the largest in Cumberland County.

The Township occupies 17.8 square miles in the eastern sector of Cumberland County. The Township is one of several municipalities situated on the west side of the Susquehanna River, known collectively in the metropolitan area as the "West Shore." The Township benefits from proximity to Harrisburg, the capital city of Pennsylvania, and to Carlisle, the county seat of Cumberland County. Cumberland County, Dauphin County, portions of northern York County, and portions of southern Perry County constitute what is generally regarded as the Harrisburg metropolitan area. Officially, the Harrisburg Standard Metropolitan Statistical Area is made up of Dauphin, Cumberland, and Perry Counties.

The Township has a Commissioner-Manager form of government with five Commissioners, elected on a staggered basis for four-year terms comprising the government body. The appointed Township Manager is responsible for administering the adopted budget in accordance with policy established by the Board of Commissioners.

This report includes all the funds under the oversight of the Hampden Township Board of Commissioners. The Hampden Township Sewer Authority (Authority) has been included as a blended component unit based on its appointment by the Board of Commissioners and the Township's financial accountability.

The Township provides a full range of municipal services. The public safety program includes police, emergency medical service, building and code inspection, planning, zoning, emergency management and support of the Hampden Township Volunteer Fire Company. Public Works services include street maintenance, street sweeping, snow removal, traffic signalization, storm sewer maintenance, essential roadway construction and maintenance, leaf collection, and parks maintenance. An independent contractor provides residential refuse and recycling throughout the Township. The Township operates a yard waste collection and recycling center, producing tanbark and compost which is made available to residents to pick up free-of-charge. The Township owns and maintains numerous community parks, a pool and a golf course, providing a wide range of recreational opportunities for all residents.

Additional services are provided by the Township through outside contracts or volunteer services, including fire protection provided by the Hampden Township Volunteer Fire Company, recreational youth sports programs, Cumberland County Planning Commission land development and zoning review services, certain tax collection services provided by the Cumberland County Tax Bureau, and Capital Region Council of Governments membership benefits. The Hampden Township Police Department is currently inputting and maintaining criminal and arrest reports/records with the CNet system. The central booking center is now operated by the Cumberland County Prison rather than the District Attorney's Office.

The annual budget serves as the foundation for the Township's financial planning and control. The Township must and does legally adopt a budget for all governmental funds. These budgets are prepared on the cash basis of accounting which recognizes revenue when cash is received and expense when cash is disbursed.

The Board of Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including the proceeds of any borrowing now or hereafter authorized by law. The Board of Commissioners may authorize the transfer of any unencumbered balance of any appropriation item or any portion thereof. The legal level of required Board of Commissioner approval of budget amendments is as follows:

**General Fund** - Department level except the Public Works Department which is at the major expenditure category level such as cleaning streets/gutters or snow/ice removal.

**Special Revenue Fund and Capital Project Funds** - major expenditure category level.

For funds budgeted, the Township Manager can amend appropriations within the major department or expenditure category, whichever is permitted. As a practice, the Board Commissioners ratifies all budget changes if any are required.

Budget-to-actual comparisons are provided for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented beginning on page 59 as required supplementary information. For governmental funds, other than the General Fund, with appropriated annual budgets, this comparison is presented in the non-major governmental fund subsection of this report, which starts on page 69.

The Hampden Township Sewer Authority was incorporated on September 28, 1966 for the purpose of financing and constructing wastewater collection, conveyance, and treatment facilities in the Township. Public sanitary sewers were initially installed in the Township during the early 1970s. Currently, more than 75% of the geographic area of the Township and 95% of the developed parcels are served by public sanitary sewer service. The sewer system consists of 27 pumping stations, approximately 165 miles of sewer line, and the Roth Lane wastewater treatment plant, which is rated for 5.69 million gallons per day (mgd). All public sewage facilities in the Township are owned by the Authority and operated by the Township under a Sewer Lease.

All wastewater discharged into the public sewer system is conveyed to the Roth Lane Wastewater Treatment Plant for treatment with the exception of a few small pockets of the Township from which wastewater flow is conveyed to adjacent municipalities for treatment. The Township sewer facilities also receive flow from the entire Borough of Camp Hill and small portions of Silver Spring and East Pennsboro Townships. Conditions regarding the acceptance of flow from and conveyance of flow to the adjacent municipalities are set forth in intermunicipal agreements between the municipalities.

In 2013, the Authority amended its Articles of Incorporation to add, as a purpose, the management of the Township storm sewer system. Subsequently in 2015, all publicly owned stormwater facilities were dedicated to the Authority. At the same time, the Authority implemented a Stormwater

Management Fee and executed a maintenance agreement with the Township. Currently, the Authority owns approximately 50 miles of storm sewers and 9 stormwater BMPs including 6 detention basins, 2 raingardens, and an injection well system. In accordance with the Stormwater Lease, all publicly owned stormwater facilities within the Township are owned by the Authority and operated by the Township.

### **Factors Affecting Financial Condition**

**Local Economy.** The Township continues to have a stable economic environment and local indicators point to continued stability. The Township is considered one of the most desirable places to live and work in Central Pennsylvania. The Township enjoys a flourishing commercial and industrial base in a metropolitan area renowned for economic stability. It is a popular residential community with many attractive neighborhoods and growing developments. It is also a place where good government and sound planning have balanced growth with intelligent concern for the environment and the quality of life.

The Township is one of the most prosperous communities in the metropolitan area. In recent history, it has notched one of the highest per-capita income of all 22 Townships in Cumberland County.

The Township is served by a modern police force of 26 officers, including the Chief of Police, and a well-trained and equipped volunteer fire department. Ambulances and emergency medical technicians are on duty around the clock to respond to emergency calls. Pennsylvania-American Water Company and Suez Pennsylvania provide public drinking water service.

General and corporate aviation facilities are located at Capital City Airport on the West Shore. Modern domestic and international passenger and airfreight facilities are located at Harrisburg International Airport, south of Harrisburg in Middletown. The airport features a modern terminal served by major air carriers and a separate international terminal for direct charter flights and international shipping.

Norfolk-Southern lines provide freight service in a corridor through the industrial/commercial section of the Township. The Enola Yards, one of the major freight classification rail yards on the East Coast, is situated nearby. The Harrisburg Transportation Center in Harrisburg is a connection point for Amtrak rail passenger service.

The Township is also served by Capitol Area Transit, the public mass transit agency that provides bus service to residents of the Harrisburg metropolitan area. The Township is located in a transportation hub that is served by an excellent system of roads and highways. Many trucking companies maintain major terminals within the Township because of its convenient location.

The Township contains over 100 miles of Township-owned roads and 27 miles of state-owned roads. Interstate 81 provides a major north-south link with New York State and Maryland and points beyond. Interstate 83 provides quick, direct access to Baltimore and the Washington, D.C. area. Philadelphia and Pittsburgh are within hours via the Pennsylvania Turnpike. State Route 581 through the Township provides an effective beltway around the Capital City. U.S. Route 15 reaches north into

north central Pennsylvania and south into Maryland and the Washington metropolitan area. U.S. Route 11 connects the Township with Carlisle, the county seat.

Some 100 plus distinct residential developments provide a variety of suburban settings for comfortable living in the Township. Overall, single-family homes account for approximately 70 percent of the housing in the Township.

Major health care facilities and three hospitals with well-trained staffs and state-of-the-art medical technology are located within the Township.

A strong business base (along with low unemployment) continues to propel the Township in the twenty-first century. Business development and redevelopment remains strong and various residential developments continued expanding in 2021. In addition, the U.S. Navy has moved the entire Supply Headquarters staff of over 200 professionals from the DC area to the base located in the Township.

You're never far from anything in the Township, including stores and shops with goods to fill just about any need. The Hampden Commons, Gateway Square, Hampden Centre, Home Depot, Lowe's, Hobby Lobby, and Marshalls are located in the Township. In close proximity are Silver Spring Commons, Silver Spring Square, Shoppes of Silver Spring, Capital City Mall, the Camp Hill Shopping Mall, and the West Shore Plaza. The Capital Beltway and Interstate 83 put the Township only minutes away from the Harrisburg Mall and the Colonial Park Plaza, both located on the East Shore.

The Township is part of the Cumberland Valley School District, one of nine school districts in Cumberland County and one of the largest public school systems in the Harrisburg metropolitan region. Overall, Cumberland County's school systems are recognized as being excellent statewide in both academics and extracurricular activities. The Cumberland Valley School District includes a high school, two middle schools, and eight elementary schools. Post-high school educational opportunities are abound in the region around Hampden Township.

Boredom is never a problem for anyone in the Township. The opportunities for recreational activity and the pursuit of culture are nearly limitless.

The Township owns and operates six municipal parks. There is the 32-acre Hampden Park, which includes a swimming pool, spray pool, tennis and pickleball courts, soccer fields and playgrounds; the 36-acre Creekview Recreation Area, includes a lighted basketball court, lighted ball field, lighted tennis and pickleball courts, play areas, and pavilions; the 24-acre Salem Park, which includes ball fields and soccer fields; the 18 acre Hampden Township Veterans Memorial Park; and Conodoguinet Youth Park, an eight-acre creek side, passive recreation area, which is designed for picnics and youth activities and Srouji Park. The Township also owns and operates an 18-hole public golf course, the Armitage Golf Club, one of the busiest in Central Pennsylvania and one that continues to add new amenities and routinely be voted as Harrisburg's Simply the Best golf course.

The immediate area includes other public golf courses and private country clubs. Skiing is close by at Ski Round Top. Penn National Race Course and Hollywood Casino is a short drive away. Hershey Park amusement park along with the Hershey Park Arena/Giant Center in Hershey which is home to the Hershey Bears professional hockey team. FBN Field on Harrisburg City Island is the home park for

the Harrisburg Senators AA baseball team, as well as Penn FC, a professional outdoor soccer team. Beaver Stadium, home of the Penn State Nittany Lion football team, is less than two hours away.

The Harrisburg Symphony is joined regularly by internationally known artists for performances in the Forum in Harrisburg. Nationally known touring performers regularly visit the Forum, the Hershey Park Arena/Giant Center, and the Hershey Theatre. The Farm Show Arena in Harrisburg provides the setting for a variety of major trade shows. The Whittaker Center, in downtown Harrisburg, is becoming the Art/Entertainment nexus in the area.

The extensive collections of the Pennsylvania State Library are located in the Capitol Complex in Harrisburg. The State Museum is also located in the Capitol Complex. The Township and other surrounding communities are served by a regional public library system.

Live theatre is a regular offering at the Harrisburg Community Theatre, the Little Theater of Mechanicsburg, the Oyster Mill Playhouse in Camp Hill, and the Allenberry Playhouse in Boiling Springs.

The Gettysburg National Battlefield and the Eisenhower Farm are a 45-minute drive away. The Harrisburg Civil War Museum has numerous displays of artifacts from the Civil War. Also, close-by is the famed Pennsylvania Dutch Country of Lancaster County.

State parks in the immediate vicinity include Kings Gap Environmental Center near Carlisle, Colonel Denning State Park in Newville, Pine Grove Furnace State Park, Pinchot Lake near Lewisberry, and Little Buffalo State Park near Newport. Fishing and hunting in the area are first-rate.

**Long-term Financial Planning.** With the current state of the economy, the Township has taken a conservative approach to long-term financial planning and capital improvements. With the passage of the 2021 budget, capital improvement expenses were scaled back due to the COVID-19 pandemic and included necessary debt payments, vehicle replacements, street resurfacing, parks, facilities and other infrastructure improvements to name a few. Future long-term financial planning strategies will depend primarily on the economy.

These initiatives, most noticeably, are being done without an increase in taxes under the modern fiscal policy established by the Board of Commissioners and executed by dedicated, knowledgeable and professional Department Heads.

**Relevant Financial Policies.** Budgets are adopted for each department and are an integral part of the accounting system providing management control over expenditures in the General Fund and other governmental funds. Encumbrance accounting is used to record an estimated amount for approved purchase orders. Expenditures, which result in an over-expenditure are not released until additional appropriations are made available. The Board of Commissioners must approve supplemental appropriations.

The Township maintains all of its financial management system through one computer system. All payroll, utility billing, and budgetary and accounting computerized functions are interfaced into the general ledger.

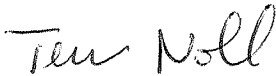
The relationship of internal control to basic management responsibilities emphasizes the interlock of the accounting system with all other management control systems. The Township's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Despite meeting the increasing demand for services due to the sustained growth of the Township, the elected officials of the Township have held the line on the property-tax rate for more than forty years. The Township has enjoyed one of the lowest real estate tax millage rates of all 72 first-class Townships throughout Pennsylvania. That millage rate is 0.156 mills.

### **Acknowledgements**

**Acknowledgments** - The preparation of the comprehensive financial report on a timely basis was made possible by the dedication of the Finance and Administration Departments. In closing, without the leadership and support of the Township Board of Commissioners, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in cursive script that reads "Terri Noll".

Terri Noll  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Hampden Township  
Pennsylvania**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO



## **HAMPDEN TOWNSHIP**

### **RESPONSES TO 2020 ANNUAL REPORT COMMENTS AND SUGGESTIONS FOR IMPROVEMENT**

#### **Comment 2794**

Comment:

Page vi - Within the analysis of the governmental activities. The term "expenditure" should not be used in connection with the government-wide statements.

Response:

Hampden Township (Township) has incorporated the comment in the 2021 financial statements.

#### **Comment 3382**

Comment:

Page i - In the first bullet point of the financial highlights, consider indicating that the Township's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$90,376,907 as of the year ended December 31, 2020. The discussion of the government's overall financial position in Management's Discussion and Analysis should include all applicable financial statement elements (i.e., assets, deferred outflows of resources, liabilities, and deferred inflows of resources).

Response:

The Township has incorporated the comment in the 2021 financial statements.

#### **Comment 1759**

Comment:

Specify the governmental fund(s) (e.g., the General Fund). The notes should disclose which governmental funds typically have been used in prior years to liquidate pension/OPEB liabilities (i.e., net pension/OPEB liability or collective net pension/OPEB liability).

Response:

The Township has provided your comment to our auditors, and the comment has been incorporated in the 2021 financial statements.

#### **Comment 3593**

Comment:

Pages 21 and 28 - Specify the valuation techniques used in the fair value measurement for Level 2 inputs, since it is unclear what the "secondary marker quote" refers to. The note disclosure should include a description of the valuation techniques used in the fair value measurement for Level 2 and/or Level 3 inputs.

Response:

The Township does not have any Level 2 investments in 2021.

(Continued)

## **HAMPDEN TOWNSHIP**

### **RESPONSES TO 2020 ANNUAL REPORT COMMENTS AND SUGGESTIONS FOR IMPROVEMENT**

(Continued)

#### **Comment 3570**

Comment:

Page 47 - Consider disclosing the aggregate amounts of pension expenses for the police pension plan and non-uniformed pension plan for the Township as a whole rather than separately for the governmental and business-type activities. The notes should provide the aggregate amount of pension expense/expenditures or OPEB expense/expenditures for all plans, since the total amount is not otherwise identifiable from information presented in the financial statements.

Response:

The Township has provided your comment to our auditors, and the comment has been incorporated in the 2021 financial statements.

#### **Comment 3480**

Comment:

Page 69 - It is unclear why the information listed below is not presented for the OPEB plan in the RSI. Please clarify. If the government participates as an employer in one or more defined benefit pension/OPEB plans that are NOT administered through a trust or equivalent arrangement AND there is not a special funding situation, the required supplementary information should present a 10-year schedule that includes the (1) total pension/OPEB liability (TPL/TOPEBL), (2) covered-employee payroll, and (3) TPL/TOPEBL as a percentage of covered-employee payroll.

Response:

As per guidance in GASB 85, OPEB contributions are not based on a measure of pay; therefore, covered payroll information is not presented.

#### **Comment 3602**

Comment:

The GASB has issued the following statements and implementation guides: Statement Nos. 87, 89, 91, 92, 93, 94, 96, and 97 and Implementation Guide Nos. 2019-1 and 2019-3.

Response:

The Township has reviewed the GASB statements that will be relevant to future reportings.

(Continued)

## **HAMPDEN TOWNSHIP**

### **RESPONSES TO 2020 ANNUAL REPORT COMMENTS AND SUGGESTIONS FOR IMPROVEMENT**

(Continued)

#### **Comments 3603**

**Comment:**

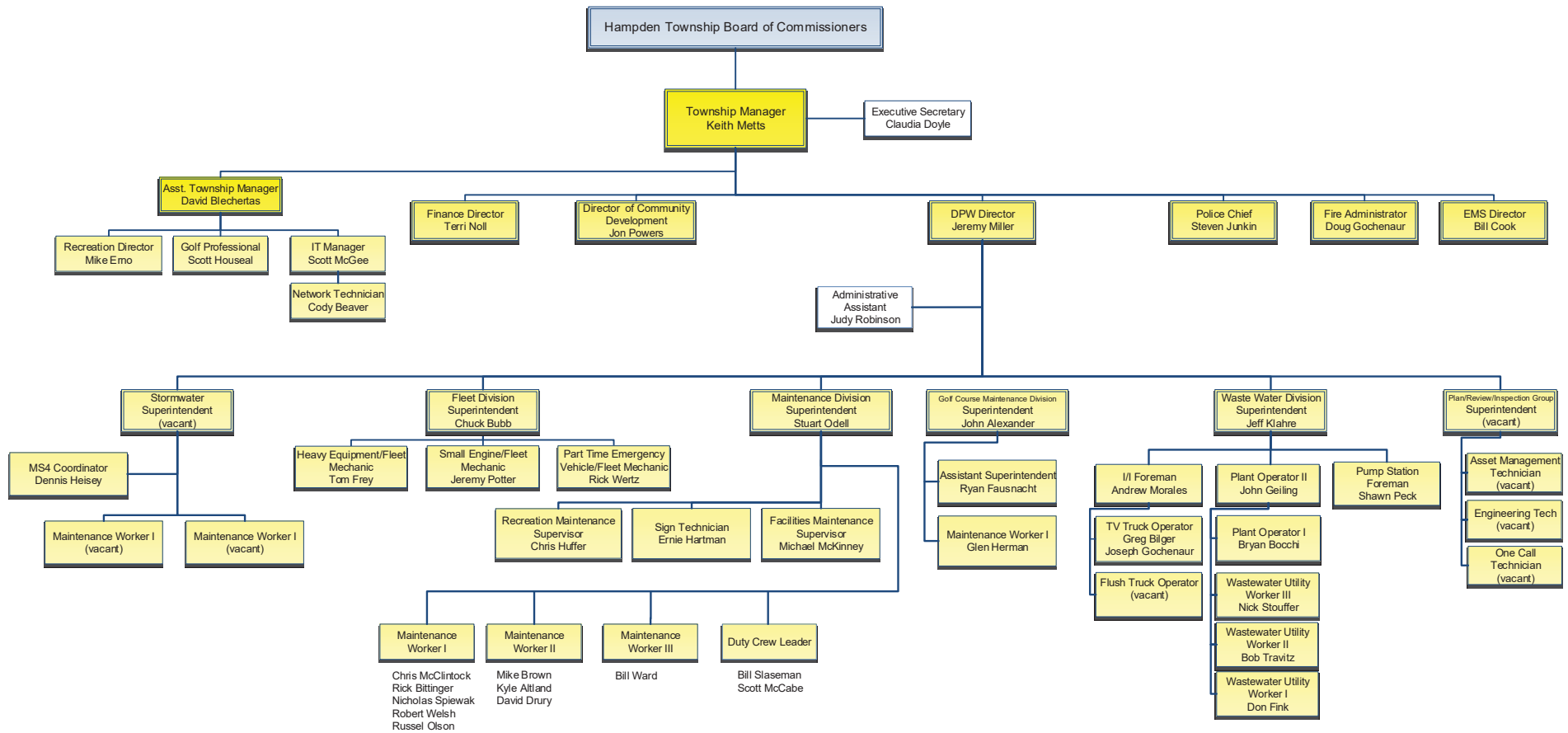
As per the GFOA policy statement issued on March 9, 2021, the Government Finance Officers Association (GFOA) has asked all industry affiliates to immediately stop using the common four-letter acronym most often associated with the Comprehensive Annual Financial Report. Additional information and a toolkit for making this change is on GFOA's website at: <https://www.gfoa.org/eta>.

**Response:**

The Township has provided your comment to our auditors, and the comment has been incorporated in the 2021 financial statements.

(Concluded)

# Hampden Township Organizational Chart



**Effective: December 31, 2021**

HAMPDEN TOWNSHIP

LIST OF PRINCIPAL OFFICIALS

DECEMBER 31, 2021

Title	Officials
Board President	John V. Thomas
Board Vice President	Nathan P. Silcox
Board Assistant Secretary	John P. Gaspich, Jr.
Board Member	Albert H. Bienstock
Board Member	Sherri B. Chippo
Township Manager/Secretary	Keith B. Metts
Assistant Township Manager	David Blechertas
Township Solicitor	Keith Brenneman
Township Auditor	Maher Duessel
Public Works Director	Jeremy Miller
Finance Director/Treasurer	Terri Noll
Community Development Director	Jon Powers
Parks & Recreation Director	Michael S. Erno
Golf Course Superintendent	John Alexander
Golf Course Pro	Brian Scott Houseal
Police Chief	Steven Junkin
EMS Director	William Cook
Fire Administrative Officer	Doug Gochenaur
Fire Chief	Richard Flinn III
Tax Collector	Alexandria Huber

## **FINANCIAL SECTION**

## **Independent Auditor's Report**

**Honorable Board of Commissioners  
Hampden Township**

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hampden Township (Township), as of and for the year ended December 31, 2021, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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



### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information listed in the table of contents as Introductory Section and Statistical Section. The other information listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and

the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Maier Duessel***

Harrisburg, Pennsylvania  
June 22, 2022

## MANAGEMENT DISCUSSION AND ANALYSIS

The management of the Hampden Township (Township) is offering a narrative overview and analysis of the financial activities included in the Township's financial statements for year ending December 31, 2021.

### Financial Highlights

- The Township's assets for the year ending December 31, 2021, exceeded its liabilities by \$95,439,158.
  - Net investment in capital assets in the amount of \$73,303,164 at December 31, 2021, includes all capital assets and infrastructure.
  - Total deferred outflows of resources increased by \$785,200 from December 2020 due to pension expense.
  - Liabilities for December 31, 2021 decreased by \$276,819 due to a decrease in accounts payable.
  - Total deferred inflows of resources increased by \$745,065 due to pension inflows.
  - Restricted net position with external restrictions imposed by creditor or laws or regulations of other governments amounted to \$371,067.
  - Unrestricted net position, which are assets not restricted for any particular purpose, were \$21,764,927.
- The Township's total net position increased by \$5,062,251 for the year ended December 31, 2021.

### Overview of the Financial Statements

The Management's Discussion and Analysis is an introduction to the Township's basic financial statements. Three components make up the basic financial statements for the Township: government-wide financial statements, fund financial statements, and notes to the financial statements. In addition to the basic financial statements, other supplementary information is included.

1. **Government-Wide Financial Statements** The government-wide financial statements provide a summary of the Township's financial condition in a similar fashion to the private business sector.

The Township's net position is reported as the difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Increases and decreases in net position serves as a good indicator of whether the Township's financial condition is improving or deteriorating.

The Statement of Activities presents information on how net position changed during the year. All changes are recorded as soon as the change occurs even though cash may not be received yet; cash flow may even occur in a later fiscal year, such as uncollected taxes and vacation leave earned but not used.

The Statement of Net Position and the Statement of Activities distinguish between functions of the Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Township's governmental activities are general government, public safety (police, EMS, building and engineering), public works, and parks and recreation. The business-type activities of the Township include sewer, sanitation, stormwater, Armitage Golf Club, and the Hampden Pool.

2. **Fund Financial Statements** A fund is a grouping of related accounts used to control resources that are separated by activity. Fund accounting is used by the Township to guarantee and show compliance with budgetary requirements. Funds are either governmental, proprietary, or fiduciary funds.

- a. **Governmental Funds** Governmental funds are used to account for the functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented by the two in order to better understand the long-term impact of near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide reconciliations to facilitate the comparison between governmental funds and governmental activities.

The Township reports two major governmental funds: (1) The General Fund, which accounts for all financial resources of general government, except those accounted for in another fund, and (2) The Capital Improvements Fund, which accounts for the acquisition, construction and improvement of major capital assets. The Highway Aid Fund is the Township's sole non-major governmental fund.

- b. **Proprietary Funds** The Township's proprietary funds are all classified as enterprise funds. They are used to account for the operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the expenses of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or when the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, and/or other purposes.

The Township reports three major enterprise funds: (1) the Sewer Fund, which accounts for the daily operations of the sewer system and billing and collection of

sewer service fees; (2) the Sanitation Fund, which accounts for the operations of refuse collection within the Township; and (3) the Stormwater Fund, which accounts for the operations of the stormwater system. Data from all the other enterprise funds are combined into a single aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements in supplementary information. The Pool and Park Fund and the Armitage Golf Club Fund are the Township's non-major enterprise funds.

- c. **Fiduciary Funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The Township's fiduciary funds are all classified as trust funds. The accounting used for trust funds is much like that used for proprietary funds.
3. **Notes to the Financial Statements** The Notes give additional information that is necessary to understand fully the data provided in the government-wide and fund financial statements.
4. **Other Information** The Township adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund, in required supplementary information, to demonstrate compliance with this budget. The combining and budgetary statements, referred to earlier in connection with the governmental funds and non-major enterprise funds, are presented in supplementary information, immediately following the required supplementary information.

## Government-wide Financial Analysis

### STATEMENT OF NET POSITION DECEMBER 31, 2021 AND 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 21,444,553	\$ 16,785,576	\$ 26,443,133	\$ 23,486,715	\$ 47,887,686	\$ 40,272,291
Capital assets	41,216,304	41,547,203	75,345,808	77,885,007	116,562,112	119,432,210
Total assets	62,660,857	58,332,779	101,788,941	101,371,722	164,449,798	159,704,501
Deferred outflows of resources	2,759,445	2,006,822	456,829	424,252	3,216,274	2,431,074
Current and other liabilities	6,793,238	3,830,755	7,436,033	8,492,535	14,229,271	12,323,290
Noncurrent liabilities	30,243,255	30,561,026	20,240,968	22,105,997	50,484,223	52,667,023
Total liabilities	37,036,493	34,391,781	27,677,001	30,598,532	64,713,494	64,990,313
Deferred inflows of resources	3,986,159	2,943,563	3,527,261	3,824,792	7,513,420	6,768,355
Net investment in capital assets	\$ 25,317,958	\$ 25,337,867	\$ 47,985,206	\$ 48,260,695	\$ 73,303,164	\$ 73,598,562
Restricted	371,067	351,850	-	-	371,067	351,850
Unrestricted	(1,291,375)	(2,685,460)	23,056,302	19,111,955	21,764,927	16,426,495
Total net position	\$ 24,397,650	\$ 23,004,257	\$ 71,041,508	\$ 67,372,650	\$ 95,439,158	\$ 90,376,907

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. The Township's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$95,439,158 at December 31, 2021. At December 31, 2020, the Township's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$90,376,907.

The largest portion of the Township's net position (76.8%) is the Township's investment in capital assets (i.e., land, land improvements, buildings and improvements, machinery and equipment, and infrastructure); less any related outstanding debt used to acquire those assets. These capital assets are used by the Township to provide services to its citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must come from other sources, since the assets cannot be used to liquidate these liabilities.

The Township's unrestricted net position balance of \$21,764,927 at December 31, 2021 can be used to meet the Township's obligations to citizens and creditors. This is an increase from December 31, 2020 of \$5,338,432.

CHANGES IN NET POSITION  
YEARS ENDED DECEMBER 31, 2021 AND 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 3,544,142	\$ 3,154,455	17,016,703	18,599,072	\$20,560,845	\$ 21,753,527
Operating grants and contributions	173,524	267,025	-	8,350	173,524	275,375
Capital grants and contributions	1,698,600	952,327	-	21,000	1,698,600	973,327
General revenues:						
Taxes	11,234,011	10,097,073	-	-	11,234,011	10,097,073
Other	686,011	978,222	703,352	407,733	1,389,363	1,385,955
<b>Total revenues</b>	<b>17,336,288</b>	<b>15,449,102</b>	<b>17,720,055</b>	<b>19,036,155</b>	<b>35,056,343</b>	<b>34,485,257</b>
<b>Expenses</b>						
General						
government	2,082,027	1,927,312	-	-	2,082,027	1,927,312
Public safety	7,069,466	7,162,344	-	-	7,069,466	7,162,344
Public works	5,329,573	4,483,010	-	-	5,329,573	4,483,010
Parks and recreation	686,541	552,940	-	-	686,541	552,940
Interest on long-term debt	826,788	868,606	-	-	826,788	868,606
Sewer	-	-	7,748,635	8,527,315	7,748,635	8,527,315
Sanitation	-	-	3,508,631	3,464,123	3,508,631	3,464,123
Stormwater	-	-	1,117,250	1,117,874	1,117,250	1,117,874
Other nonmajor funds	-	-	1,625,181	1,356,649	1,625,181	1,356,649
<b>Total expenses</b>	<b>15,994,395</b>	<b>14,994,212</b>	<b>13,999,697</b>	<b>14,465,961</b>	<b>29,994,092</b>	<b>29,460,173</b>
<b>Increase (decrease) in net position before transfers</b>	<b>1,341,893</b>	<b>454,890</b>	<b>3,720,358</b>	<b>4,570,194</b>	<b>5,062,251</b>	<b>5,025,084</b>
<b>Transfers</b>	<b>51,500</b>	<b>85,300</b>	<b>(51,500)</b>	<b>(85,300)</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>1,393,393</b>	<b>540,190</b>	<b>3,668,858</b>	<b>4,484,894</b>	<b>5,062,251</b>	<b>5,025,084</b>
<b>Net position - beginning of year</b>	<b>23,004,257</b>	<b>22,464,067</b>	<b>67,372,650</b>	<b>62,887,756</b>	<b>90,376,907</b>	<b>85,351,823</b>
<b>Net position - end of year</b>	<b>\$24,397,650</b>	<b>\$23,004,257</b>	<b>\$71,041,508</b>	<b>\$67,372,650</b>	<b>\$95,439,158</b>	<b>\$90,376,907</b>

**Governmental Activities** Net position for governmental activities increased by \$1,393,393. In 2020, net position increased by \$540,190. Basic factors for the change in the net position are as follows:

- The Township experienced higher revenues in 2021, due to a turn-around from the 2019/2020 Coronavirus pandemic. Hampden Township also incurred a decrease in expenses as projects and seasonal employment hirings were not completed.

**Business-type Activities** Net position for business-type activities increased by \$3,668,858 as compared to 2020's increase of \$4,484,894. Basic factors for the change in the net position are as follows:

- The Township experienced some larger building projects in 2021, including the completion of the Penn State Hampden Medical Center, which led to \$657,560 in tapping fee revenue.

### ***Financial Analysis of the Township's Funds***

1. **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, the unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$11,076,309, an increase of \$247,658 in comparison with 2020.

The General Fund is the Township's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund increased by \$985,698 from the prior year, mainly due to the increase of recreation revenue (programs resumed after being cancelled during the Coronavirus pandemic) and building permit revenues. At December 31, 2021, \$274,116 of the fund balance is committed to pay future unemployment claims and retiree medical benefits and \$4,950,820 of the fund balance has been assigned through the passage of the 2022 budget.

The Capital Improvements Fund accounts for the acquisition, construction, and improvement of major capital assets. The fund balance of the Capital Improvements Fund decreased by \$757,257 from the prior year due to funds being utilized for road surfacing projects and parks projects. The entire ending fund balance is restricted for capital projects.

2. **General Fund Budgetary Highlights** The General Fund actual revenues were \$2,353,179 more than the final budgeted amounts. This was a result of higher than expected earned income tax (EIT) of \$1,323,785 and real estate transfer tax of \$783,938. The General Fund actual expenses were \$1,501,450 less than the final budgeted amounts. This savings was primarily within the Administration, Police and Public Works Departments, due to decreased labor costs for unfilled positions and related expenses for benefits/insurances.



## ***Capital Asset and Debt Administration***

1. **Capital assets** The Township's investment in capital assets for its governmental activities and business-type activities as of December 31, 2021, amounts to \$41,216,304 and \$75,345,808 (net of accumulated depreciation), respectively. This investment in capital assets includes land, land improvements, building and improvements, machinery and equipment, roads, bridges, street lights, bike paths, and storm sewer systems.

Major capital asset events during the current year for governmental activities included the following:

- Completion of the new municipal building (started in 2020) for \$162,870.
- A Hooklift/chassis was purchased by the Public Works Department for \$140,270.
- Two 2021 Ford Interceptor Hybrid Utility units, with equipment, for \$53,100 each for the Police Department.
- Infrastructure increased in 2021 due to construction of community bike paths and traffic signal upgrades.

Major capital asset events during the current year for business-type activities included the following:

- \$62,276 was spent on stormwater infrastructure and sewer line maintenance.
- Several pieces of equipment were purchased, including diffusers/aeration tank for \$64,981 for the Public Works Wastewater Department and various pieces of equipment (Hooklift/chassis) for \$178,405 for the Public Works Stormwater Department.

Additional information on the Township's capital assets can be found on pages 32-34 of this report.

2. **Long-term debt** As of December 31, 2021, the Township's Governmental Activities had bonds outstanding of \$22,592,606 which was a decrease of \$517,849 from 2020. The Township's business-type activity debt consisted of bonds outstanding of \$18,925,863. This is a decrease of \$1,848,033 from 2020. Payments required by the trust indenture were made during the year.

Additional information on the Township's long-term debt can be found beginning on page 35 of this report.

## ***Economic Factors***

The Local Services Tax (LST) and the Earned Income Tax (EIT) are budgeted in 2022 to generate approximately \$965,000 and \$6,250,000, respectively. Revenues realized from the LST tax are required to be used for emergency and municipal services. The LST in 2021 was used to help fund emergency vehicles and equipment in the Capital Improvements Fund.

The Township's property tax rate will not need to be adjusted and will remain at 0.156 mills in 2022.

The budget for 2022 reflects realistic and well-founded estimates of Township revenue in an economy which has nationally seen an overall decrease. The Township continues to be fortunate, being able to maintain a very low tax rate while at the same time being able to deliver and, in fact, increase our excellent services to the public and further enhance our financial position. The Township has completed an aggressive building program which will serve the residents for years to come with the modern infrastructure needed to provide both essential and emergency services.

### ***Requests for Information***

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, 209 South Sporting Hill Road, Mechanicsburg, PA 17050. Requests for the financial report of the Hampden Township Sewer Authority, a component unit, may be forwarded to the above address.

# HAMPDEN TOWNSHIP

## STATEMENT OF NET POSITION

DECEMBER 31, 2021

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 16,099,263	\$ 23,682,430	\$ 39,781,693
Receivables:			
Accounts, net	1,179,550	2,082,106	3,261,656
Taxes	2,916,752	-	2,916,752
Assessments	-	9,533	9,533
Internal balances	36,714	(36,714)	-
Restricted assets:			
Cash and cash equivalents	-	11,621	11,621
Inventory	-	34,326	34,326
Net pension asset	1,212,274	659,831	1,872,105
Capital assets not being depreciated	3,868,219	1,040,974	4,909,193
Capital assets, net of accumulated depreciation	37,348,085	74,304,834	111,652,919
<b>Total Assets</b>	<b>62,660,857</b>	<b>101,788,941</b>	<b>164,449,798</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources - other post employment benefits	702,648	118,201	820,849
Deferred outflows of resources - pensions	2,056,797	338,628	2,395,425
<b>Total Deferred Outflows of Resources</b>	<b>2,759,445</b>	<b>456,829</b>	<b>3,216,274</b>
<b>Liabilities</b>			
Accounts payable	422,880	411,661	834,541
Accrued interest	104,944	-	104,944
Unexpended escrow deposits	-	692,465	692,465
Other payables	4,659,160	229,101	4,888,261
Unearned revenue	1,606,254	6,102,806	7,709,060
Noncurrent liabilities:			
Due within one year	967,979	1,990,546	2,958,525
Due in more than one year	22,778,158	17,210,067	39,988,225
Total other post-employment benefit liability	6,184,327	1,040,355	7,224,682
Net pension liability	312,791	-	312,791
<b>Total Liabilities</b>	<b>37,036,493</b>	<b>27,677,001</b>	<b>64,713,494</b>
<b>Deferred Inflows of Resources</b>			
Deferred charge on refunding	-	2,379,569	2,379,569
Deferred inflows of resources - refunding	148,126	-	148,126
Deferred inflows of resources - pensions	3,838,033	1,147,692	4,985,725
<b>Total Deferred Inflows of Resources</b>	<b>3,986,159</b>	<b>3,527,261</b>	<b>7,513,420</b>
<b>Net Position</b>			
Net investment in capital assets	25,317,958	47,985,206	73,303,164
Restricted for:			
Highways and streets	371,067	-	371,067
Unrestricted	(1,291,375)	23,056,302	21,764,927
<b>Total Net Position</b>	<b>\$ 24,397,650</b>	<b>\$ 71,041,508</b>	<b>\$ 95,439,158</b>

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

# HAMPDEN TOWNSHIP

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 2,082,027	\$ 205,493	\$ -	\$ -	\$ (1,876,534)	\$ -	\$ (1,876,534)
Public safety	7,069,466	2,408,917	39,858	-	(4,620,691)	-	(4,620,691)
Public works	5,329,573	128,888	133,666	1,632,850	(3,434,169)	-	(3,434,169)
Parks and recreation	686,541	800,844	-	65,750	180,053	-	180,053
Interest on long-term debt	826,788	-	-	-	(826,788)	-	(826,788)
Total governmental activities	15,994,395	3,544,142	173,524	1,698,600	(10,578,129)	-	(10,578,129)
Business-type activities:							
Sewer	7,748,635	10,241,557	-	-	-	2,492,922	2,492,922
Sanitation	3,508,631	3,720,880	-	-	-	212,249	212,249
Stormwater	1,117,250	1,233,352	-	-	-	116,102	116,102
Other nonmajor funds	1,625,181	1,820,914	-	-	-	195,733	195,733
Total business-type activities	13,999,697	17,016,703	-	-	-	3,017,006	3,017,006
<b>Total Primary Government</b>	<b>\$ 29,994,092</b>	<b>\$ 20,560,845</b>	<b>\$ 173,524</b>	<b>\$ 1,698,600</b>	<b>(10,578,129)</b>	<b>3,017,006</b>	<b>(7,561,123)</b>
General revenues:							
Real estate taxes					589,995	-	589,995
Per capita taxes					189,723	-	189,723
Earned income taxes					7,450,419	-	7,450,419
Local services taxes					864,960	-	864,960
Real estate transfer taxes					1,525,359	-	1,525,359
Franchise taxes					604,258	-	604,258
Public utility taxes					9,297	-	9,297
Grants and contributions not restricted to specific purposes					675,353	-	675,353
Unrestricted investment earnings					10,658	703,352	714,010
Transfers					51,500	(51,500)	-
Total general revenues and transfers					11,971,522	651,852	12,623,374
<b>Change in Net Position</b>					1,393,393	3,668,858	5,062,251
<b>Net Position:</b>							
Beginning of year					23,004,257	67,372,650	90,376,907
End of year					\$ 24,397,650	\$ 71,041,508	\$ 95,439,158

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

# HAMPDEN TOWNSHIP

## BALANCE SHEET - GOVERNMENTAL FUNDS

### DECEMBER 31, 2021

	General	Capital Improvements	Other Governmental Fund	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 11,926,244	\$ 3,801,952	\$ 371,067	\$ 16,099,263
Receivables:				
Accounts, net	1,092,566	86,984	-	1,179,550
Taxes	2,769,962	-	-	2,769,962
Due from other funds	36,714	-	-	36,714
<b>Total Assets</b>	<b>\$ 15,825,486</b>	<b>\$ 3,888,936</b>	<b>\$ 371,067</b>	<b>\$ 20,085,489</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>				
Liabilities:				
Accounts payable	\$ 189,904	\$ 232,976	\$ -	\$ 422,880
Other payables	4,659,160	-	-	4,659,160
Unearned revenue	-	1,606,254	-	1,606,254
Total Liabilities	4,849,064	1,839,230	-	6,688,294
Deferred Inflows of Resources:				
Unavailable revenue - taxes	1,501,384	-	-	1,501,384
Unavailable revenue - emergency medical services	819,502	-	-	819,502
Total Deferred Inflows of Resources	2,320,886	-	-	2,320,886
Fund Balance:				
Restricted for:				
Public works	-	-	371,067	371,067
Committed for:				
Unemployment claims	76,430	-	-	76,430
Retiree medical benefits	197,686	-	-	197,686
Capital projects	-	2,049,706	-	2,049,706
Assigned for:				
Subsequent year's budget	4,950,820	-	-	4,950,820
Unassigned	3,430,600	-	-	3,430,600
Total Fund Balance	8,655,536	2,049,706	371,067	11,076,309
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 15,825,486</b>	<b>\$ 3,888,936</b>	<b>\$ 371,067</b>	<b>\$ 20,085,489</b>

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

# HAMPDEN TOWNSHIP

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2021

<b>Total Fund Balance - Governmental Funds</b>	<b>\$ 11,076,309</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	41,216,304
Long-term receivables applicable to governmental activities are not due and collectible in the current period and, therefore, are not reported in the governmental funds.	146,790
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	2,320,886
Deferred charge on refunding is amortized on the statement of net position.	(148,126)
Long-term liabilities and deferred outflows and inflows of resources, including bonds payable and pension related items, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(22,592,606)
Accrued interest	(104,944)
Installment purchase	(141,509)
Net other post-employment benefit liability, net of related deferred outflows of resources	(5,481,679)
Net pension liability (asset), net of related deferred outflows and inflows of resources	(881,753)
Compensated absences payable	(1,012,022)
<b>Total Net Position - Governmental Activities</b>	<b><u><u>\$ 24,397,650</u></u></b>

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

# HAMPDEN TOWNSHIP

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2021

	General	Capital Improvements	Other Governmental Fund	Total Governmental Funds
<b>Revenues:</b>				
Taxes:				
Real estate	\$ 589,995	\$ -	\$ -	\$ 589,995
Per capita	190,733	-	-	190,733
Earned income	7,312,024	-	-	7,312,024
Local services	974,236	-	-	974,236
Real estate transfer	1,525,359	-	-	1,525,359
Franchise	601,961	-	-	601,961
Licenses and permits	817,160	-	-	817,160
Fines	112,646	-	-	112,646
Grants	44,739	311,914	-	356,653
Public utility tax	9,297	-	-	9,297
State shared revenue	-	-	875,895	875,895
Distribution from Auditor				
General's office	570,877	-	-	570,877
Emergency medical services	1,156,166	-	-	1,156,166
Interest	7,447	2,760	451	10,658
Recreation	228,796	-	-	228,796
Other	325,856	686,934	-	1,012,790
Total revenues	<u>14,467,292</u>	<u>1,001,608</u>	<u>876,346</u>	<u>16,345,246</u>
<b>Expenditures:</b>				
Current:				
General government	1,683,058	-	-	1,683,058
Public safety	6,525,546	-	-	6,525,546
Public works	1,809,515	-	857,129	2,666,644
Parks and recreation	612,188	-	-	612,188
Capital outlay	-	3,264,415	-	3,264,415
Debt service:				
Principal	-	557,744	-	557,744
Interest	-	861,706	-	861,706
Total expenditures	<u>10,630,307</u>	<u>4,683,865</u>	<u>857,129</u>	<u>16,171,301</u>

(Continued)

# HAMPDEN TOWNSHIP

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2021  
(Continued)

	General	Capital Improvements	Other Governmental Fund	Total Governmental Funds
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>3,836,985</u>	<u>(3,682,257)</u>	<u>19,217</u>	<u>173,945</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	51,500	2,925,000	-	2,976,500
Transfers out	(2,925,000)	-	-	(2,925,000)
Sale of general capital assets	<u>22,213</u>	<u>-</u>	<u>-</u>	<u>22,213</u>
Total other financing sources (uses)	<u>(2,851,287)</u>	<u>2,925,000</u>	<u>-</u>	<u>73,713</u>
<b>Net Change in Fund Balance</b>	985,698	(757,257)	19,217	247,658
<b>Fund Balance:</b>				
Beginning of year	<u>7,669,838</u>	<u>2,806,963</u>	<u>351,850</u>	<u>10,828,651</u>
End of year	<u><u>\$ 8,655,536</u></u>	<u><u>\$ 2,049,706</u></u>	<u><u>\$ 371,067</u></u>	<u><u>\$ 11,076,309</u></u>
				(Concluded)

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



# HAMPDEN TOWNSHIP

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

<b>Net Change in Fund Balance - Governmental Funds</b>	\$	247,658
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Amounts reported for governmental activities in the statement of activities are 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. Also, capital contributions are not recognized in governmental funds.

The details of the difference are as follows:

Capital outlay	\$	583,749	
Capital contributions		756,955	
Depreciation		<u>(1,668,361)</u>	
Net adjustment			(327,657)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change differs by the net book value of the capital assets sold.

(3,242)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

234,087

The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of the deferred charge on refunding when the debt is first issued, whereas these amounts are amortized in the statement of activities.

The details of the difference are as follows:

Principal repayments		557,744	
Accrued interest		2,475	
Amortization of deferred charge on refunding		<u>32,443</u>	
Net adjustment			592,662

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

The details of the difference are as follows:

Changes in net other post-employment benefit liability, net of related deferred outflows of resources			(294,596)
Changes in net pension liability (asset), net of related deferred outflows and inflows of resources			993,661
Changes in compensated absences			<u>(49,180)</u>

<b>Change in Net Position of Governmental Activities</b>	\$	<u><u>1,393,393</u></u>
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The accompanying notes are an integral part of these financial statements.

# HAMPDEN TOWNSHIP

## STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds				Totals
	Sewer	Sanitation	Stormwater	Nonmajor Enterprise Funds	
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$19,600,149	\$ 587,150	\$ 2,486,185	\$ 1,008,946	\$ 23,682,430
Receivables:					
Accounts, net	1,990,880	64,185	11,413	15,628	2,082,106
Assessments	9,533	-	-	-	9,533
Inventory	-	-	-	34,326	34,326
Restricted assets:					
Cash and cash equivalents	11,621	-	-	-	11,621
Total current assets	21,612,183	651,335	2,497,598	1,058,900	25,820,016
Noncurrent assets:					
Net pension asset	430,583	18,721	112,326	98,201	659,831
Capital assets, not being depreciated	126,369	-	-	914,605	1,040,974
Capital assets, net of depreciation	69,171,897	684,669	3,362,230	1,086,038	74,304,834
Total noncurrent assets	69,728,849	703,390	3,474,556	2,098,844	76,005,639
<b>Total Assets</b>	91,341,032	1,354,725	5,972,154	3,157,744	101,825,655
<b>Deferred Outflows of Resources</b>					
Deferred outflows of resources - other post employment benefits	75,517	3,284	19,700	19,700	118,201
Deferred outflows of resources - pension	209,942	9,127	54,768	64,791	338,628
<b>Total Deferred Outflows of Resources</b>	285,459	12,411	74,468	84,491	456,829

(Continued)

	Business-type Activities - Enterprise Funds				Totals
	Sewer	Sanitation	Stormwater	Nonmajor Enterprise Funds	
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	354,471	652	13,029	43,509	411,661
Unexpended escrow deposits	692,465	-	-	-	692,465
Other payables	83,750	-	-	145,351	229,101
Unearned revenue	360,404	-	-	36,015	396,419
Compensated absences payable	71,132	95	7,343	26,976	105,546
Bonds payable - current	1,790,000	15,000	40,000	40,000	1,885,000
Due to other funds	327	71	36,311	5	36,714
<b>Total current liabilities</b>	<b>3,352,549</b>	<b>15,818</b>	<b>96,683</b>	<b>291,856</b>	<b>3,756,906</b>
Noncurrent liabilities:					
Unearned revenue	5,706,387	-	-	-	5,706,387
Compensated absences payable	112,504	82	6,203	50,415	169,204
Total other post-employment benefit liability	664,671	28,899	173,392	173,393	1,040,355
Bonds payable	14,418,035	540,598	1,529,677	552,553	17,040,863
<b>Total noncurrent liabilities</b>	<b>20,901,597</b>	<b>569,579</b>	<b>1,709,272</b>	<b>776,361</b>	<b>23,956,809</b>
<b>Total Liabilities</b>	<b>24,254,146</b>	<b>585,397</b>	<b>1,805,955</b>	<b>1,068,217</b>	<b>27,713,715</b>
<b>Deferred Inflows of Resources</b>					
Deferred charge on refunding	2,379,569	-	-	-	2,379,569
Deferred inflows of resources - pension	723,048	31,438	188,621	204,585	1,147,692
<b>Total Deferred Inflows of Resources</b>	<b>3,102,617</b>	<b>31,438</b>	<b>188,621</b>	<b>204,585</b>	<b>3,527,261</b>
<b>Net Position</b>					
Net investment in capital assets	44,655,492	129,071	1,792,553	1,408,090	47,985,206
Unrestricted	19,614,236	621,230	2,259,493	561,343	23,056,302
<b>Total Net Position</b>	<b>\$64,269,728</b>	<b>\$ 750,301</b>	<b>\$ 4,052,046</b>	<b>\$ 1,969,433</b>	<b>\$71,041,508</b>

(Concluded)

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

# HAMPDEN TOWNSHIP

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds				
				Nonmajor Enterprise Funds	Totals
<b>Operating Revenues:</b>	Sewer	Sanitation	Stormwater		
Charges and fees	\$ 8,532,278	\$ 3,719,080	\$ 1,229,413	\$ 1,813,364	\$ 15,294,135
Other	403,959	1,800	3,939	7,550	417,248
<b>Total operating revenues</b>	<b>8,936,237</b>	<b>3,720,880</b>	<b>1,233,352</b>	<b>1,820,914</b>	<b>15,711,383</b>
<b>Operating Expenses:</b>					
Operating and administrative	3,834,552	174,140	565,095	1,416,246	5,990,033
Chemicals and utilities	798,313	-	-	-	798,313
Contracted services	-	3,297,026	-	-	3,297,026
Depreciation	2,539,193	17,188	250,175	197,677	3,004,233
<b>Total operating expenses</b>	<b>7,172,058</b>	<b>3,488,354</b>	<b>815,270</b>	<b>1,613,923</b>	<b>13,089,605</b>
<b>Operating Income</b>	<b>1,764,179</b>	<b>232,526</b>	<b>418,082</b>	<b>206,991</b>	<b>2,621,778</b>
<b>Nonoperating Revenues (Expenses):</b>					
Investment income	700,004	515	2,388	445	703,352
Tapping fees	1,305,320	-	-	-	1,305,320
Bad debt expense	-	-	(244,634)	-	(244,634)
Interest expense	(576,577)	(20,277)	(57,346)	(18,290)	(672,490)
Gain on sale of capital assets	-	-	-	7,032	7,032
<b>Total nonoperating revenues (expenses)</b>	<b>1,428,747</b>	<b>(19,762)</b>	<b>(299,592)</b>	<b>(10,813)</b>	<b>1,098,580</b>
<b>Income Before Transfers</b>	<b>3,192,926</b>	<b>212,764</b>	<b>118,490</b>	<b>196,178</b>	<b>3,720,358</b>
Transfers out	(40,000)	-	-	(11,500)	(51,500)
<b>Change in Net Position</b>	<b>3,152,926</b>	<b>212,764</b>	<b>118,490</b>	<b>184,678</b>	<b>3,668,858</b>
<b>Net Position:</b>					
Beginning of year	61,116,802	537,537	3,933,556	1,784,755	67,372,650
End of year	<u>\$ 64,269,728</u>	<u>\$ 750,301</u>	<u>\$ 4,052,046</u>	<u>\$ 1,969,433</u>	<u>\$ 71,041,508</u>

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

# HAMPDEN TOWNSHIP

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds				Totals
	Sewer	Sanitation	Stormwater	Nonmajor Enterprise Funds	
<b>Cash Flows From Operating Activities:</b>					
Receipts from customers and users	\$ 8,406,640	\$ 3,719,511	\$ 1,332,219	\$ 1,840,913	\$ 15,299,283
Payments to suppliers	(3,089,514)	(3,847,101)	(588,125)	(461,548)	(7,986,288)
Payments to employees	(2,190,620)	(99,904)	(48,092)	(990,650)	(3,329,266)
Net cash provided by (used in) operating activities	3,126,506	(227,494)	696,002	388,715	3,983,729
<b>Cash Flows From Noncapital Financing Activities:</b>					
Transfers out	(40,000)	-	-	(11,500)	(51,500)
Net cash used in noncapital financing activities	(40,000)	-	-	(11,500)	(51,500)
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Purchase of capital assets	(28,745)	-	(313,094)	(123,196)	(465,035)
Change in developer deposits	64,994	-	-	-	64,994
Changes under direct financing lease	5,870	-	-	-	5,870
Tapping fees	1,305,320	-	-	-	1,305,320
Proceeds from sale of capital assets	-	-	-	7,032	7,032
Principal payments	(1,735,000)	(15,000)	(35,000)	(40,000)	(1,825,000)
Interest paid	(580,915)	(20,850)	(58,950)	(19,000)	(679,715)
Net cash used in capital and related financing activities	(968,476)	(35,850)	(407,044)	(175,164)	(1,586,534)
<b>Cash Flows From Investing Activities:</b>					
Investment income	8,060	515	2,388	445	11,408
Net cash provided by investing activities	8,060	515	2,388	445	11,408
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	2,126,090	(262,829)	291,346	202,496	2,357,103
<b>Cash and Cash Equivalents:</b>					
Beginning of year	17,485,680	849,979	2,194,839	806,450	21,336,948
End of year	\$19,611,770	\$ 587,150	\$ 2,486,185	\$ 1,008,946	\$23,694,051

(Continued)

# HAMPDEN TOWNSHIP

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2021

(Continued)

	Business-type Activities - Enterprise Funds				Totals
	Sewer	Sanitation	Stormwater	Nonmajor Enterprise Funds	
<b>Reconciliation of Operating Income to Net Cash Provided by (Used In) Operating Activities:</b>					
Operating income	\$ 1,764,179	\$ 232,526	\$ 418,082	\$ 206,991	\$ 2,621,778
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation expense	2,539,193	17,188	250,175	197,677	3,004,233
Amortization	155,506	6,689	40,133	40,133	242,461
(Increase) decrease in:					
Accounts receivable	(169,193)	(1,369)	98,867	(14,601)	(86,296)
Inventory	-	-	-	(1,296)	(1,296)
Net pension asset	(430,583)	(18,721)	(112,326)	(98,201)	(659,831)
Deferred outflows of resources - pension	60,628	2,593	15,562	18,583	97,366
Deferred outflows of resources - OPEB	9,808	426	2,559	2,559	15,352
Increase (decrease) in:					
Accounts payable	(335,001)	(461,043)	(7,670)	12,193	(791,521)
Other payables	(4,338)	-	(15,360)	15,528	(4,170)
Unearned revenue	(360,404)	-	-	34,600	(325,804)
Compensated absences payable	(34,322)	(1,159)	13,546	8,839	(13,096)
Due to other funds	(66,880)	(4,649)	(7,709)	(17,288)	(96,526)
Total other post-employment benefit liability	21,855	950	5,701	5,701	34,207
Net pension liability	(15,322)	(666)	(3,997)	(18,122)	(38,107)
Deferred inflows of resources - pension	(8,620)	(259)	(1,561)	(4,581)	(15,021)
Net cash provided by (used in) operating activities	<u>\$ 3,126,506</u>	<u>\$ (227,494)</u>	<u>\$ 696,002</u>	<u>\$ 388,715</u>	<u>\$ 3,983,729</u>
					(Concluded)

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

# HAMPDEN TOWNSHIP

## STATEMENT OF FIDUCIARY NET POSITION - PENSION TRUST FUNDS

DECEMBER 31, 2021

<b>Assets</b>	
Interest receivable	\$ 26,818
Investments, at fair value:	
Money market funds	501,479
U.S. Government obligations	33,462
U.S. Government agency obligations	268
Mutual bond funds	15,974,820
Mutual equity funds	31,019,224
Total investments	47,529,253
<b>Total Assets</b>	<b>47,556,071</b>
<b>Liabilities</b>	
Accounts payable	643
<b>Net Position</b>	
Restricted for pension benefits	\$ 47,555,428

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

# HAMPDEN TOWNSHIP

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2021

### Additions:

#### Contributions:

Employer	\$ 1,470,218
Employee	<u>205,901</u>

Total contributions	<u>1,676,119</u>
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#### Investment earnings:

Net appreciation in fair value of investments	4,704,449
Interest	<u>656,622</u>

Total investment earnings	5,361,071
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Less: investment expense	<u>(118,029)</u>
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Net investment earnings	<u>5,243,042</u>
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Total additions	<u>6,919,161</u>
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### Deductions:

Benefits	2,080,720
Administrative	<u>13,884</u>

Total deductions	<u>2,094,604</u>
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<b>Change in Net Position</b>	<b>4,824,557</b>
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### Net Position:

Beginning of year	<u>42,730,871</u>
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End of year	<u><u>\$ 47,555,428</u></u>
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The accompanying notes are an integral part of these financial statements.



# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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### 1. Summary of Significant Accounting Policies

#### ***A. Reporting Entity***

Hampden Township (Township), Pennsylvania, formed in 1945, obtained first class township status in 1960. The Township operates under a form of government which is comprised of an elected Board of Commissioners (five members) under the administration of an appointed Township Manager. As required by accounting principles generally accepted in the United States of America, these financial statements include the accounts of all Township operations and its component unit, the Hampden Township Sewer Authority.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization, or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt, or the levying of taxes.

#### ***Blended Component Unit***

The Hampden Township Sewer Authority (Authority) is a separate legal entity in which the Township Board of Commissioners (Board) appoints the five members of the governing body. Each is appointed to a term of five years. The Authority finances the construction and renovation of the sewer system and stormwater system. The Township provides the Authority with the ability to repay sewer related debt by using the monies collected from the Township in the form of lease payments. The Authority adopted stormwater user charges for the planning, management, and maintenance of the stormwater system within the Township. The Authority is reported as a blended component unit due to the existence of a financial benefit or burden relationship and the Authority provides services entirely, or almost entirely, to the Township or otherwise exclusively, or almost exclusively, benefits the Township even though it does not provide services directly to it. Separate financial statements were issued by the Authority and can be obtained by contacting the Authority at the Township municipal building.

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Township. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. 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 to external parties for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset 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, 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 fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, earned income taxes, local services taxes, and franchise 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.

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 available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Township considers revenues to be

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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available if they are collected within 60 days of the end of the current fiscal period. The Township considers real estate taxes, per capita taxes, earned income taxes, local services taxes, and emergency service charges as meeting the available criteria. Real estate transfer taxes collected by Cumberland County in December and paid to the Township in January are recognized as revenue in December. All other governmental fund revenues are recorded as cash is received because they are generally not measurable until actually received. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met.

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, claims and judgments, pension, and other post-employment benefit liabilities, are recorded only when payment is due.

The Township reports the following major governmental funds:

**General Fund** – The General Fund is the primary operating fund of the Township. It is used to account for all financial resources of the general government, except those accounted for in another fund.

**Capital Improvements Fund** – The Capital Improvements Fund is a capital projects fund used to account for acquisition, construction, and improvement of major capital assets.

The Township reports the following nonmajor governmental fund:

**Highway Aid Fund** – The Highway Aid Fund is a special revenue fund used to account for state aid revenues and expenditures for maintenance and improvements to the public roads under the Township's control.

The Township reports the following major proprietary funds:

**Sewer Fund** – The Sewer Fund is used to account for the daily operations of the sewer system and billing and collection of sewer service fees.

**Sanitation Fund** – The Sanitation Fund is used to account for the operations of refuse collection within the Township.

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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**Stormwater Fund** – The Stormwater Fund is used to account for stormwater initiatives, including but not limited to engineering and/or professional fees. This fund also accounts for the daily operations of the stormwater system and billing and collection of stormwater service fees.

In addition, the Township reports the following fiduciary fund type:

**Pension Trust Funds** – The Employee Pension Trust Funds are used to account for the uniformed and non-uniformed employee pension plans, which are separately maintained trust funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Township's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

### **D. Budgetary Information**

The Township follows these procedures in establishing budgetary data reflected in the financial statements:

1. Departmental budget requests and Board requests must be submitted to the Township Manager.
2. At least one work session with the Board must be scheduled. A tentative second work session can be scheduled.
3. Advertising of the adoption of the proposed budget appears in local papers. The ads must appear at least 10 days in advance of proposed budget adoption.
4. The adoption of the proposed budget, scheduled for an agenda meeting of the Board, must be adopted 20 days in advance of the final budget.

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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5. The Budget Ordinance and Taxation Ordinance must appear in the local papers at least 10 days before final adoption of the budget.
6. Prior to December 31, the budget is legally enacted through the passage of an ordinance.
7. Formal budgetary integration is employed as a management control device during the year.
8. Appropriations lapse at the end of each calendar year.
9. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Appropriations lapse at December 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget.

The Township must and does legally adopt a budget for all governmental funds. These budgets are prepared on the cash basis of accounting, which recognizes revenue when cash is received and expense when cash is disbursed.

The Board may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including the proceeds of any borrowing now or hereafter authorized by law. The Board may authorize the transfer of any unencumbered balance of any appropriation item or any portion thereof. The legal level of required Board approval of budget amendments is as follows:

**General Fund** - Department level except the public works department, which is at the major expenditure category level such as cleaning streets/gutters or snow/ice removal.

**Special Revenue Fund and Capital Project Funds** - major expenditure category level.

For funds budgeted, the Township Manager can amend appropriations within the major department or expenditure category, whichever is permitted. As a practice, the Board ratifies all budget changes.

During the year, there were no significant supplemental appropriation resolutions enacted by the Board.

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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### **E. Cash and Investments**

State statutes authorize the Township to invest in the following types of investments:

1. United States Treasury Bonds.
2. Short-term obligations of the United States Government or its agencies or instrumentalities.
3. Short-term commercial paper issued by a public corporation.
4. Bank acceptances.
5. Deposits in savings accounts insured by the Federal Deposit Insurance Corporation with collateral pledged by the depository for any amounts above the insured maximum.
6. Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania (Commonwealth) or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth, or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
7. Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the only investments of that company are in the authorized investments for Township funds listed in 1 through 6 above.

Deposits and investments of the pension trust funds are held separately from those of other Township funds. Pension trust funds are not restricted to the above requirements and may invest in other instruments.

For purposes of the 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.

The investments in the external investment pools are valued at amortized cost, which approximates fair value. All other investments of the Township are stated at fair value. The Township categorizes its fair value measurements within the fair value hierarchy

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# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

### **F. Inventory**

Inventory is valued at cost, which approximates market. Cost is determined on the first-in, first-out method. Inventory consists of consumable supplies used for operations and maintenance and also represents items for sale. Inventory is expensed when the items are used or sold.

### **G. Interfund Receivables/Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported 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.”

### **H. Capital Assets**

Capital assets, which include land, land improvements, buildings and improvements, machinery and equipment, and infrastructure assets (roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide and the proprietary fund financial statements. Capital assets are defined by the Township as those assets with an individual cost of more than \$5,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that the Township would have paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

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

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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

Capital assets of the Township are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	10 to 20 years
Buildings and improvements	5 to 20 years
Machinery and equipment	4 to 10 years
Sewer lines	40 to 50 years
Infrastructure	15 to 50 years

### **I. Compensated Absences**

Compensated absences, which include unpaid vacation and sick pay, are accrued when incurred. The liability is determined according to the following personnel policies of the Township:

1. An unlimited amount of sick leave may be accumulated by each employee. Upon retirement or death, the retiree or beneficiary is paid one half of the accumulated sick leave, up to a maximum of 75 days for non-uniformed employees and 72 days for uniformed employees. If an employee is terminated or resigns, the employee is not paid for accumulated sick leave.
2. A total of 45 days of vacation may be accumulated by each employee and is paid upon termination.

The Township has accrued for vacation benefits in the government-wide and proprietary fund financial statements for all employees. The Township has also recorded a liability for accumulated sick leave benefits, using the vesting method, in the government-wide and proprietary fund financial statements for all employees. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.



# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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### **J. Deferred Inflows and Outflows of Resources for Pensions and Other Post-Employment Benefits**

In conjunction with pension and other post-employment benefits accounting requirements, the effect of the differences in the Township's expected and actual experience, changes of assumptions, and the net difference between projected and actual earnings on plan investments are recorded as deferred inflows or outflows of resources related to pensions and other post-employment benefits on the government-wide and proprietary fund financial statements. These amounts are determined based on the actuarial valuations performed for the pension and other post-employment benefits plans.

### **K. Long-term Obligations**

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts, as well as deferred charge on refunding, are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs, excluding bond insurance, are expensed in the year of issuance. Bond insurance, if any, is recorded as a prepaid expense and amortized over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as debt issuance costs, 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.

### **L. Fund Balance and Net Position**

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

***Net Investment in Capital Assets*** – This category groups all capital assets, including infrastructure, 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 reduces this category. Deferred outflows of resources, due from other funds, and deferred inflows of resources that are attributable to the

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

***Restricted*** – 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*** – The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

In the fund financial statements, governmental funds report fund balance in categories based on the level of constraints placed upon the funds. These levels are as follows:

***Restricted Fund Balance*** – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties.

***Committed Fund Balance*** – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the Board. Such commitment is made via a resolution by the Board and must be made prior to the end of the year. Removal of this commitment requires a resolution by the Board.

***Assigned Fund Balance*** – This category represents intentions of the Township Manager to use the funds for specific purposes. Through a resolution of the Board, the Township Manager or his/her designee has been delegated the responsibility to assign funds.

***Unassigned Fund Balance*** – This category represents all other funds not otherwise defined.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the Township's policy to consider restricted fund balance to have been depleted before using any component of unrestricted fund balance. Further, when the components of unrestricted fund

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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balance can be used for the same purpose, committed fund balance is applied first and assigned fund balance is applied second. Unassigned fund balance is applied last.

### **M. Pension Plan Accounting**

The Township funds pension cost on its pension plans for Township employees and for salaried police-persons. Costs of administering the plan are funded by the plan.

Plan member contributions to the pension trust funds are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Township 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.

### **N. Unemployment Compensation**

The General Fund accounts for the Township's unemployment claims. As a reimbursable employer, when the Township is billed by the Commonwealth for unemployment compensation claims, monies are transferred from the appropriate fund into the General Fund for payment of the bill. Due to the insignificant expenditures incurred each year, a claim liability has not been established.

### **O. 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. Significant losses are covered by commercial insurance for all major programs. There were no significant reductions in insurance coverage in 2021. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

### **P. Use of Estimates in the Preparation of Financial Statements**

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

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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### **Q. Pending Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued the following Statements that will become effective in future years as shown below. Management has not yet determined the impact of these Statements on the Township's financial statements.

In June of 2017, GASB issued Statement No. 87, "*Leases*." This Statement improves the accounting and financial reporting for leases. The provisions of GASB Statement No. 87 are effective for the Township's December 31, 2022 financial statements.

In May of 2020, the GASB issued Statement No. 96, "*Subscription-Based Information Technology Arrangements*." The primary objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements of subscription-based information technology arrangements (SBITA); (b) improving the comparability of financial statements among governments that enter into SBITA's; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITA's. The provisions of this Statement are effective for the Township's December 31, 2023 financial statements.

In June of 2020, the GASB issued Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*." The primary objectives of this Statement are to: (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement are effective for the Township's December 31, 2022 financial statements.

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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### 2. Cash and Investments

#### A. Deposits

***Custodial credit risk.*** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. As of December 31, 2021, the Township's book balance was \$39,793,314 and the bank balance was \$41,508,000. Of the bank balance, \$582,419 was covered by federal depository insurance and \$12,720,681 was collateralized under Act No. 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 in the Act, to cover all public funds deposited in excess of federal depository insurance limits. The Township invests \$28,204,900 with Pennsylvania Local Government Investment Trust (PLGIT), an external investment pool, to ensure safety and maximize efficiency, liquidity, and yield for Township funds. PLGIT was created to meet the investment needs of local governments, school districts, municipal authorities, and other types of governments in the Commonwealth. PLGIT's investment objective is to seek high current income, consistent with preservation of capital and maintenance of liquidity. PLGIT issues separately audited financial statements that are available to the public. Further information regarding PLGIT and its investment strategies can be found at [www.plgit.com](http://www.plgit.com). The fair value of the Township's position in the external investment pool is equivalent to the value of the pool shares. The Commonwealth provides external regulatory oversight for the external investment pool.

The Township is invested in PLGIT-Class Shares, which require no minimum balance, no minimum initial investment, and have a one-day minimum investment period. The Township is invested in PLGIT/PRIME, which is a variable rate investment portfolio which requires no minimum balance, no minimum initial investment, and limits redemptions or exchanges to two per calendar month.

At December 31, 2021, PLGIT carried a AAA rating and had an average maturity of less than one year. At December 31, 2021, the Township's holdings with PLGIT were as follows:

PLGIT-Class Shares	\$ 302,122
PLGIT/PRIME	<u>27,902,778</u>
Total PLGIT	<u><u>\$ 28,204,900</u></u>

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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	<u>Carrying Value</u>
Cash and cash equivalents:	
Hampden Township	\$ 36,487,490
Hampden Township Sewer Authority (blended with Hampden Township Proprietary Funds)	<u>3,305,824</u>
Total cash and cash equivalents	<u>\$ 39,793,314</u>
 Cash and cash equivalents:	
Governmental activities:	
Unrestricted	\$ 16,099,263
Business-type activities:	
Unrestricted	23,682,430
Restricted	<u>11,621</u>
Total cash and cash equivalents	<u>\$ 39,793,314</u>

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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### B. Investments

All of the Township's investments are considered Level 1 based on active market quotes.

The fair value of the investments of the Township at December 31, 2021 was as follows:

	<u>Fair Value</u>
Investments:	
Money market funds	\$ 501,479
U.S. Government obligations	33,462
U.S. Government agency obligations	268
Mutual bond funds:	
Short-term	8,779,796
Intermediate-term	4,001,271
Ultrashort	804,752
Nontraditional	1,592,949
Tactical allocation	796,052
Mutual equity funds:	
Large cap	12,717,003
Mid cap	7,794,486
Small cap	4,489,845
Global	6,017,890
Total investments	<u><u>\$ 47,529,253</u></u>

**Custodial credit risk.** Custodial credit risk is the risk that the counterparty to an investment transaction will fail and the government will not recover the value of the investment or collateral securities that are in possession of an outside party. The Township does not have a formal policy for custodial credit risk. The Township's investments in U.S. Government obligations and U.S. Government agency obligations are held by the financial institutions trust department, not in the Township's name. The remaining investments in money market funds, mutual bond funds, and mutual equity funds are not exposed to custodial credit risk because they are not evidenced by securities in book entry or paper form.

**Concentration of credit risk.** The Township places no limit on the amount the Township may invest in any one issuer. At December 31, 2021, the Township was not invested in any one issuer above 5% of total investments.

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

**Credit risk.** The Township does not have a formal investment policy that would limit investment choices with regard to credit rating. The Township's investments had the following level of exposure to credit risk as of December 31, 2021:

	Fair Value	Rating
Money market funds	\$ 501,479	Unrated
U.S. Government obligations	33,462	AAA
U.S. Government agency obligations	268	Unrated
Mutual bond funds	1,435,474	AAA
Mutual bond funds	8,161,056	A
Mutual bond funds	796,052	Unrated
Mutual bond funds	1,592,949	BB
Mutual bond funds	3,989,289	BBB

**Interest rate risk.** The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The following is a list of the Township's money market and fixed income investments and their related average maturities:

Investment Type	Fair Value	Investment Maturity			
		2022	2023-2027	2028-2032	2033 and beyond
Money market funds	\$ 501,479	\$ 501,479	\$ -	\$ -	\$ -
U.S. Government obligations	33,462	-	-	-	33,462
U.S. Government agency obligations	268	-	-	268	-
Mutual bond funds	15,974,820	804,752	12,761,554	2,408,514	-
Total	\$ 16,510,029	\$ 1,306,231	\$ 12,761,554	\$ 2,408,782	\$ 33,462

### 3. Real Estate Taxes

The Township's real estate tax is levied each March 1st on the assessed value listed as of January 1st on all taxable real property located in the Township. During March and April, the taxes can be paid with a 2% discount; during May and June, at face value; and at July 1, a 10% penalty is assessed. All unpaid taxes levied January 1 become delinquent and attach as an enforceable lien on the property as of March 15 of the following year. Of the taxes billed for 2021, 98.3% were received during the current year.



# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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The Tax Levy Ordinance for 2021 was passed by the Board on December 14, 2020.

### 4. Receivables

Receivables include the applicable allowances for uncollectible accounts and are expected to be received within one year. Accounts receivable includes fees charged for ambulance services and stormwater user charges and are recorded net of an allowance for uncollectible fees, which at year-end was \$358,365 and \$3,987,685, respectively.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer recognition in connection with resources that have been received, but not yet earned. At December 31, 2021, there was \$3,908 reported as unavailable in the General Fund for delinquent real estate taxes receivable, \$20,150 reported as unavailable for per capita taxes, \$942,038 and \$136,433 reported as unavailable for earned income taxes and local services taxes, respectively, and \$819,502 for ambulance services.

Since 2011 through 2020, the Township has pursued various legal means to obtain payment on a receivable of \$1,312,000 from Municipal Energy Managers, Inc. and its two officers. On July 11, 2016, the President and the Secretary/Treasurer of Municipal Energy Managers pleaded guilty for failure to make required disposition of the funds paid to them by the Township. As part of the plea, the President and Secretary/Treasurer of Municipal Energy Managers are required to make restitution payments to the Township of \$1,312,000. However, due to the restitution amount being set at only \$150 per month, per individual, the Township had decided to apply an allowance on the \$1,312,000 owed by Municipal Energy Managers and recognize the restitution payments as they are received each year. During the year ended December 31, 2021, the Township received \$1,120 in restitution payments. As of December 31, 2021, \$1,305,283 remains outstanding. The Township is also continuing to pursue civil claims against the President and Secretary/Treasurer and claims against persons or entities, and those payments will also be recognized as they may be received each year.

### 5. Restricted Assets

Certain funds are held in trust in order to comply with various restrictions imposed by the related bond indentures.

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

The restricted assets held at December 31, 2021 were construction funds in the amount of \$11,621 for business-type activities.

### 6. Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases/ Transfers In	Decreases/ Transfers Out	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 3,480,611	\$ -	\$ -	\$ 3,480,611
Construction in progress	6,203,478	138,101	(5,953,971)	387,608
Total capital assets, not being depreciated	9,684,089	138,101	(5,953,971)	3,868,219
Capital assets, being depreciated:				
Land improvements	3,625,622	21,200	-	3,646,822
Buildings and improvements	14,180,413	6,130,929	-	20,311,342
Machinery and equipment	11,052,713	247,489	(261,503)	11,038,699
Infrastructure	28,737,000	756,955	-	29,493,955
Total capital assets, being depreciated	57,595,748	7,156,573	(261,503)	64,490,818
Less accumulated depreciation for:				
Land improvements	(2,350,046)	(97,974)	-	(2,448,020)
Buildings and improvements	(7,259,066)	(664,723)	-	(7,923,789)
Machinery and equipment	(9,154,493)	(626,131)	258,262	(9,522,362)
Infrastructure	(6,969,029)	(279,533)	-	(7,248,562)
Total accumulated depreciation	(25,732,634)	(1,668,361)	258,262	(27,142,733)
Total capital assets, being depreciated, net	31,863,114	5,488,212	(3,241)	37,348,085
Governmental activities, capital assets, net	\$ 41,547,203	\$ 5,626,313	\$ (5,957,212)	\$ 41,216,304

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 895,000	\$ -	\$ -	\$ 895,000
Easements	126,369	-	-	126,369
Construction in progress	2,668,646	19,605	(2,668,646)	19,605
Total capital assets, not being depreciated	3,690,015	19,605	(2,668,646)	1,040,974
Capital assets, being depreciated:				
Sewer lines	57,201,664	-	-	57,201,664
Infrastructure	5,027,211	132,673	-	5,159,884
Land improvements	2,429,588	20,650	-	2,450,238
Buildings and improvements	68,667,998	2,698,140	-	71,366,138
Machinery and equipment	6,520,847	262,612	(185,909)	6,597,550
Total capital assets, being depreciated	139,847,308	3,114,075	(185,909)	142,775,474
Less accumulated depreciation:				
Sewer lines	(29,740,950)	(1,053,966)	-	(30,794,916)
Infrastructure	(2,168,687)	(217,642)	-	(2,386,329)
Land improvements	(2,095,082)	(67,394)	-	(2,162,476)
Buildings and improvements	(26,264,043)	(1,376,031)	-	(27,640,074)
Machinery and equipment	(5,383,554)	(289,200)	185,909	(5,486,845)
Total accumulated depreciation	(65,652,316)	(3,004,233)	185,909	(68,470,640)
Total capital assets, being depreciated	74,194,992	109,842	-	74,304,834
Business-type activities, capital assets, net	\$ 77,885,007	\$ 129,447	\$ (2,668,646)	\$ 75,345,808

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# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 629,924
Public safety	605,167
Public works	310,775
Parks and recreation	<u>122,495</u>
Total depreciation expense - governmental activities	<u>\$ 1,668,361</u>
Business-type activities:	
Sewer	\$ 2,539,193
Sanitation	17,188
Stormwater	250,175
Nonmajor enterprise funds	<u>197,677</u>
Total depreciation expense - business-type activities	<u>\$ 3,004,233</u>

### 7. Unearned Revenue

In January 2011, the Authority entered into an Intermunicipal Agreement (Agreement) with the Township and Camp Hill Borough (Borough). The Authority is to provide wastewater treatment capacity to the Borough in order to provide for the conveyance and treatment of sewage originating in the Borough. The Borough agreed to pay the Authority a tapping fee totaling \$9,010,090 for the connection of the Borough system to the Township system, payable as follows: (1) \$500,000 payable upon execution of the Agreement; (2) \$2,500,000 payable upon the Borough's receipt of its financing for the tapping fee and conveyance project, or six months from the date of execution of the Agreement, whichever is earlier; and (3) the balance, or \$6,010,090 payable upon the Township's notice of intent to publicly advertise for bids on the WWTP upgrade project.

During the year ended December 31, 2013, the Borough fully connected to the Township system. At that time, the Township began amortizing the unearned revenue over the life of the asset, which is 25 years. At December 31, 2021, the unamortized balance was \$6,066,791.

During the year ended December 31, 2021, the Township received \$1,606,254 from the U.S. Department of the Treasury's American Rescue Plan Act which is recorded in the Capital Improvements Fund. The full amount is recorded as unearned revenue as no funds were spent as of December 31, 2021.

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

### 8. Long-Term Debt

#### *Series of 2019 General Obligation Bonds*

On July 10, 2019, the Township issued the General Obligation Bonds, Series of 2019 (2019 Bonds), in the amount of \$22,940,000. The 2019 Bonds were issued for the refunding and redemption of the General Obligation Note, Series of 2015 and General Obligation Note, Series of 2016. Additionally, the proceeds of the 2019 Bonds were to (1) fund certain capital projects of the Township, including the planning, designing, acquiring, constructing, furnishing and equipping of a new Township administration building and various other capital projects and (2) pay the costs and expenses related to the issuance of the 2019 Bonds. The 2019 Bonds bear interest at 2.00% to 5.00% and are due in semi-annual installments from November 15, 2019 through November 15, 2043. Of the total issuance amount of the 2019 Bonds, \$20,945,000 is payable by the Capital Improvements Fund, \$525,000 is payable by the Sanitation Fund, and \$1,470,000 is payable by the Stormwater Fund.

The combined aggregate amount of maturities of borrowings under the 2019 Bonds is as follows:

Year Ending December 31,	Principal	Interest	Total
2022	\$ 570,000	\$ 906,950	\$ 1,476,950
2023	595,000	883,650	1,478,650
2024	695,000	857,850	1,552,850
2025	715,000	836,800	1,551,800
2026	735,000	811,275	1,546,275
2027-2031	4,250,000	3,451,750	7,701,750
2032-2036	5,220,000	2,397,000	7,617,000
2037-2041	6,360,000	1,242,200	7,602,200
2042-2043	2,930,000	118,400	3,048,400
	<u>\$ 22,070,000</u>	<u>\$ 11,505,875</u>	<u>\$ 33,575,875</u>

#### *Series of 2020 General Obligation Bonds*

On August 18, 2020, the Township issued the General Obligation Bonds, Series of 2020 (2020 Bonds) in the amount of \$16,445,000. The 2020 Bonds were issued for the current refunding

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

and redemption of the General Obligation Bonds, Series of 2012 and paying the costs and expenses related to the issuance of the 2020 Bonds. The 2020 Bonds bear interest at 2.00% to 4.00% and are due in semi-annual installments from November 15, 2020 through May 15, 2032. Of the total issuance amount of the 2020 Bonds, \$15,885,000 is payable by the Sewer Fund, \$415,000 is payable by the Park and Pool Fund, and \$145,000 is payable by the Armitage Golf Club Fund.

Concurrently, the Township entered into a subsidy agreement with the Authority with respect to the 2020 Bonds, whereby the Authority is obligated to satisfy the annual debt service requirements on the \$15,885,000 principal amount of the 2020 Bonds allocated to the Sewer Fund. Beginning on November 15, 2020, payments of principal and interest are payable on May 15 and November 15 of each year.

The remaining combined aggregate amount of maturities of borrowings under the 2020 Bond is as follows:

Year Ending December 31,	Principal	Interest	Total
2022	\$ 1,830,000	\$ 548,000	\$ 2,378,000
2023	1,900,000	473,400	2,373,400
2024	1,975,000	395,900	2,370,900
2025	2,055,000	315,300	2,370,300
2026	2,140,000	231,400	2,371,400
2027-2031	4,715,000	209,375	4,924,375
2032	55,000	825	55,825
	<u>\$ 14,670,000</u>	<u>\$ 2,174,200</u>	<u>\$ 16,844,200</u>

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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Under the subsidy agreement, the Authority will be responsible to satisfy the annual debt service requirements on the portion of the 2020 Bonds allocable to the Sewer Fund, which has combined aggregate amount of maturities as of December 31, 2021, as follows:

Year Ending December 31,	Principal	Interest	Total
2022	\$ 1,790,000	\$ 530,200	\$ 2,320,200
2023	1,860,000	457,200	2,317,200
2024	1,935,000	381,300	2,316,300
2025	2,015,000	302,300	2,317,300
2026	2,095,000	220,100	2,315,100
2027-2031	4,455,000	179,900	4,634,900
	<u>\$ 14,150,000</u>	<u>\$ 2,071,000</u>	<u>\$ 16,221,000</u>

In the event of default by the Township on the 2019 Bonds or 2020 Bonds, the holders of the bonds are entitled to certain remedies provided by the Debt Act. No events of default by the Township took place during the year ended December 31, 2021.

### ***Installment Purchase***

On May 1, 2014, the Township entered into an agreement to purchase approximately 7.9 acres of land on Sporting Hill Road. Under the agreement, the Township agreed to pay the present value of ten annual payments of \$75,000, using the Mid-Term Applicable Federal Rate as established by the Internal Revenue Service, compounded annually, but in no case more than six percent. The first payment was due on the settlement date and additional payments are due on each of the next nine annual anniversaries of the settlement date.

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

The following is a schedule, by year, of the future minimum installment payments under the agreement together with the present value of the net minimum installment payments as of December 31, 2021:

<u>Years Ending December 31,</u>	<u>Amount</u>
2022	\$ 75,000
2023	75,000
Total minimum installment payments	150,000
Amount representing interest	(8,491)
Present value of net minimum installment payments	<u>\$ 141,509</u>

The cost of the land purchased under the agreement was \$587,790.

### ***Compensated Absences***

Compensated absences are generally liquidated by the General Fund and Enterprise Funds.

Long-term liability activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
2019 Bonds	\$ 20,670,000	\$ -	\$ (495,000)	\$ 20,175,000	\$ 515,000
Bond premium	2,440,455	-	(22,849)	2,417,606	-
Compensated absences	962,842	540,358	(491,178)	1,012,022	386,470
Installment purchase	204,253	-	(62,744)	141,509	66,509
Governmental activities long-term liabilities	<u>\$ 24,277,550</u>	<u>\$ 540,358</u>	<u>\$ (1,071,771)</u>	<u>\$ 23,746,137</u>	<u>\$ 967,979</u>
Business-type activities:					
2019 Bonds	\$ 1,945,000	\$ -	\$ (50,000)	\$ 1,895,000	\$ 55,000
2020 Bonds	16,445,000	-	(1,775,000)	14,670,000	1,830,000
Bond premium	2,383,896	-	(23,033)	2,360,863	-
Compensated absences	287,846	100,525	(113,621)	274,750	105,546
Business-type activities long-term liabilities	<u>\$ 21,061,742</u>	<u>\$ 100,525</u>	<u>\$ (1,961,654)</u>	<u>\$ 19,200,613</u>	<u>\$ 1,990,546</u>



# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

### 9. Pension Plans

#### Plan Description and Administration

The Township maintains two single-employer, defined benefit pension plans, covered by the Municipal Pension Plan Funding Standard and Recovery Act, Act 205 and Act 600, of the General Assembly of the Commonwealth. The Plans are governed by the Board of the Township, which may amend plan provisions, and which is responsible for the management of Plan assets. The Board has delegated the authority to manage certain plan assets to the Letort Management and Trust Company. The Plans do not issue separate reports.

#### ***A. Hampden Township Police Pension (Police Pension Plan) and Hampden Township Non-Uniformed Employees' Pension (Non-Uniformed Pension Plan) (Plans)***

#### Plan Membership

The Police Pension Plan covers all full-time police officers of the Township. The Non-Uniformed Pension Plan covers all full-time, non-uniformed employees.

At December 31, 2021, the Plans' membership data was as follows:

	Police Pension Plan	Non-Uniformed Pension Plan
Active employees	26	68
Inactive employees or beneficiaries currently receiving benefits	19	56
Inactive employees entitled to but not yet receiving benefits	-	19
Total	45	143

#### Benefits Provided

#### *Police Pension Plan*

*Retirement Benefit* - Full-time uniformed police department employees hired before January 1, 2014, who retire at age 50 with 25 years of service, are entitled to an amount equal to 50% of total compensation averaged over the final 36 months of a participant's service, plus \$50

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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per month of each completed year of service beyond 25 years, not to exceed a total of \$500. Participants hired on or after January 1, 2014, will be entitled to the same benefits; however, they must attain age 55 with 25 years of service. Participants become fully vested upon completion of 12 years of service.

*Early Retirement Benefit* - A participant is eligible for early retirement after completion of 20 years of vesting service. The monthly early retirement pension is equal to the accrued benefit at the date of actual retirement, actuarially reduced to reflect early commencement of payments.

*Disability Benefit* - If a participant becomes totally and permanently disabled as a result of accident or sickness occurring in the line of duty, the participant is entitled to receive a monthly disability benefit. The scheduled benefit is 50% of the participant's total compensation averaged over the final 36 months of a participant's service but no less than 50% of the participant's salary at the time the disability was incurred.

*Death Benefit* - If a participant's death occurs before retirement eligibility, the participant's estate receives a refund of contributions made by the participant, if any. If a participant's death occurs in the line of duty and the participant is survived by an eligible spouse or dependent children, a monthly benefit is payable until the latest of the spouse's death, spouse's remarriage, or the youngest dependent attaining age 18 (age 23 if attending college). The benefit payable is 100% of the participant's salary at the time of death. If a participant's death occurs after the participant has qualified for retirement, a monthly benefit is payable to the surviving spouse equal to 50% of the benefit the participant was receiving or eligible to receive until death. In the event of the spouse's death, the participant children will share the benefit until age 18 (age 23 if attending college).

*Cost-of-Living Adjustments* – Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance subsequent to the member's retirement date effective on each March 1. The annual adjustments are equal to the percentage change in the Consumer Price Index. The total of all increases may not exceed 30% of the retiree's original benefit nor may the sum of the retiree's benefit and all increases exceed 75% of the final monthly average salary used to compute the original benefit.

### *Non-Uniformed Pension Plan*

*Retirement Benefit* - Full-time non-uniformed Township employees hired prior to January 1, 2018, who retire at age 62 with 10 years of service, are entitled to an amount equal to 50% of total compensation averaged over the final 36 months of a participant's service. Full-time

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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non-uniformed Township employees hired on or after January 1, 2018, who retire at age 62 with 10 years of service, are entitled to an amount equal to 1.3% of base salary averaged over the last 36 months of service. A participant vests 40% in their accrued benefit after four years of service, with an additional 10% per year of service thereafter.

*Early Retirement Benefit* - A participant is eligible for early retirement at age 55 with 10 years of vesting service. The monthly early retirement pension is equal to the accrued benefit at the date of actual retirement but will be reduced by 1/180 for each month preceding the normal retirement date up to the first 60 months and by 1/360 for each of the next 60 months. In addition, a participant who has made contributions is eligible for a distribution of the value of the contributions as of the date of early retirement in a lump sum payment.

*Death Benefit* – If a participant's death occurs before retirement eligibility, the surviving spouse will receive the survivor's portion of the participant's vested accrued benefit after reduction for early commencement and conversion to a joint and 50% survivor annuity, payable for life, commencing at what would have been the participant's earliest retirement date. If a participant's death occurs after the participant has qualified for retirement, the form of payment in force at the time of death occurs. Optional forms are available at the election of the participant and are actuarially equivalent to the normal form.

### Contributions

The Plans' funding policy provides for periodic employer contributions at actuarially determined rates that are sufficient to accumulate sufficient assets to pay benefits when due. Required contributions are determined using the entry age normal method. The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to calculate the actuarial accrued liability.

Act 205 requires that annual contributions to the Plans be based upon the Plans' Minimum Municipal Obligation (MMO), which is based on the Plans' biennial actuarial valuation. The Plans are eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program, which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205. The MMO payments are made out of the Township's General Fund.

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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### Police Pension Plan

In accordance with the Police Pension Plan's governing document, employees are required to contribute 5.0% of covered payroll to the plan. The Township contributed \$579,222 to the Police Pension Plan for the year ended December 31, 2021.

### Non-Uniformed Pension Plan

Effective January 1, 2019, employees were required to contribute 1% of compensation to the plan. This rate will increase by 0.5% each year to 3% in 2023. For the year ended December 31, 2021, the required employee contribution rate was 2.5%. The Township contributed \$890,996 to the Non-Uniformed Pension Plan for the year ended December 31, 2021.

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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### Changes in the Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the Township for the year ended December 31, 2021 were as follows:

#### Police Pension Plan

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2020	<u>\$ 16,815,369</u>	<u>\$ 16,541,383</u>	<u>\$ 273,986</u>
Changes for the year:			
Service cost	501,471	-	501,471
Interest	1,252,790	-	1,252,790
Differences between expected and actual experience	421,936	-	421,936
Change of assumptions	587,164	-	587,164
Contributions - employer	-	579,222	(579,222)
Contributions - employees	-	123,858	(123,858)
Net investment income (loss)	-	2,071,739	(2,071,739)
Benefit payments, including refunds	(872,650)	(872,650)	-
Administrative expense	<u>-</u>	<u>(50,263)</u>	<u>50,263</u>
Net changes	<u>1,890,711</u>	<u>1,851,906</u>	<u>38,805</u>
Balances at December 31, 2021	<u><u>\$ 18,706,080</u></u>	<u><u>\$ 18,393,289</u></u>	<u><u>\$ 312,791</u></u>
Plan fiduciary net position as a percentage of the total pension liability			<u>98.33%</u>

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

### Non-Uniformed Pension Plan

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2020	<u>\$ 26,256,102</u>	<u>\$ 26,189,488</u>	<u>\$ 66,614</u>
Changes for the year:			
Service cost	499,859	-	499,859
Interest	1,825,514	-	1,825,514
Differences between expected and actual experience	(513,415)	-	(513,415)
Change of assumptions	430,044	-	430,044
Contributions - employer	-	890,996	(890,996)
Contributions - employee	-	82,043	(82,043)
Net investment income (loss)	-	3,289,333	(3,289,333)
Benefit payments, including refunds	(1,208,070)	(1,208,070)	-
Administrative expense	<u>-</u>	<u>(81,651)</u>	<u>81,651</u>
Net changes	<u>1,033,932</u>	<u>2,972,651</u>	<u>(1,938,719)</u>
Balances at December 31, 2021	<u><u>\$ 27,290,034</u></u>	<u><u>\$ 29,162,139</u></u>	<u><u>\$ (1,872,105)</u></u>
Plan fiduciary net position as a percentage of the total pension liability			<u>106.86%</u>

The net pension asset of the Non-Uniformed Pension Plan is allocated between the governmental activities and the business-type activities in the amounts of \$1,212,274 and \$659,831 respectively, at December 31, 2021.

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

*Actuarial Assumptions* - The total pension liability of the Plans was determined by an actuarial valuation as of January 1, 2021 and rolled forward to the reporting date of December 31, 2021, using the following significant actuarial assumptions, applied to all periods in the measurement:

	Police Pension Plan	Non-Uniformed Pension Plan
	Entry Age Normal	Entry Age Normal
Actuarial cost method		
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	5.00%	4.50%
Underlying inflation rate	2.50%	2.50%
Mortality tables:	PubS-2010 - 2010 Public Retirement Plan - Public Safety mortality tables with improvement projected from 2020 with rates derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report.	PubG-2010 - 2010 Public Retirement Plan - General Employees mortality tables with improvement projected from 2020 with rates derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report.

*Changes of Assumptions* – Effective for the Police Pension Plan's January 1, 2021 actuarial valuation, the investment rate of return was decreased from 7.25% to 7.00%, the inflation rate was decreased from 2.75% to 2.50%, and the mortality tables were updated. Effective for the Non-Uniformed Pension Plan's January 1, 2021 actuarial valuation, the investment rate of return was decreased from 7.25% to 7.00%, the projected salary increase was decreased from 5.00% to 4.50%, the inflation rate was decreased from 2.75% to 2.50%, and the mortality tables were updated.

*Investment Policy* – The Plans' policy in regard to the allocation of invested assets is established and may be amended by the Board. It is the policy of the Board to follow an asset class allocation approach where dollars are allocated among the classes based on estimates of the future needs for distributing cash. The cash allocation is structured to handle planned near term needs. Debt is structured where annual maturities are laddered to carry the program through at least a five-year business cycle. As instruments mature at face value, the liquidity provides choices to either add to cash to meet current needs or roll forward for the future. Equity can then be put to work knowing that short-term volatility can be tolerated for the benefit of greater total long-term return. The various equity funds

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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are assigned allocation percentage targets. As new cash becomes available, the assigned allocation percentages are used to allocate it. Rebalancing is automatically completed quarterly.

*Long-Term Expected Rate of Return* – The long-term expected rate of return on the Plans' 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 investment 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.

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plans' target asset allocation as of December 31, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash equivalents	0.0%	0.1% - 0.5%
Fixed income	35.0%	0.4% - 5.0%
Equity	65.0%	4.1% - 10.5%
	<u>100.0%</u>	

*Rate of Return* – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2021, the annual money-weighted rate of return on the Police Pension Plan investments, net of investment expense, was 12.31%. For the year ended December 31, 2021, the annual money-weighted rate of return on the Non-Uniformed Pension Plan investments, net of investment expense, was 12.43%.

*Concentrations* – The Plans had no investments (other than U.S. Government and U.S. Government guaranteed obligations, mutual funds, or other pooled investments) in any one issuer that represents 5% or more of the Plan's fiduciary net position at December 31, 2021.

*Discount Rate* - The discount rate used to measure the total pension liability for the Plans was 7.00%. 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 the



# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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Township's contributions will be made based on the yearly MMO calculation. Based on those assumptions, the Plans' 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.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* – The following presents the net pension liability (asset) of the Plans calculated using the discount rates described above, as well as what the Plans' net pension liabilities (assets) would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Police Pension Plan	\$ 2,829,013	\$ 312,791	\$ (1,764,884)
Non-Uniformed Pension Plan	\$ 1,247,864	\$ (1,872,105)	\$ (4,529,320)

### Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the Township recognized pension expense of \$153,092 in the governmental activities and pension income of \$49,667 in the business-type activities.

For the year ended December 31, 2021, total pension expense was \$248,914 for the Police Pension Plan and total pension income was \$145,489 for the Non-Uniformed Pension Plan.

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

At December 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	Business-Type Activities
<b>Deferred Outflows of Resources:</b>		
Police Pension Plan:		
Changes of assumptions	\$ 1,023,667	\$ -
Differences between expected and actual experience	458,968	-
Total Police Pension Plan	1,482,635	-
Non-Uniformed Pension Plan:		
Changes of assumptions	572,816	337,834
Differences between expected and actual experience	1,346	794
Total Non-Uniformed Pension Plan	574,162	338,628
Total deferred outflows of resources	\$ 2,056,797	\$ 338,628
<b>Deferred Inflows of Resources:</b>		
Police Pension Plan:		
Net difference between projected and actual earnings on pension plan investments	\$ 1,466,931	\$ -
Differences between expected and actual experience	375,106	-
Total Police Pension Plan	1,842,037	-
Non-Uniformed Pension Plan:		
Net difference between projected and actual earnings on pension plan investments	1,489,600	856,516
Differences between expected and actual experience	506,396	291,176
Total Non-Uniformed Pension Plan	1,995,996	1,147,692
Total deferred inflows of resources	\$ 3,838,033	\$ 1,147,692

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

The effect of the differences in the Township's expected and actual experience and changes of assumptions is recognized over the average expected remaining service lives of active and inactive members. The difference between projected and actual earnings on the pension plan investments is recognized over five years. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Police	Non-Uniformed Pension Plan	
	Pension Plan	Governmental	Business-Type
	Governmental	Governmental	Business-Type
	Activities	Activities	Activities
<u>Year ending December 31,</u>			
2022	\$ (131,831)	\$ (263,462)	\$ (149,917)
2023	(472,374)	(586,140)	(333,531)
2024	(136,740)	(330,461)	(188,042)
2025	5,755	(234,441)	(133,403)
2026	101,135	(7,330)	(4,171)
Thereafter	274,653	-	-
	<u>\$ (359,402)</u>	<u>\$ (1,421,834)</u>	<u>\$ (809,064)</u>

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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### **B. Pension Financial Statements**

Financial statements for the individual pension plans are presented below:

#### **Statement of Fiduciary Net Position**

December 31, 2021

	<u>Police Pension Trust Fund</u>	<u>Non-Uniformed Pension Trust Fund</u>
Assets:		
Interest receivable	<u>\$ 15,093</u>	<u>\$ 11,725</u>
Investments, at fair value:		
Money market funds	206,674	294,805
U.S. Government obligations	20,077	13,385
U.S. Government agency obligations	126	142
Mutual bond funds	6,390,003	9,584,817
Mutual equity funds	<u>12,073,091</u>	<u>18,946,133</u>
Total investments	<u>18,689,971</u>	<u>28,839,282</u>
Due from (due to) other Pension Trust Fund	<u>(311,774)</u>	<u>311,774</u>
Total assets	<u>18,393,290</u>	<u>29,162,781</u>
Liabilities:		
Accounts payable	<u>-</u>	<u>643</u>
Net position restricted for pension benefits	<u>\$ 18,393,290</u>	<u>\$ 29,162,138</u>

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

### Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2021

	Police Pension Trust Fund	Non-Uniformed Pension Trust Fund
Additions:		
Contributions - employer	\$ 579,222	\$ 890,996
Contributions - employee	123,858	82,043
Total contributions	703,080	973,039
Investment earnings:		
Net appreciation in fair value of investments	1,816,211	2,888,238
Interest	255,528	401,094
Total investment earnings	2,071,739	3,289,332
Less: investment expense	(45,248)	(72,781)
Net investment earnings	2,026,491	3,216,551
Total additions	2,729,571	4,189,590
Deductions:		
Benefits	872,650	1,208,070
Administrative	5,014	8,870
Total deductions	877,664	1,216,940
Change in net position	1,851,907	2,972,650
Net position restricted for pension benefits:		
January 1	16,541,383	26,189,488
December 31	\$ 18,393,290	\$ 29,162,138

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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### 10. Other Post-Employment Benefits

#### Plan Descriptions

In addition to the pension benefits described in Note 9, the Township provides certain post-employment healthcare benefits to its retirees through one single-employer, defined benefit other post-employment benefit (OPEB) plan. However, within this one plan, there are two groups of employees with different types of benefits. The plan does not issue a separate report.

#### Police department:

Per Section 8.04 of the Collective Bargaining Agreement between the Township and the Hampden Township Police Association, effective January 1, 2018, post-retirement medical benefits are paid by the Township until the retired officer reaches the date of Medicare eligibility.

Eligibility: Any full-time police officer hired before January 1, 2014 who retires after having at least 25 years of service and after attaining age 50.

Benefits: The health care coverage currently includes medical benefits. The Township would pay the cost of coverage for the retiree (including dependents) from retirement until the retiree's Medicare eligibility. Eligibility is suspended if the officer has available coverage from a subsequent employer or through the spouse's employer.

#### Non-uniformed employees:

Per Appendix A of the Hampden Township Personnel Policies and Procedures Manual, effective January 1, 2018, post-retirement medical insurance premiums are covered for a period of 60 months following retirement for non-uniformed employees hired on or before March 28, 2013.

Eligibility: Any full-time non-uniformed employee hired on or before March 28, 2013 and after having at least 10 years of service and attaining age 62 or who retires early at age 55 with at least 10 years of service.

Benefits: The health care coverage currently includes medical benefits. The Township would pay the cost of coverage for the retiree (not including dependents) from retirement for five years. Upon Medicare eligibility, the participant would be transferred to a Medicare

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Supplement Plan. Eligibility is suspended if the participant has available coverage from a subsequent employer or through the spouse's employer.

### Plan Membership

As of January 1, 2020, the latest actuarial valuation date, the OPEB plan membership was as follows:

	Police	Non-Uniformed	Total
Active employees	17	53	70
Inactive employees or beneficiaries currently receiving benefits	4	11	15
Total	21	64	85

### Contributions

The Township's contribution is based on projected pay-as-you-go financing requirements from the Township's General Fund. The Township has opted to not fully fund the OPEB contributions and will continue to fund the annual OPEB costs on a pay-as-you-go basis. For the year ended December 31, 2021, the Township contributed \$315,971 towards its OPEB costs.

### Changes in Total OPEB Liability

The changes in total OPEB liability of the Township for the year ended December 31, 2021 were as follows:

	Total OPEB Liability
Service cost	\$ 338,459
Interest	215,063
Benefit payments	(315,971)
Net changes	237,551
Balance at January 1, 2021	6,987,131
Balance at December 31, 2021	\$ 7,224,682

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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The total OPEB liability is allocated between the governmental activities and business-type activities in the amounts of \$6,184,327 and \$1,040,355, respectively, at December 31, 2021.

### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of the valuation and on the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculation.

The projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

The total OPEB liability was determined by an actuarial valuation performed on January 1, 2020 and rolled forward to the reporting date of December 31, 2021, using the following actuarial assumptions, applied to all periods in the measurement:

Valuation date	1/1/2020
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Interest rate	3.00%
Inflation rate	2.75%
Healthcare cost trend rates	13.00% in 2020; 6.50% in 2021; 6.25% in 2022; 6.00% in 2023; 5.75% in 2024; 5.5% in 2025; 5.25% in 2026; 5.00% in 2027 and later
Mortality	Police - RP-2014 Mortality Table with 50% Blue Collar Adjustment, set forward five years for disabled lives Non-uniformed - RP-2014 Mortality Table

### Changes of Assumptions

Effective for the January 1, 2020 actuarial valuation, the Plan's interest rate was decreased from 3.25% to 3.00% and healthcare cost trend rates were updated.



# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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### Discount Rate

The discount rate used to measure the total OPEB liability was 3.00%. The discount rate was based on the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher.

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

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

	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
Total OPEB Liability	\$ 7,942,232	\$ 7,224,682	\$ 6,576,045

### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 6,273,915	\$ 7,224,682	\$ 8,357,009

### OPEB Expense

For the year ended December 31, 2021, the Township recognized OPEB expense of \$514,878 in the governmental activities and \$145,248 in the business-type activities.

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

At December 31, 2021, the Township reported deferred outflows of resources related to OPEB from the following sources:

	Governmental Activities	Business-Type Activities
Deferred Outflows of Resources:		
Changes of assumptions	\$ 372,900	\$ 62,730
Differences between expected and actual experience	329,748	55,471
Total	<u>\$ 702,648</u>	<u>\$ 118,201</u>

The effect of the differences in the Township's expected and actual experience and changes of assumptions is recognized over the average expected remaining service lives of active and inactive members. Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Governmental Activities	Business-Type Activities
Year ending December 31,		
2022	\$ 91,253	\$ 15,351
2023	91,253	15,351
2024	91,253	15,351
2025	91,253	15,351
2026	91,253	15,351
Thereafter	246,383	41,446
	<u>\$ 702,648</u>	<u>\$ 118,201</u>

### 11. Commitments

The Township has entered into various construction contracts approximating \$5.3 million during the years ended December 31, 2019 through December 31, 2021. The commitment remaining on such contracts at December 31, 2021 was approximately \$1,707,000.

During the year ended December 31, 2019, the Township entered into a three-year trash hauling contract beginning January 1, 2020 for the removal of refuse in the monthly amount

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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of \$28 per unit. The contract remains effective through December 31, 2022, with the option to renew on a yearly basis for up to two one-year renewal periods.

During the year ended December 31, 2021, the Township extended their Biosolids Transportation and Utilization Service contract for the period September 1, 2021 to August 31, 2023 in the amount of \$40 per wet ton.

The Township does not have any significant encumbrances at December 31, 2021.

Subsequent to the year ended December 31, 2021, the Township entered into various contracts approximating \$6.7 million.

### 12. Interfund Balances and Transfers

A reconciliation of the interfund balances for the year ended December 31, 2021 is as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 36,714	\$ -
Sewer Fund	-	327
Sanitation Fund	-	71
Stormwater Fund	-	36,311
Other Enterprise Fund:		
Armitage Golf Club Fund	-	5
	<u>\$ 36,714</u>	<u>\$ 36,714</u>

Interfund balances are primarily for reimbursement of expenditures paid on behalf of another fund at December 31, 2021.

# HAMPDEN TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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A reconciliation of the interfund transfers for the year ended December 31, 2021 is as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 51,500	\$ 2,925,000
Capital Improvements Fund	2,925,000	-
Sewer Fund	-	40,000
Other Enterprise Fund:		
Armitage Golf Club Fund	-	11,500
	<u>\$ 2,976,500</u>	<u>\$ 2,976,500</u>

Transfers are primarily used to account for unrestricted revenues, collected mainly in the General Fund, to finance various programs accounted for in other funds in accordance with budget authorizations.

## **REQUIRED SUPPLEMENTARY INFORMATION**

# HAMPDEN TOWNSHIP

## GENERAL FUND BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL (BUDGET BASIS)

YEAR ENDED DECEMBER 31, 2021

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget - Positive (Negative)
<b>Revenues:</b>				
Real estate taxes	\$ 576,500	\$ 576,500	\$ 590,617	\$ 14,117
Per capita taxes	177,000	177,000	190,849	13,849
Earned income taxes	5,850,000	5,850,000	7,173,785	1,323,785
Local services taxes	975,000	975,000	929,590	(45,410)
Real estate transfer taxes	900,000	900,000	1,683,938	783,938
Franchise taxes	600,000	600,000	601,961	1,961
Licenses and permits	638,100	638,100	817,160	179,060
Fines	101,500	101,500	112,318	10,818
Grants	25,000	25,000	44,739	19,739
Public utility taxes	8,700	8,700	9,297	597
Distribution from Auditor				
General's office	600,000	600,000	570,877	(29,123)
Emergency medical services	1,025,000	1,025,000	1,112,032	87,032
Interest	50,500	50,500	7,447	(43,053)
Recreation	322,350	322,350	225,882	(96,468)
Other	261,100	261,100	393,437	132,337
<b>Total revenues</b>	<b>12,110,750</b>	<b>12,110,750</b>	<b>14,463,929</b>	<b>2,353,179</b>
<b>Expenditures:</b>				
Current:				
General government:				
Administration	1,470,995	1,470,995	1,155,437	315,558
Tax collection	59,130	59,130	57,674	1,456
Municipal buildings	82,600	82,600	58,068	24,532
Unemployment compensation	67,500	67,500	-	67,500
Retiree medical benefits	186,500	186,500	145,033	41,467
<b>Total general government</b>	<b>1,866,725</b>	<b>1,866,725</b>	<b>1,416,212</b>	<b>450,513</b>
Public safety:				
Police	4,022,780	4,022,780	3,731,350	291,430
Fire	584,355	584,355	526,289	58,066
Ambulance	1,298,070	1,298,070	1,142,902	155,168
Community development	578,815	578,815	565,330	13,485
Emergency management	13,360	13,360	-	13,360
<b>Total public safety</b>	<b>6,497,380</b>	<b>6,497,380</b>	<b>5,965,871</b>	<b>531,509</b>

(Continued)

# HAMPDEN TOWNSHIP

## GENERAL FUND BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL (BUDGET BASIS)

YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget - Positive (Negative)
<b>Expenditures (continued):</b>				
Public works:				
General services	1,557,070	1,557,070	1,300,011	257,059
Cleaning streets/gutters	18,000	18,000	7,314	10,686
Snow/ice removal	230,000	230,000	133,105	96,895
Street signs and markings	117,700	117,700	110,823	6,877
Roads and bridges	6,750	6,750	550	6,200
Total public works	1,929,520	1,929,520	1,551,803	377,717
Parks and recreation				
General recreation services	706,310	706,310	564,606	141,704
Pension contribution	1,146,760	1,146,760	1,146,753	7
Total expenditures	12,146,695	12,146,695	10,645,245	1,501,450
<b>Excess of Revenues Over Expenditures</b>	(35,945)	(35,945)	3,818,684	3,854,629
<b>Other Financing Sources (Uses):</b>				
Transfers in	99,000	99,000	51,500	(47,500)
Transfers out	(2,925,000)	(2,925,000)	(2,925,000)	-
Sale of general capital assets	10,000	10,000	22,213	12,213
Total other financing sources (uses)	(2,816,000)	(2,816,000)	(2,851,287)	(35,287)
<b>Net Change in Fund Balance</b>	<u>\$ (2,851,945)</u>	<u>\$ (2,851,945)</u>	<u>\$ 967,397</u>	<u>\$ 3,819,342</u>
				(Concluded)

See accompanying notes to budgetary comparison schedule.

# HAMPDEN TOWNSHIP

## REQUIRED SUPPLEMENTARY INFORMATION

### NOTES TO BUDGETARY COMPARISON SCHEDULE

YEAR ENDED DECEMBER 31, 2021

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#### 1. Budget Data

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by the legally adopted budget is based upon accounting for transactions on a basis of cash receipts and disbursements. The Budgetary Comparison Schedule – Budget and Actual (Budget Basis), is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with state statute. The major differences between the budget basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP).

The adjustments necessary to convert the results of operations for the General Fund at the end of the year on the budget basis to the GAAP basis are as follows:

Net change in fund balance - budget basis	\$ 967,397
Accrued revenue - December 31, 2020	(1,550,019)
Accrued revenue - December 31, 2021	1,537,171
Accrued expenditures - December 31, 2020	215,268
Accrued expenditures - December 31, 2021	<u>(184,119)</u>
Net change in fund balance - GAAP basis	<u>\$ 985,698</u>

#### 2. Budget to Actual Comparisons

The General Fund's budget comparison is presented in the Required Supplementary Information section. The Capital Improvements Fund and the nonmajor governmental fund budget comparisons are presented in the combining section. On the bottom of these comparisons is a demonstration of the adjustments necessary to reconcile to the GAAP change in fund balance.

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# HAMPDEN TOWNSHIP

## REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLANS

### SCHEDULE OF CHANGES IN THE POLICE PENSION PLAN'S NET PENSION LIABILITY AND RELATED RATIOS

	2021*	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability:</b>								
Service cost	\$ 501,471	\$ 452,712	\$ 431,154	\$ 412,279	\$ 392,647	\$ 308,993	\$ 294,279	\$ 241,514
Interest	1,252,790	1,167,331	1,114,705	1,080,354	1,031,218	951,409	912,050	885,255
Differences between expected and actual experience	421,936	-	(513,833)	-	192,372	-	(152,384)	-
Changes of assumptions	587,164	-	270,278	-	726,767	-	-	-
Benefit payments, including refunds	(872,650)	(890,572)	(794,209)	(794,055)	(738,456)	(711,521)	(681,510)	(658,676)
<b>Net Changes in Total Pension Liability</b>	<b>1,890,711</b>	<b>729,471</b>	<b>508,095</b>	<b>698,578</b>	<b>1,604,548</b>	<b>548,881</b>	<b>372,435</b>	<b>468,093</b>
<b>Total Pension Liability - Beginning</b>	<b>16,815,369</b>	<b>16,085,898</b>	<b>15,577,803</b>	<b>14,879,225</b>	<b>13,274,677</b>	<b>12,725,796</b>	<b>12,353,361</b>	<b>11,885,268</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 18,706,080</b>	<b>\$ 16,815,369</b>	<b>\$ 16,085,898</b>	<b>\$ 15,577,803</b>	<b>\$ 14,879,225</b>	<b>\$ 13,274,677</b>	<b>\$ 12,725,796</b>	<b>\$ 12,353,361</b>
<b>Plan Fiduciary Net Position:</b>								
Contributions - employer	\$ 579,222	\$ 707,782	\$ 651,164	\$ 689,459	\$ 540,465	\$ 517,684	\$ 558,513	\$ 570,675
Contributions - member	123,858	126,837	120,303	111,968	114,783	93,665	77,651	62,201
Net investment income (loss)	2,071,739	1,758,606	2,500,329	(793,156)	1,602,551	876,464	(109,994)	625,344
Benefit payments, including refunds	(872,650)	(890,572)	(794,209)	(794,055)	(738,456)	(711,521)	(681,510)	(658,676)
Administrative expense	(50,263)	(43,674)	(42,285)	(4,400)	(6,630)	(5,165)	(2,650)	(3,710)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>1,851,906</b>	<b>1,658,979</b>	<b>2,435,302</b>	<b>(790,184)</b>	<b>1,512,713</b>	<b>771,127</b>	<b>(157,990)</b>	<b>595,834</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>16,541,383</b>	<b>14,882,404</b>	<b>12,447,102</b>	<b>13,237,286</b>	<b>11,724,573</b>	<b>10,953,446</b>	<b>11,111,436</b>	<b>10,515,602</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 18,393,289</b>	<b>\$ 16,541,383</b>	<b>\$ 14,882,404</b>	<b>\$ 12,447,102</b>	<b>\$ 13,237,286</b>	<b>\$ 11,724,573</b>	<b>\$ 10,953,446</b>	<b>\$ 11,111,436</b>
<b>Net Pension Liability - Ending (a-b)</b>	<b>\$ 312,791</b>	<b>\$ 273,986</b>	<b>\$ 1,203,494</b>	<b>\$ 3,130,701</b>	<b>\$ 1,641,939</b>	<b>\$ 1,550,104</b>	<b>\$ 1,772,350</b>	<b>\$ 1,241,925</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>98.33%</b>	<b>98.37%</b>	<b>92.52%</b>	<b>79.90%</b>	<b>88.96%</b>	<b>88.32%</b>	<b>86.07%</b>	<b>89.95%</b>
<b>Covered Payroll</b>	<b>\$ 2,539,967</b>	<b>\$ 2,480,111</b>	<b>\$ 2,378,206</b>	<b>\$ 2,271,765</b>	<b>\$ 2,125,818</b>	<b>\$ 2,138,205</b>	<b>\$ 1,923,137</b>	<b>\$ 1,810,609</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>12.31%</b>	<b>11.05%</b>	<b>50.61%</b>	<b>137.81%</b>	<b>77.24%</b>	<b>72.50%</b>	<b>92.16%</b>	<b>68.59%</b>

\* This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Township is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information - pension plans.

# HAMPDEN TOWNSHIP

## REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLANS SCHEDULE OF CHANGES IN THE NON-UNIFORMED PENSION PLAN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

	2021*	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability:</b>								
Service cost	\$ 499,859	\$ 554,224	\$ 568,368	\$ 599,479	\$ 585,948	\$ 470,920	\$ 456,608	\$ 410,924
Interest	1,825,514	1,815,084	1,731,444	1,689,265	1,601,364	1,449,112	1,375,902	1,323,316
Differences between expected and actual experience	(513,415)	-	(615,150)	-	6,420	-	(297,143)	-
Changes of assumptions	430,044	-	-	-	1,664,262	-	-	-
Benefit payments, including refunds	(1,208,070)	(1,168,822)	(1,096,447)	(1,026,202)	(951,902)	(926,915)	(816,457)	(748,017)
<b>Net Changes in Total Pension Liability</b>	<b>1,033,932</b>	<b>1,200,486</b>	<b>588,215</b>	<b>1,262,542</b>	<b>2,906,092</b>	<b>993,117</b>	<b>718,910</b>	<b>986,223</b>
<b>Total Pension Liability - Beginning</b>	<b>26,256,102</b>	<b>25,055,616</b>	<b>24,467,401</b>	<b>23,204,859</b>	<b>20,298,767</b>	<b>19,305,650</b>	<b>18,586,740</b>	<b>17,600,517</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 27,290,034</b>	<b>\$ 26,256,102</b>	<b>\$ 25,055,616</b>	<b>\$ 24,467,401</b>	<b>\$ 23,204,859</b>	<b>\$ 20,298,767</b>	<b>\$ 19,305,650</b>	<b>\$ 18,586,740</b>
<b>Plan Fiduciary Net Position:</b>								
Contributions - employer	\$ 890,996	\$ 910,566	\$ 929,418	\$ 990,255	\$ 740,152	\$ 737,156	\$ 794,034	\$ 781,355
Contributions - employee	82,043	62,766	43,159	21,809	-	-	-	-
Net investment income (loss)	3,289,333	2,812,074	3,978,768	(1,265,141)	2,564,685	1,403,528	(176,374)	1,001,353
Benefit payments, including refunds	(1,208,070)	(1,168,822)	(1,096,447)	(1,026,202)	(951,902)	(926,915)	(816,457)	(748,017)
Administrative expense	(81,651)	(70,211)	(67,494)	(7,040)	(12,128)	(5,050)	(6,240)	(5,485)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>2,972,651</b>	<b>2,546,373</b>	<b>3,787,404</b>	<b>(1,286,319)</b>	<b>2,340,807</b>	<b>1,208,719</b>	<b>(205,037)</b>	<b>1,029,206</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>26,189,488</b>	<b>23,643,115</b>	<b>19,855,711</b>	<b>21,142,030</b>	<b>18,801,223</b>	<b>17,592,504</b>	<b>17,797,541</b>	<b>16,768,335</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 29,162,139</b>	<b>\$ 26,189,488</b>	<b>\$ 23,643,115</b>	<b>\$ 19,855,711</b>	<b>\$ 21,142,030</b>	<b>\$ 18,801,223</b>	<b>\$ 17,592,504</b>	<b>\$ 17,797,541</b>
<b>Net Pension Liability (Asset) - Ending (a-b)</b>	<b>\$ (1,872,105)</b>	<b>\$ 66,614</b>	<b>\$ 1,412,501</b>	<b>\$ 4,611,690</b>	<b>\$ 2,062,829</b>	<b>\$ 1,497,544</b>	<b>\$ 1,713,146</b>	<b>\$ 789,199</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>106.86%</b>	<b>99.75%</b>	<b>94.36%</b>	<b>81.15%</b>	<b>91.11%</b>	<b>92.62%</b>	<b>91.13%</b>	<b>95.75%</b>
<b>Covered Payroll</b>	<b>\$ 4,033,244</b>	<b>\$ 4,184,023</b>	<b>\$ 3,990,681</b>	<b>\$ 4,280,556</b>	<b>\$ 4,376,949</b>	<b>\$ 4,466,649</b>	<b>\$ 4,324,065</b>	<b>\$ 4,135,297</b>
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	<b>-46.42%</b>	<b>1.59%</b>	<b>35.39%</b>	<b>107.74%</b>	<b>47.13%</b>	<b>33.53%</b>	<b>39.62%</b>	<b>19.08%</b>

\* This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Township is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information - pension plans.

# HAMPDEN TOWNSHIP

## REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLANS SCHEDULES OF TOWNSHIP CONTRIBUTIONS AND INVESTMENT RETURNS

### POLICE PENSION PLAN:

<b>Schedule of Township Contributions</b>	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution under Act 205	\$ 579,222	\$ 707,782	\$ 651,164	\$ 689,459	\$ 540,465	\$ 517,684	\$ 558,513	\$ 570,675	\$ 504,776	\$ 367,765
Contributions in relation to the actuarially determined contributions	579,222	707,782	651,164	689,459	540,465	517,684	558,513	570,675	504,776	320,523
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,242
Covered payroll	\$ 2,539,967	\$ 2,480,111	\$ 2,378,206	\$ 2,271,765	\$ 2,125,818	\$ 2,138,205	\$ 1,923,137	\$ 1,810,609		\$ 1,527,978
Contributions as a percentage of covered payroll	22.80%	28.54%	27.38%	30.35%	25.42%	24.21%	29.04%	31.52%		20.98%
<b>Investment Returns</b>										
Annual money-weighted rate of return, net of investment expense	12.31%	12.02%	19.86%	-5.81%	13.88%	8.17%	-1.04%	6.10%		

### NON-UNIFORMED PENSION PLAN:

<b>Schedule of Township Contributions</b>	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution under Act 205	\$ 890,996	\$ 910,566	\$ 929,418	\$ 990,255	\$ 740,152	\$ 737,156	\$ 794,034	\$ 781,354	\$ 766,072	\$ 668,851
Contributions in relation to the actuarially determined contributions	890,996	910,566	929,418	990,255	740,152	737,156	794,034	781,354	766,072	598,917
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,934
Covered payroll	\$ 4,033,244	\$ 4,184,023	\$ 3,990,681	\$ 4,280,556	\$ 4,376,949	\$ 4,466,649	\$ 4,324,065	\$ 4,135,297		\$ 3,882,523
Contributions as a percentage of covered payroll	22.09%	21.76%	23.29%	23.13%	16.91%	16.50%	18.36%	18.89%		15.43%
<b>Investment Returns</b>										
Annual money-weighted rate of return, net of investment expense	12.43%	12.07%	19.83%	-5.81%	13.87%	8.16%	-1.02%	6.09%		

\* This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Township is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information - pension plans.

# HAMPDEN TOWNSHIP

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLANS

YEAR ENDED DECEMBER 31, 2021

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### Actuarial Methods and Assumptions Used in Determining the Contribution Rate

The information presented in the required supplementary information was determined as part of the actuarial valuations at the dates indicated. Methods and assumptions used to determine contribution rates required under Act 205 are as follows:

	<u>Police Pension Plan</u>	<u>Non-Uniformed Pension Plan</u>
Actuarial valuation date	1/1/2019	1/1/2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level dollar closed	Level dollar closed
Remaining amortization period	6 years	8 years
Asset valuation method	4-year smoothing	4-year smoothing
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	5.00%	5.00%
Underlying inflation rate	2.75%	2.75%
Mortality table	RP-2014 Mortality Table with 50% of the Blue Collar adjustment, with rates set forward five years for disabled members.	RP-2014 Mortality Table

### Benefit Changes

#### Police Pension Plan

Effective January 1, 2014, the normal retirement age for new hires was changed to age 55 with 25 years of service. A retirement window incentive was in effect from July 1, 2010 to December 31, 2013 that provided greater service increments to those eligible to retire than they would otherwise be entitled to.

#### Non-Uniformed Pension Plan

Effective January 1, 2018, member contributions were required for all participants. The benefit formula was changed for participants hired on or after that date to 1.3% of base pay averaged over the final 36 months of employment multiplied by years of service.

# HAMPDEN TOWNSHIP

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLANS

YEAR ENDED DECEMBER 31, 2021

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### Changes of Assumptions

#### *Police Pension Plan*

Effective January 1, 2011, mortality was updated from the 1994 Uninsured Pensioner Mortality Table to the present assumption, a bump-up factor of 15% in the final year of employment is used for pre-2003 employees (up from 10%), and the deferral was removed from the retirement age assumption.

Effective for the January 1, 2017 actuarial valuation, the investment rate of return was decreased from 7.50% to 7.25%, the inflation rate was decreased from 3.00% to 2.75%, and the mortality tables were updated.

Effective January 1, 2019, the additional increase in assumed salary for the final year of employment was increased from 15% to 20% and applied to all officers (previously only applied for pre-2003 hires).

#### *Non-Uniformed Pension Plan*

Effective January 1, 2011, mortality was updated from the 1994 Uninsured Pensioner Mortality Table to the current assumption.

Effective for the January 1, 2017 actuarial valuation, the investment rate of return was decreased from 7.50% to 7.25%, the inflation rate was decreased from 3.00% to 2.75%, and the mortality tables were updated.

# HAMPDEN TOWNSHIP

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN THE TOWNSHIP'S TOTAL OPEB LIABILITY

	2021*	2020	2019	2018
<b>Total OPEB Liability:</b>				
Service cost	\$ 338,459	\$ 329,400	\$ 315,496	\$ 307,052
Interest	215,064	207,141	180,207	168,490
Benefit payments	(315,971)	(247,638)	(120,750)	(126,135)
Changes in assumptions	-	548,780	-	-
Differences between expected and actual experience	-	485,277	-	-
<b>Net Changes in Total OPEB Liability</b>	237,552	1,322,960	374,953	349,407
<b>Total OPEB Liability - Beginning</b>	6,987,131	5,664,171	5,289,218	4,939,811
<b>Total OPEB Liability - Ending</b>	<u>\$ 7,224,683</u>	<u>\$ 6,987,131</u>	<u>\$ 5,664,171</u>	<u>\$ 5,289,218</u>

\* This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Township is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information - OPEB plan

# HAMPDEN TOWNSHIP

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB PLAN

YEAR ENDED DECEMBER 31, 2021

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### Factors and Trends Used in the Actuarial Valuation for the Other Post-employment Benefit (OPEB) Plan

The Township of Hampden has not accumulated assets for the OPEB plan. Benefits are paid on a pay-as-you-go basis.

### Benefit Changes

None.

### Changes of Assumptions

The interest rate changed from 4.50% in the January 1, 2016 actuarial valuation to 3.25% in the January 1, 2018 actuarial valuation. In addition, the healthcare cost trend rates and mortality tables were updated and an inflation rate of 2.75% was added.

The interest rate changed from 3.25% in the January 1, 2018 actuarial valuation to 3.00% in the January 1, 2020 actuarial valuation. In addition, the rates of disablement for police officers and healthcare cost trend rates were updated.

## **SUPPLEMENTARY INFORMATION**



# HAMPDEN TOWNSHIP

## HIGHWAY AID FUND BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL (BUDGET BASIS) YEAR ENDED DECEMBER 31, 2021

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget - Positive (Negative)
<b>Revenues:</b>				
State shared revenue	\$ 845,000	\$ 845,000	\$ 875,895	\$ 30,895
Interest	5,000	5,000	451	(4,549)
Total revenues	850,000	850,000	876,346	26,346
<b>Expenditures:</b>				
Public works:				
Street lighting	370,000	370,000	396,737	(26,737)
Roads and bridges	460,000	460,000	460,392	(392)
Total expenditures	830,000	830,000	857,129	(27,129)
<b>Net Change in Fund Balance</b>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 19,217</u>	<u>\$ (783)</u>

**HAMPDEN TOWNSHIP**  
**CAPITAL IMPROVEMENTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**- BUDGET AND ACTUAL (BUDGET BASIS)**  
**YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget - Positive (Negative)
<b>Revenues:</b>				
Grants	\$ 930,390	\$ 930,390	\$ 311,914	\$ (618,476)
Interest	6,500	6,500	2,760	(3,740)
Other	219,700	219,700	613,749	394,049
Total revenues	1,156,590	1,156,590	928,423	(228,167)
<b>Expenditures:</b>				
Capital outlay	4,231,025	4,231,025	3,480,350	750,675
Debt service:				
Principal	1,419,450	1,419,450	557,744	861,706
Interest	-	-	861,706	(861,706)
Total expenditures	5,650,475	5,650,475	4,899,800	750,675
<b>Deficiency of Revenues Under Expenditures</b>	<b>(4,493,885)</b>	<b>(4,493,885)</b>	<b>(3,971,377)</b>	<b>522,508</b>
<b>Other Financing Sources:</b>				
Transfers in	2,925,000	2,925,000	2,925,000	-
Total other financing sources	2,925,000	2,925,000	2,925,000	-
<b>Net Change in Fund Balance</b>	<b>\$ (1,568,885)</b>	<b>\$ (1,568,885)</b>	<b>\$ (1,046,377)</b>	<b>\$ 522,508</b>

Explanation of differences between budget and GAAP basis:

<b>Net Change in Fund Balance - Budget Basis</b>	<b>\$ (1,046,377)</b>
Accrued revenue - December 31, 2020	(13,799)
Accrued revenue - December 31, 2021	86,984
Accrued expenditures - December 31, 2020	448,911
Accrued expenditures - December 31, 2021	(232,976)
<b>Net Change in Fund Balance - GAAP Basis</b>	<b>\$ (757,257)</b>

# HAMPDEN TOWNSHIP

## NONMAJOR ENTERPRISE FUNDS

YEAR ENDED DECEMBER 31, 2021

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Enterprise funds are used to account for any activity for which a fee is charged to external users for goods or services.

**Park and Pool Fund** – The Park and Pool Fund is used to account for the operations of the Township owned and operated park and swimming pool.

**Armitage Golf Club Fund** – The Armitage Golf Club Fund is used to account for the operations of the Township owned and operated golf course.

# HAMPDEN TOWNSHIP

## COMBINING STATEMENT OF FUND NET POSITION - NONMAJOR ENTERPRISE FUNDS

DECEMBER 31, 2021

	Park and Pool	Armitage Golf Club	Total Nonmajor Enterprise Funds
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 280,328	\$ 728,618	\$ 1,008,946
Accounts receivable, net	15,628	-	15,628
Inventory	-	34,326	34,326
Total current assets	295,956	762,944	1,058,900
Noncurrent assets:			
Net pension asset	18,721	79,480	98,201
Capital assets, not being depreciated	19,605	895,000	914,605
Capital assets, net of depreciation	382,042	703,996	1,086,038
Total noncurrent assets	420,368	1,678,476	2,098,844
<b>Total Assets</b>	716,324	2,441,420	3,157,744
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources - other post employment benefits	3,284	16,416	19,700
Deferred outflows of resources - pension	9,127	55,664	64,791
<b>Total Deferred Outflow of Resources</b>	12,411	72,080	84,491
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	14,362	29,147	43,509
Other payables	1,000	144,351	145,351
Unearned revenue	36,015	-	36,015
Compensated absences payable	-	26,976	26,976
Bonds payable - current	30,000	10,000	40,000
Due to other funds	-	5	5
Total current liabilities	81,377	210,479	291,856
Noncurrent liabilities:			
Compensated absences payable	-	50,415	50,415
Total other post-employment benefit liability	28,899	144,494	173,393
Bonds payable	408,767	143,786	552,553
Total noncurrent liabilities	437,666	338,695	776,361
<b>Total Liabilities</b>	519,043	549,174	1,068,217
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources - pension	31,438	173,147	204,585
<b>Net Position</b>			
Net investment in capital assets	(37,120)	1,445,210	1,408,090
Unrestricted	215,374	345,969	561,343
<b>Total Net Position</b>	\$ 178,254	\$ 1,791,179	\$ 1,969,433

# HAMPDEN TOWNSHIP

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - NONMAJOR ENTERPRISE FUNDS

YEAR ENDED DECEMBER 31, 2021

	Park and Pool	Armitage Golf Club	Total Nonmajor Enterprise Funds
<b>Operating Revenues:</b>			
Charges and fees	\$ 498,798	\$ 1,314,566	\$ 1,813,364
Other	-	7,550	7,550
Total operating revenues	498,798	1,322,116	1,820,914
<b>Operating Expenses:</b>			
Operating and administrative	381,265	1,034,981	1,416,246
Depreciation	82,919	114,758	197,677
Total operating expenses	464,184	1,149,739	1,613,923
<b>Operating Income</b>	34,614	172,377	206,991
<b>Nonoperating Revenues (Expenses):</b>			
Investment income	124	321	445
Interest expense	(13,574)	(4,716)	(18,290)
Gain on sale of capital assets	-	7,032	7,032
Total nonoperating revenues (expenses)	(13,450)	2,637	(10,813)
<b>Income Before Transfers</b>	21,164	175,014	196,178
Transfers out	-	(11,500)	(11,500)
<b>Change in Net Position</b>	21,164	163,514	184,678
<b>Net Position:</b>			
Beginning of year	157,090	1,627,665	1,784,755
End of year	\$ 178,254	\$ 1,791,179	\$ 1,969,433

# HAMPDEN TOWNSHIP

## COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS

YEAR ENDED DECEMBER 31, 2021

	Park and Pool	Armitage Golf Club	Total Nonmajor Enterprise Funds
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers and users	\$ 518,797	\$ 1,322,116	\$ 1,840,913
Payments to suppliers	(117,719)	(343,829)	(461,548)
Payments to employees	(261,222)	(729,428)	(990,650)
Net cash provided by operating activities	<u>139,856</u>	<u>248,859</u>	<u>388,715</u>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Transfers out	-	(11,500)	(11,500)
Net cash used in noncapital financing activities	<u>-</u>	<u>(11,500)</u>	<u>(11,500)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Purchase of capital assets	(19,605)	(103,591)	(123,196)
Proceeds from sale of capital assets	-	7,032	7,032
Principal payments	(30,000)	(10,000)	(40,000)
Interest paid	(14,100)	(4,900)	(19,000)
Net cash used in capital and related financing activities	<u>(63,705)</u>	<u>(111,459)</u>	<u>(175,164)</u>
<b>Cash Flows From Investing Activities:</b>			
Investment income	124	321	445
Net cash provided by investing activities	<u>124</u>	<u>321</u>	<u>445</u>
<b>Net Increase in Cash and Cash Equivalents</b>	76,275	126,221	202,496
<b>Cash and Cash Equivalents:</b>			
Beginning of year	204,053	602,397	806,450
End of year	<u>\$ 280,328</u>	<u>\$ 728,618</u>	<u>\$ 1,008,946</u>

(Continued)

# HAMPDEN TOWNSHIP

## COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS

YEAR ENDED DECEMBER 31, 2021  
(Continued)

	Park and Pool	Armitage Golf Club	Total Nonmajor Enterprise Funds
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating income	\$ 34,614	\$ 172,377	\$ 206,991
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	82,919	114,758	197,677
Amortization	6,689	33,444	40,133
(Increase) decrease in:			
Accounts receivable, net	(14,601)	-	(14,601)
Inventory	-	(1,296)	(1,296)
Net pension asset	(18,721)	(79,480)	(98,201)
Deferred outflows of resources - pension	2,593	15,990	18,583
Deferred outflows of resources - other post employment benefits	426	2,133	2,559
Increase (decrease) in:			
Accounts payable	13,826	(1,633)	12,193
Other payables	-	15,528	15,528
Unearned revenue	34,600	-	34,600
Compensated absences payable	-	8,839	8,839
Due to other funds	(2,514)	(14,774)	(17,288)
Total other post-employment benefit liability	950	4,751	5,701
Net pension liability	(666)	(17,456)	(18,122)
Deferred inflows of resources - pension	(259)	(4,322)	(4,581)
Net cash provided by operating activities	<u>\$ 139,856</u>	<u>\$ 248,859</u>	<u>\$ 388,715</u>
			(Concluded)

# HAMPDEN TOWNSHIP

## FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2021

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Pension trust funds are used for the accumulation of resources to be used for retirement benefits.

**Police Pension Fund** – This fund is used to account for the accumulation of resources for pension benefit payments and the withdrawals of qualified distributions of police personnel.

**Non-uniformed Pension Fund** – This fund is used to account for the accumulation of resources for pension benefit payments and the withdrawals of qualified distributions of Township personnel.



# HAMPDEN TOWNSHIP

## COMBINING STATEMENT OF FIDUCIARY NET POSITION - PENSION TRUST FUNDS

DECEMBER 31, 2021

	Police Pension Trust Fund	Non-Uniformed Pension Trust Fund	Totals
<b>Assets</b>			
Interest receivable	\$ 15,093	\$ 11,725	\$ 26,818
Investments, at fair value:			
Money market funds	206,674	294,805	501,479
U.S. Government obligations	20,077	13,385	33,462
U.S. Government agency obligations	126	142	268
Mutual bond funds	6,390,003	9,584,817	15,974,820
Mutual equity funds	12,073,091	18,946,133	31,019,224
Total investments	18,689,971	28,839,282	47,529,253
Due from (due to) other Pension Trust Fund	(311,774)	311,774	-
<b>Total Assets</b>	18,393,290	29,162,781	47,556,071
<b>Liabilities</b>			
Accounts payable	-	643	643
<b>Net Position</b>			
Restricted for pension benefits	\$ 18,393,290	\$ 29,162,138	\$ 47,555,428

# HAMPDEN TOWNSHIP

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2021

	Police Pension Trust Fund	Non-Uniformed Pension Trust Fund	Totals
<b>Additions:</b>			
Contributions:			
Employer	\$ 579,222	\$ 890,996	\$ 1,470,218
Employee	123,858	82,043	205,901
Total contributions	703,080	973,039	1,676,119
Investment earnings:			
Net appreciation in fair value of investments	1,816,211	2,888,238	4,704,449
Interest	255,528	401,094	656,622
Total investment earnings	2,071,739	3,289,332	5,361,071
Less: investment expense	(45,248)	(72,781)	(118,029)
Net investment earnings	2,026,491	3,216,551	5,243,042
Total additions	2,729,571	4,189,590	6,919,161
<b>Deductions:</b>			
Benefits	872,650	1,208,070	2,080,720
Administrative expenses	5,014	8,870	13,884
Total deductions	877,664	1,216,940	2,094,604
<b>Change in Net Position</b>	1,851,907	2,972,650	4,824,557
<b>Net Position:</b>			
Beginning of year	16,541,383	26,189,488	42,730,871
End of year	<u>\$ 18,393,290</u>	<u>\$ 29,162,138</u>	<u>\$ 47,555,428</u>

## **STATISTICAL SECTION**

This section of the Hampden Township's (Township) Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b><u>Financial Trends</u></b>	80
These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time.	
<b><u>Revenue Capacity</u></b>	85
These schedules present information to help the reader assess the Township's most significant local revenue sources, the property tax, and the earned income tax.	
<b><u>Debt Capacity</u></b>	91
These schedules present information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.	
<b><u>Demographic and Economic Information</u></b>	96
These schedules offer economic and demographic indicators to help the reader understand the environment within which the Township financial activities take place.	
<b><u>Operating Information</u></b>	98
These schedules contain service and infrastructure data to help the reader understand how the information in the Township's financial report relates to the services the Township provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the annual audit.

**Schedule 1**  
**Hampden Township**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities:										
Net investment in capital assets	\$ 25,317,958	\$ 25,337,867	\$ 26,136,770	\$ 26,076,061	\$ 26,579,876	\$ 25,809,389	\$ 24,856,124	\$ 25,265,185	\$ 25,736,781	\$ 23,307,895
Restricted	371,067	351,850	666,734	558,268	6,497,756	1,114,696	688,267	103,162	119,759	34,585
Unrestricted <sup>2</sup>	<u>(1,291,375)</u>	<u>(2,685,460)</u>	<u>(4,339,437)</u>	<u>(6,330,605)</u>	<u>(3,823,070)</u>	<u>(3,244,691)</u>	<u>(706,750)</u>	<u>7,762,465</u>	<u>7,912,315</u>	<u>9,367,850</u>
Total governmental activities net position	<u>\$ 24,397,650</u>	<u>\$ 23,004,257</u>	<u>\$ 22,464,067</u>	<u>\$ 20,303,724</u>	<u>\$ 29,254,562</u>	<u>\$ 23,679,394</u>	<u>\$ 24,837,641</u>	<u>\$ 33,130,812</u>	<u>\$ 33,768,855</u>	<u>\$ 32,710,330</u>
Business-type activities:										
Net investment in capital assets <sup>3</sup>	\$ 47,985,206	\$ 48,260,695	\$ 40,789,011	\$ 40,980,891	\$ 41,440,738	\$ 41,662,868	\$ 40,919,190	\$ 38,951,122	\$ 39,103,792	\$ 39,848,212
Unrestricted	<u>23,056,302</u>	<u>19,111,955</u>	<u>22,098,745</u>	<u>18,110,164</u>	<u>10,302,262</u>	<u>14,478,592</u>	<u>12,454,981</u>	<u>10,609,768</u>	<u>8,285,892</u>	<u>4,948,608</u>
Total business-type activities net position	<u>\$ 71,041,508</u>	<u>\$ 67,372,650</u>	<u>\$ 62,887,756</u>	<u>\$ 59,091,055</u>	<u>\$ 51,743,000</u>	<u>\$ 56,141,460</u>	<u>\$ 53,374,171</u>	<u>\$ 49,560,890</u>	<u>\$ 47,389,684</u>	<u>\$ 44,796,820</u>
Primary government:										
Net investment in capital assets	\$ 73,303,164	\$ 73,598,562	\$ 66,925,781	\$ 67,056,952	\$ 68,020,614	\$ 67,472,257	\$ 65,775,314	\$ 64,216,307	\$ 64,840,573	\$ 63,156,107
Restricted	371,067	351,850	666,734	558,268	6,497,756	1,114,696	688,267	103,162	119,759	34,585
Unrestricted	<u>21,764,927</u>	<u>16,426,495</u>	<u>17,759,308</u>	<u>11,779,559</u>	<u>6,479,192</u>	<u>11,233,901</u>	<u>11,748,231</u>	<u>18,372,233</u>	<u>16,198,207</u>	<u>14,316,458</u>
Total primary government net position	<u>\$ 95,439,158</u>	<u>\$ 90,376,907</u>	<u>\$ 85,351,823</u>	<u>\$ 79,394,779</u>	<u>\$ 80,997,562</u>	<u>\$ 79,820,854</u>	<u>\$ 78,211,812</u>	<u>\$ 82,691,702</u>	<u>\$ 81,158,539</u>	<u>\$ 77,507,150</u>

Notes:

(1) The decrease in restricted governmental activities and the increase in unrestricted business-type activities between 2017 to 2018 is due to the reclassification of a fund that was previously reported as a capital projects fund. In 2018, it was combined with the Sewer Fund as the fund's primary purpose was to be used for improvements to sewer lines in the event of a critical failure due to natural disaster.

(2) In 2015, the decrease is due to the implementation of a pension standard and the issuance of non-capital related debt. In 2016, the decrease is due to the issuance of non-capital related debt. In 2018, the decrease is due to the implementation of an other post-employment benefit standard.

(3) In 2015, stormwater capital assets were transferred from governmental activities to the Hampden Township Sewer Authority, which is a blended component unit and is included in business-type activities.

**Schedule 2**  
**Hampden Township**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses:										
Governmental activities:										
General government	\$ 2,082,027	\$ 1,927,312	\$ 2,035,540	\$ 2,165,388	\$ 2,165,794	\$ 1,956,985	\$ 3,103,337	\$ 3,037,885	\$ 2,822,418	\$ 2,353,099
Public safety	7,069,466	7,162,344	7,420,251	7,280,318	7,109,657	6,797,615	6,307,798	5,607,492	5,089,414	4,882,905
Public works	5,329,573	4,483,010	4,869,235	4,894,630	5,352,889	9,054,727	6,949,372	4,815,547	4,142,655	2,657,867
Parks and recreation	686,541	552,940	934,886	985,975	938,542	816,543	773,995	620,072	646,582	609,666
Interest on long-term debt	826,788	868,606	979,381	388,847	374,165	583,273	507,213	432,681	434,693	642,974
Total governmental activities expenses	<u>15,994,395</u>	<u>14,994,212</u>	<u>16,239,293</u>	<u>15,715,158</u>	<u>15,941,047</u>	<u>19,209,143</u>	<u>17,641,715</u>	<u>14,513,677</u>	<u>13,135,762</u>	<u>11,146,511</u>
Business-type activities:										
Sewer	7,748,635	8,527,315	9,050,874	9,351,902	10,078,943	10,983,703	8,508,858	8,604,516	8,044,312	7,466,904
Sanitation	3,508,631	3,464,123	2,038,072	2,039,445	1,975,859	1,961,126	1,910,235	1,736,737	1,698,698	1,631,506
Stormwater	1,117,250	1,117,874	783,695	1,696,698	1,576,345	498,632	208,977	-	-	-
Other nonmajor funds	1,625,181	1,356,649	1,525,552	1,588,191	1,691,958	1,661,549	1,600,725	-	-	-
Armitage Golf Club	-	-	-	-	-	-	-	1,072,809	1,065,983	1,095,446
Park and Pool	-	-	-	-	-	-	-	601,242	528,060	547,569
Total business-type activities expenses	<u>13,999,697</u>	<u>14,465,961</u>	<u>13,398,193</u>	<u>14,676,236</u>	<u>15,323,105</u>	<u>15,105,010</u>	<u>12,228,795</u>	<u>12,015,304</u>	<u>11,337,053</u>	<u>10,741,425</u>
Total primary government expenses	<u>\$ 29,994,092</u>	<u>\$ 29,460,173</u>	<u>\$ 29,637,486</u>	<u>\$ 30,391,394</u>	<u>\$ 31,264,152</u>	<u>\$ 34,314,153</u>	<u>\$ 29,870,510</u>	<u>\$ 26,528,981</u>	<u>\$ 24,472,815</u>	<u>\$ 21,887,936</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 205,493	\$ 172,491	\$ 222,177	\$ 182,818	\$ 285,560	\$ 234,962	\$ 203,878	\$ 144,313	\$ 163,901	\$ 164,901
Public safety	2,408,917	2,510,736	3,416,417	2,033,521	2,640,729	2,434,576	1,670,076	1,912,726	2,716,783	2,208,454
Public works	128,888	500	105	1,000	2,105	3,620	2,715	14,340	26,930	25,150
Parks and recreation	800,844	470,728	795,356	733,766	610,627	481,528	458,662	696,069	457,577	520,096
Operating grants and contributions	173,524	267,025	201,392	170,874	159,355	114,512	183,789	385,295	177,257	155,870
Capital grants and contributions	<u>1,698,600</u>	<u>952,327</u>	<u>1,730,093</u>	<u>1,008,692</u>	<u>1,394,076</u>	<u>3,220,410</u>	<u>965,193</u>	<u>1,134,521</u>	<u>1,051,814</u>	<u>673,895</u>
Total governmental activities program revenues	<u>5,416,266</u>	<u>4,373,807</u>	<u>6,365,540</u>	<u>4,130,671</u>	<u>5,092,452</u>	<u>6,489,608</u>	<u>3,484,313</u>	<u>4,287,264</u>	<u>4,594,262</u>	<u>3,748,366</u>
Business-type activities:										
Charges for services:										
Sewer	10,241,557	11,860,531	11,816,512	9,250,848	9,385,986	9,265,580	9,719,893	9,452,847	7,765,297	7,912,518
Sanitation	3,720,880	3,699,600	2,038,122	2,024,226	2,005,314	1,975,501	1,964,853	1,716,024	1,698,598	1,663,873
Stormwater	1,233,352	1,613,470	1,302,201	1,277,771	1,836,297	1,806,361	310,493	-	-	-
Other nonmajor funds	1,820,914	1,425,471	1,548,243	1,512,110	1,545,125	1,567,775	1,587,260	-	-	-
Armitage Golf Course	-	-	-	-	-	-	-	1,076,613	1,113,035	1,162,158
Park and Pool	-	-	-	-	-	-	-	406,353	416,513	446,839
Operating grants and contributions	-	8,350	8,350	-	-	-	-	-	-	-
Capital grants and contributions	<u>-</u>	<u>21,000</u>	<u>393,360</u>	<u>1,344,080</u>	<u>1,918,606</u>	<u>3,063,168</u>	<u>1,047,328</u>	<u>1,132,275</u>	<u>3,132,223</u>	<u>-</u>
Total business-type activities program revenues	<u>17,016,703</u>	<u>18,628,422</u>	<u>17,106,788</u>	<u>15,409,035</u>	<u>16,691,328</u>	<u>17,678,385</u>	<u>14,629,827</u>	<u>13,784,112</u>	<u>14,125,666</u>	<u>11,185,388</u>
Total primary government program revenues	<u>\$ 22,432,969</u>	<u>\$ 23,002,229</u>	<u>\$ 23,472,328</u>	<u>\$ 19,539,706</u>	<u>\$ 21,783,780</u>	<u>\$ 24,167,993</u>	<u>\$ 18,114,140</u>	<u>\$ 18,071,376</u>	<u>\$ 18,719,928</u>	<u>\$ 14,933,754</u>

(Continued)

Notes:

In 2015, a Stormwater Management Fund was created and Armitage Golf Club/Pool were combined for reporting purposes.  
In 2015 and 2016, the increase in governmental activities public works expenses is due to significant road repairs.

**Schedule 2**  
**Hampden Township**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (10,578,129)	\$ (10,620,405)	\$ (9,873,753)	\$ (11,584,487)	\$ (10,848,595)	\$ (12,719,535)	\$ (14,157,402)	\$ (10,226,413)	\$ (8,541,500)	\$ (7,398,145)
Business-type activities	<u>3,017,006</u>	<u>4,162,461</u>	<u>3,708,595</u>	<u>732,799</u>	<u>1,368,223</u>	<u>2,573,375</u>	<u>2,401,032</u>	<u>1,768,808</u>	<u>2,788,613</u>	<u>443,963</u>
Total net expense/revenue	<u>\$ (7,561,123)</u>	<u>\$ (6,457,944)</u>	<u>\$ (6,165,158)</u>	<u>\$ (10,851,688)</u>	<u>\$ (9,480,372)</u>	<u>\$ (10,146,160)</u>	<u>\$ (11,756,370)</u>	<u>\$ (8,457,605)</u>	<u>\$ (5,752,887)</u>	<u>\$ (6,954,182)</u>
General Revenues:										
Governmental activities:										
Taxes:										
Real estate taxes	\$ 589,995	\$ 584,474	\$ 581,049	\$ 574,005	\$ 563,015	\$ 555,094	\$ 552,363	\$ 544,005	\$ 537,893	\$ 527,291
Earned income tax	7,450,419	6,444,828	6,207,923	6,086,874	5,795,027	6,570,230	4,828,335	5,285,329	5,684,378	4,500,739
Local services tax	864,960	997,614	959,502	1,124,653	983,147	1,105,062	1,031,023	742,909	747,341	772,063
Franchise tax	604,258	591,840	615,447	631,963	660,892	644,096	621,025	594,701	567,459	526,990
Real estate transfer tax	1,525,359	1,278,279	1,545,951	1,517,331	1,196,300	1,187,392	1,209,788	1,284,437	1,008,558	770,253
Other taxes	199,020	200,038	199,895	196,161	192,334	189,759	191,822	190,698	95,860	94,639
Unrestricted grants and contributions	675,353	738,195	882,120	718,821	686,308	748,100	513,379	558,857	558,538	521,292
Investment earnings	10,658	94,061	291,387	140,253	50,083	176,763	17,169	38,394	30,963	21,440
Other income (not restricted)	-	145,966	-	235,449	183,689	289,007	265,460	477,177	291,035	500,061
Transfers	<u>51,500</u>	<u>85,300</u>	<u>750,822</u>	<u>111,545</u>	<u>6,112,968</u>	<u>95,785</u>	<u>(1,357,685)</u>	<u>(128,137)</u>	<u>78,000</u>	<u>73,500</u>
Total governmental activities	<u>11,971,522</u>	<u>11,160,595</u>	<u>12,034,096</u>	<u>11,337,055</u>	<u>16,423,763</u>	<u>11,561,288</u>	<u>7,872,679</u>	<u>9,588,370</u>	<u>9,600,025</u>	<u>8,308,268</u>
Business-type activities:										
Investment earnings	703,352	407,733	838,928	527,480	338,909	289,699	275,540	274,261	283,950	62,700
Other income (not restricted)	-	-	-	123,875	7,376	-	-	-	-	-
Transfers	<u>(51,500)</u>	<u>(85,300)</u>	<u>(750,822)</u>	<u>(111,545)</u>	<u>(6,112,968)</u>	<u>(95,785)</u>	<u>1,357,685</u>	<u>128,137</u>	<u>(78,000)</u>	<u>(73,500)</u>
Total business-type activities	<u>651,852</u>	<u>322,433</u>	<u>88,106</u>	<u>539,810</u>	<u>(5,766,683)</u>	<u>193,914</u>	<u>1,633,225</u>	<u>402,398</u>	<u>205,950</u>	<u>(10,800)</u>
Total primary government	<u>\$ 12,623,374</u>	<u>\$ 11,483,028</u>	<u>\$ 12,122,202</u>	<u>\$ 11,876,865</u>	<u>\$ 10,657,080</u>	<u>\$ 11,755,202</u>	<u>\$ 9,505,904</u>	<u>\$ 9,990,768</u>	<u>\$ 9,805,975</u>	<u>\$ 8,297,468</u>
Change in Net Position:										
Governmental activities	\$ 1,393,393	\$ 540,190	\$ 2,160,343	\$ (247,432)	\$ 5,575,168	\$ (1,158,247)	\$ (6,284,723)	\$ (638,043)	\$ 1,058,525	\$ 910,123
Business-type activities	<u>3,668,858</u>	<u>4,484,894</u>	<u>3,796,701</u>	<u>1,272,609</u>	<u>(4,398,460)</u>	<u>2,767,289</u>	<u>4,034,257</u>	<u>2,171,206</u>	<u>2,994,563</u>	<u>433,163</u>
Total change in net position	<u>\$ 5,062,251</u>	<u>\$ 5,025,084</u>	<u>\$ 5,957,044</u>	<u>\$ 1,025,177</u>	<u>\$ 1,176,708</u>	<u>\$ 1,609,042</u>	<u>\$ (2,250,466)</u>	<u>\$ 1,533,163</u>	<u>\$ 4,053,088</u>	<u>\$ 1,343,286</u>

(Concluded)

Notes:

In 2014, the Township's Per Capita Tax, included in other taxes, increased from \$5 to \$10 per person.

In 2017, \$6 million was transferred from the Sewer Fund to the Sewer Maintenance Fund, which was a capital projects fund whose primary purpose was to be used for improvements to sewer lines in the event of a critical failure due to natural disaster. In 2018, the Sewer Maintenance Fund was combined with the Sewer Fund.

**Schedule 3**  
**Hampden Township**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:										
Committed	\$ 274,116	\$ 207,556	\$ 178,823	\$ 163,438	\$ 147,165	\$ 127,684	\$ 110,140	\$ 95,199	\$ 164,575	\$ 121,370
Assigned	4,950,820	2,857,345	3,358,905	2,606,570	3,013,593	3,519,804	2,074,950	3,822,215	3,477,440	1,963,816
Unassigned	3,430,600	4,604,937	4,598,169	4,434,013	3,666,579	3,127,476	3,043,381	2,295,295	2,061,636	1,588,626
Total General Fund	<u>\$ 8,655,536</u>	<u>\$ 7,669,838</u>	<u>\$ 8,135,897</u>	<u>\$ 7,204,021</u>	<u>\$ 6,827,337</u>	<u>\$ 6,774,964</u>	<u>\$ 5,228,471</u>	<u>\$ 6,212,709</u>	<u>\$ 5,703,651</u>	<u>\$ 3,673,812</u>
All Other Governmental Funds:										
Restricted for:										
Public works	\$ 371,067	\$ 351,850	\$ 666,734	\$ 558,268	\$ 497,756	\$ 1,114,696	\$ 688,267	\$ 103,162	\$ 119,759	\$ 34,585
Capital projects	-	-	-	-	-	5,534	297,585	570,216	2,130,978	3,442,774
Sewer	-	-	-	-	6,000,000	-	-	-	-	-
Committed for:										
Capital projects	2,049,706	2,806,963	4,288,199	987,511	1,097,621	49,652	27,085	221,547	171,810	-
Sewer line improvements and repairs	-	-	-	-	533,767	514,512	513,736	512,892	511,871	511,735
Storm sewer initiatives	-	-	-	-	-	-	-	-	68,137	68,117
Unassigned	-	-	-	-	-	-	-	-	-	(231,445)
Total other governmental funds	<u>\$ 2,420,773</u>	<u>\$ 3,158,813</u>	<u>\$ 4,954,933</u>	<u>\$ 1,545,779</u>	<u>\$ 8,129,144</u>	<u>\$ 1,684,394</u>	<u>\$ 1,526,673</u>	<u>\$ 1,407,817</u>	<u>\$ 3,002,555</u>	<u>\$ 3,825,766</u>

**Notes:**

In 2017, \$6 million was transferred from the Sewer Fund to the Sewer Maintenance Fund, which was a capital projects fund whose primary purpose was to be used for improvements to sewer lines in the event of a critical failure due to natural disaster. In 2018, the Sewer Maintenance Fund was combined with the Sewer Fund.



**Schedule 4**  
**Hampden Township**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues:										
Taxes	\$ 11,203,605	\$ 9,803,879	\$ 10,181,566	\$ 10,029,077	\$ 9,765,063	\$ 9,253,727	\$ 8,901,526	\$ 9,110,975	\$ 8,784,425	\$ 7,636,541
Licenses, fees and permits	817,160	1,264,650	1,978,143	639,628	1,178,059	1,234,254	528,337	857,820	1,545,499	1,020,834
Fines and penalties	112,646	104,812	137,677	129,936	113,369	106,951	105,214	106,223	82,918	110,532
Charges for service	1,384,962	1,146,401	1,582,892	1,355,642	1,447,218	1,427,012	1,537,813	1,294,180	1,281,062	1,249,864
Intergovernmental	1,803,425	1,843,098	2,015,088	1,853,564	1,756,682	1,687,695	1,411,680	1,418,147	1,316,191	1,328,798
Investment earnings	10,658	94,061	291,387	140,253	50,083	176,763	17,169	38,394	30,963	21,440
Other revenues	1,012,790	894,305	791,210	890,690	890,216	686,376	633,061	1,218,768	678,749	975,540
Total revenues	<u>16,345,246</u>	<u>15,151,206</u>	<u>16,977,963</u>	<u>15,038,790</u>	<u>15,200,690</u>	<u>14,572,778</u>	<u>13,134,800</u>	<u>14,044,507</u>	<u>13,719,807</u>	<u>12,343,549</u>
Expenditures:										
Current:										
General government	1,683,058	1,627,386	1,631,743	1,735,372	1,611,753	1,525,208	1,602,089	1,386,939	1,238,385	1,176,960
Public safety	6,525,546	6,542,457	6,360,767	5,997,231	5,977,717	5,545,072	5,322,396	4,766,081	4,543,461	4,299,926
Public works	2,666,644	2,931,263	3,147,481	3,072,263	3,695,890	2,609,744	3,001,946	2,884,611	2,558,479	2,415,576
Parks and recreation	612,188	462,429	674,900	631,441	644,490	652,421	615,511	479,863	490,477	505,686
Pension contributions	-	-	-	-	-	-	-	1,129,655	1,061,828	769,440
Capital outlay	3,264,415	4,521,318	5,315,737	2,179,461	2,763,093	6,841,625	5,662,619	4,037,529	1,859,843	242,436
Debt service:										
Principal	557,744	544,193	18,815,843	856,682	865,700	1,032,899	425,020	442,766	359,835	11,359,507
Interest	861,706	883,482	579,681	398,852	382,959	644,806	569,032	494,355	495,052	642,974
Bond issuance costs	-	-	301,250	-	-	-	-	-	-	-
Total expenditures	<u>16,171,301</u>	<u>17,512,528</u>	<u>36,827,402</u>	<u>14,871,302</u>	<u>15,941,602</u>	<u>18,851,775</u>	<u>17,198,613</u>	<u>15,621,799</u>	<u>12,607,360</u>	<u>21,412,505</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>173,945</u>	<u>(2,361,322)</u>	<u>(19,849,439)</u>	<u>167,488</u>	<u>(740,912)</u>	<u>(4,278,997)</u>	<u>(4,063,813)</u>	<u>(1,577,292)</u>	<u>1,112,447</u>	<u>(9,068,956)</u>
Other Financing Sources (Uses):										
Transfers in	2,976,500	3,885,300	4,050,822	2,748,785	9,393,788	1,795,785	3,095,245	2,105,000	1,378,000	2,755,596
Transfers out	(2,925,000)	(3,800,000)	(3,300,000)	(2,637,240)	(3,280,820)	(1,700,000)	(3,120,745)	(2,233,137)	(1,300,000)	(2,677,596)
Bonds issued	-	-	20,945,000	-	1,078,785	15,716,829	3,204,386	-	-	11,100,000
Capital lease	-	-	-	-	-	-	-	587,790	-	-
Premium on bonds issued	-	-	2,444,360	-	-	-	-	-	-	1,539,435
Payment to refunded bond escrow agent	-	-	-	-	-	(9,917,592)	-	-	-	-
Sale of general capital assets	22,213	13,843	50,287	48,053	46,282	88,189	19,545	31,959	16,181	9,322
Total other financing sources (uses)	<u>73,713</u>	<u>99,143</u>	<u>24,190,469</u>	<u>159,598</u>	<u>7,238,035</u>	<u>5,983,211</u>	<u>3,198,431</u>	<u>491,612</u>	<u>94,181</u>	<u>12,726,757</u>
Net Change In Fund Balances	<u>\$ 247,658</u>	<u>\$ (2,262,179)</u>	<u>\$ 4,341,030</u>	<u>\$ 327,086</u>	<u>\$ 6,497,123</u>	<u>\$ 1,704,214</u>	<u>\$ (865,382)</u>	<u>\$ (1,085,680)</u>	<u>\$ 1,206,628</u>	<u>\$ 3,657,801</u>
Debt Service as a Percentage of Noncapital Expenditures	9.11%	9.94%	59.06%	9.04%	8.55%	9.27%	6.72%	7.06%	7.10%	56.79%

**Note:**

In 2015, the Township began allocating the pension contribution to the applicable function.

**Schedule 5**  
**Hampden Township**  
**Tax Revenues by Source, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

<u>Fiscal Year</u>		<u>Real Estate</u>		<u>Earned Income (1)</u>		<u>Other (2)</u>		<u>Total</u>
2021	\$	589,995	\$	7,312,024	\$	3,301,586	\$	11,203,605
2020		585,321		6,263,551		2,955,007		9,803,879
2019		582,249		6,219,072		3,380,245		10,181,566
2018		574,330		6,055,307		3,399,440		10,029,077
2017		562,212		6,059,091		3,143,760		9,765,063
2016		558,691		5,650,226		3,044,810		9,253,727
2015		549,477		5,340,158		3,011,891		8,901,526
2014		544,615		5,647,433		2,918,927		9,110,975
2013		538,456		5,685,783		2,560,186		8,784,425
2012		527,175		4,992,487		2,116,879		7,636,541
Change								
2012 to 2021		11.92%		46.46%		55.96%		46.71%

Notes:

(1) The tax rate for earned income taxes is 0.5%.

(2) In 2014, the Township began collection of the \$10 per capita tax (previously shared 50/50 with Cumberland County).

**Schedule 6**  
**Hampden Township**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Total Taxable Assessed Value</u>	<u>Less: Tax-Exempt property</u>	<u>Total Direct Tax Rate (1)</u>	<u>Estimated Actual Taxable Value</u>
2021	\$ 2,849,451,200	\$ 1,077,513,200	\$ 27,332,500	\$ 3,954,296,900	\$ 891,010,200	.156	\$ 3,954,296,900
2020	2,832,249,900	967,445,500	27,332,500	3,827,027,900	884,788,000	.156	3,827,027,900
2019	2,805,579,300	968,680,700	27,332,500	3,801,592,500	885,974,600	.156	3,801,592,500
2018	2,775,172,100	960,754,000	27,332,500	3,763,258,600	884,543,200	.156	3,763,258,600
2017	2,748,299,100	931,597,800	35,470,000	3,715,366,900	885,856,000	.156	3,715,366,900
2016	2,708,117,300	893,147,400	35,470,000	3,636,734,700	885,708,200	.156	3,636,734,700
2015	2,668,163,500	892,067,600	35,292,900	3,595,524,000	885,148,400	.156	3,595,524,000
2014	2,642,985,200	899,298,900	35,292,900	3,577,577,000	885,062,600	.156	3,577,577,000
2013	2,588,160,900	879,417,400	35,292,900	3,502,871,200	823,854,200	.156	3,502,871,200
2012	2,534,480,600	874,832,300	35,292,900	3,444,605,800	824,338,100	.156	3,444,605,800

Source:  
Cumberland County Board of Assessment

**Schedule 7**  
**Hampden Township**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Hampden Township Direct Rate</u>	<u>Overlapping Rates</u>	
	<u>General Purposes/Total Direct Rate (1)</u>	<u>Cumberland Valley School District</u>	<u>Cumberland County (2)</u>
2021	.1560	10.533	2.3610
2020	.1560	10.227	2.3610
2019	.1560	9.9680	2.3610
2018	.1560	9.7440	2.3610
2017	.1560	9.5160	2.3610
2016	.1560	9.2840	2.3610
2015	.1560	9.0670	2.3610
2014	.1560	8.8980	2.3380
2013	.1560	8.7150	2.2742
2012	.1560	8.7150	2.0450

Source:  
Cumberland County Board of Assessment.

Notes:  
(2) Cumberland County rate includes millage for library tax.

**Schedule 8**  
**Hampden Township**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	Type of Business	2021			2012 (1)		
		Taxable Assessed Value	Rank	Percentage of Total Township Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Township Taxable Assessed Value
Pinnacle Health Hospitals	Commercial - Office	\$ 55,049,200	1	1.39%			
Pinnacle Health Hospitals	Commercial - Office	30,050,800	2	0.76%			
Hampden IL-AL Investors LLC	Commercial - General	28,950,000	3	0.73%			
ICON MARS Property Owner Pool	Commercial - Warehouse	23,998,400	4	0.61%			
Susabar Joint Ventures LP	Commercial - Apartments	18,906,800	5	0.48%			
Tech Park Associates LP	Commercial - Office	17,600,000	6	0.45%			
Hampden Greene LLC	Commercial - Apartments	17,194,900	7	0.43%			
New Sporting Hill Assoc LP	Commercial - Apartments	16,948,000	9	0.43%			
BCI IV 485 DC LLC	Commercial - Warehouse	16,400,000	8	0.41%			
PSIP Brackbill Boulevard	Commercial - Warehouse	15,000,200	10	0.38%			
	Total	<u>\$ 240,098,300</u>		<u>6.07%</u>	<u>\$ -</u>		<u>0.00%</u>

Source:  
Cumberland County Tax Assessment Office

Note:  
(1) The Township did not previously prepare this schedule/Annual Report for 2012, and the information is not readily available for retroactive reporting.

**Schedule 9**  
**Hampden Township**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the</u> <u>Fiscal Year of the Levy</u>		Collections in Subsequent <u>Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>
2021	\$ 604,371	\$ 584,993	96.79%	\$ -	\$ 584,993	96.79%
2020	594,803	579,667	97.46%	-	579,667	97.46%
2019	589,531	575,917	97.69%	-	575,917	97.69%
2018	583,025	567,235	97.29%	-	567,235	97.29%
2017	567,880	554,945	97.72%	7,095	562,040	98.97%
2016	562,373	548,761	97.58%	9,930	558,691	99.35%
2015	559,038	542,219	96.99%	7,258	549,477	98.29%
2014	549,868	537,022	97.66%	7,175	544,197	98.97%
2013	538,947	537,893	99.80%	10,551	548,444	101.76%
2012	532,264	527,175	99.04%	6,860	534,035	100.33%

Sources:  
Cumberland County Assessment Office  
Hampden Township Tax Collector

**Schedule 10**  
**Hampden Township**  
**Earned Income Tax**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

<u>Fiscal Year</u>	<u>Tax Rate</u>	<u>Total Earned Income Tax Collected</u>
2021	0.5%	\$ 7,312,024
2020	0.5%	6,263,551
2019	0.5%	6,219,072
2018	0.5%	6,055,307
2017	0.5%	6,059,091
2016	0.5%	5,650,226
2015	0.5%	5,340,158
2014	0.5%	5,647,433
2013	0.5%	5,685,783
2012	0.5%	4,992,487

**Note:**

Earned income tax rate and collections amount represent only municipal share.

**Schedule 11**  
**Hampden Township**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2021

Borrowing Base	\$ 17,485,882
Debt Limit (250% of borrowing base)	43,714,705
Debt applicable to limit:	
General obligation notes	25,798,792
Less: Amount set aside for repayment of general obligation debt	-
Total net applicable to limit	<u>25,798,792</u>
Legal debt margin	<u><u>17,915,913</u></u>

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt limit	\$ 43,714,705	\$ 45,303,865	\$ 48,783,275	\$ 50,264,445	\$ 47,936,990	\$ 45,037,590	\$ 42,501,180	\$ 41,299,315	\$ 37,970,493	\$ 35,650,433
Total net debt applicable to limit	<u>25,798,792</u>	<u>26,393,070</u>	<u>28,212,769</u>	<u>19,639,361</u>	<u>20,477,825</u>	<u>11,248,228</u>	<u>14,369,555</u>	<u>11,577,055</u>	<u>11,974,992</u>	<u>12,772,694</u>
Legal debt margin	<u><u>\$ 17,915,913</u></u>	<u><u>\$ 18,910,795</u></u>	<u><u>\$ 20,570,506</u></u>	<u><u>\$ 30,625,084</u></u>	<u><u>\$ 27,459,165</u></u>	<u><u>\$ 33,789,362</u></u>	<u><u>\$ 28,131,625</u></u>	<u><u>\$ 29,722,260</u></u>	<u><u>\$ 25,995,501</u></u>	<u><u>\$ 22,877,739</u></u>
Total net debt applicable to the limit as a percentage of debt limit	59.02%	58.26%	57.83%	39.07%	42.72%	24.98%	33.81%	28.03%	31.54%	35.83%

Source:  
Township Accounting Office



**Schedule 12**  
**Hampden Township**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds (2)	General Obligation Notes	Installment Purchase	Capital Leases	Sewer Revenue Bonds	General Obligation Notes	General Obligation Bonds (2)			
2021	\$ 22,592,606	\$ -	\$ 141,509	\$ -	\$ -	\$ -	\$ 18,925,863	\$ 41,659,978	1.34%	\$ 1,268.27
2020	23,110,455	-	204,253	-	-	-	20,773,896	44,088,604	1.67%	1,572.12
2019	23,599,360	-	263,446	-	-	-	32,936,228	56,799,034	2.18%	2,025.35
2018	510,000	18,460,000	319,289	-	-	-	32,504,387	51,793,676	2.03%	1,846.87
2017	795,000	18,979,000	371,971	-	-	-	34,250,645	54,396,616	2.20%	1,939.69
2016	1,080,000	18,431,215	421,671	-	-	-	35,941,522	55,874,408	2.34%	1,992.38
2015	11,540,584	3,415,399	468,557	-	-	-	37,587,803	53,012,343	2.25%	1,890.33
2014	11,882,402	311,800	512,790	-	-	-	39,188,704	51,895,696	2.25%	1,850.51
2013	12,214,076	409,566	-	-	-	-	40,749,567	53,373,209	2.48%	1,903.20
2012	12,539,435	504,401	-	-	797,409	-	42,275,400	56,116,645	3.13%	2,001.02

Notes:

(1) Population and personal income tax data can be found in Schedule 16.

(2) General obligation bonds are presented net of original discounts and premiums.

**Schedule 13**  
**Hampden Township**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>General Obligation Notes</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2021	\$ 41,518,469	\$ -	\$ 41,518,469	1.05%	\$ 1,263.96
2020	43,884,351	-	43,884,351	1.15%	1,564.84
2019	56,535,588	-	56,535,588	1.49%	2,015.96
2018	33,014,387	18,460,000	51,474,387	1.37%	1,835.49
2017	35,045,645	18,979,000	54,024,645	1.45%	1,926.42
2016	37,021,522	18,431,215	55,452,737	1.52%	1,977.25
2015	49,128,387	3,415,399	52,543,786	1.46%	1,873.63
2014	51,071,106	311,800	51,382,906	1.44%	1,832.22
2013	52,963,643	409,566	53,373,209	1.52%	1,903.20
2012	54,814,835	504,401	55,319,236	1.61%	1,972.59

**Note:**

The percentage of estimated actual taxable value of property is calculated using the value of property figures taken from Schedule 6.

**Schedule 14**  
**Hampden Township**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2021**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes Cumberland Valley School District	\$ 354,654,555	50.00%	\$ 177,327,278
Other debt Cumberland County	25,914,846	16.07%	<u>4,164,516</u>
Subtotal, overlapping debt			181,491,794
Township direct governmental activities debt	22,734,115	100.00%	<u>22,734,115</u>
Total direct and overlapping debt			<u><u>\$ 204,225,909</u></u>

Sources:

Cumberland County Controllers Office  
Cumberland County Assessment Office  
Cumberland Valley School District  
Hampden Township

Note:

Percent applicable to the Township is calculated by using the assessed valuation of the Township divided by the assessed valuation of the taxing district.

**Schedule 15**  
**Hampden Township**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Sewer Revenue Bonds</u>					
	<u>Utility</u>	<u>Less:</u>	<u>Net</u>	<u>Debt Service</u>		<u>Coverage</u>
	<u>Service</u>	<u>Operating</u>	<u>Available</u>	<u>Principal</u>	<u>Interest</u>	
	<u>Charges</u>	<u>Expenses</u>	<u>Revenue</u>			
2021						
2020						
2019						
2018						
2017						
2016						
2015						
2014						
2013	\$ 7,765,297	\$ 3,960,613	\$ 3,804,684	\$ 2,070,526	\$ 1,464,696	1.08
2012	7,912,518	3,527,938	4,384,580	36,463,659	1,743,892	0.11

**Notes:**

Operating expenses do not include interest or depreciation expense.

Sewer Revenue Bonds were paid off in 2013.

**Schedule 16**  
**Hampden Township**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2021	32,848	\$ 3,120,560,000	\$ 95,000	5.40%
2020	28,044	2,636,136,000	94,000	5.80%
2019	28,044	2,610,896,400	93,100	3.60%
2018	28,044	2,550,545,712	90,948	3.20%
2017	28,044	2,470,816,620	88,105	3.70%
2016	28,044	2,392,041,024	85,296	3.80%
2015	28,044	2,358,304,092	84,093	3.70%
2014	28,044	2,306,282,472	82,238	4.00%
2013	28,044	2,153,554,848	76,792	5.10%
2012	28,044	1,790,525,268	63,847	6.50%

Sources:

Population provided by United States Census Bureau

Personal income figures provided by Cumberland County Tax Bureau

Unemployment provided by Bureau of Labor Statistics

**Schedule 17**  
**Hampden Township**  
**Principal Employers**  
**Current Year and Nine Years Ago**

	2021			2012 (1)		
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent</u>
Defense Distribution Center (SPCC)	3,597	1	10.87%	(1)		
Foot Locker Retail	887	2	2.68%	(1)		
Pinnacle Health Hospitals	825	3	2.49%	(1)		
Giant Food Stores LLC	627	4	1.90%	(1)		
Express Personnel Services	595	5	1.80%	(1)		
Ambassador Home Improvements	540	6	1.63%	(1)		
Ames True Temper	526	7	1.59%	(1)		
UPS Ground Freight (Overnight)	509	8	1.54%	(1)		
West Shore Home	509	9	1.54%	(1)		
Nestle Purina Petcare	495	10	1.50%	(1)		
Total	9,110		27.54%	-		0.00%

Source:  
Cumberland County Tax Bureau

Note:  
(1) These employers were in the Township in 2012, but there is no statistical data on the number of employees.

**Schedule 18**  
**Hampden Township**  
**Full-time-equivalent Township Government Employees by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Government:										
Administration	11	11	11	11	11	11	11	11	11	11
Finance	2	2	2	2	2	2	2	2	2	2
Community development	4	4	4	3	4	5	5	5	5	5
Public Safety:										
Police officers	26	26	26	26	25	25	25	24	24	21
Police civilians	2	1	1	1	1	1	1	1	1	1
Emergency medical technicians	8	9	9	9	9	9	9	9	10	10
Public Works:										
Administration	4	4	5	7	7	7	7	7	7	6
Maintenance	17	18	19	18	20	21	21	20	18	16
Fleet maintenance	3	2	4	3	3	3	3	3	3	3
Wastewater treatment	11	11	13	15	15	16	17	19	19	20
Stormwater	0	1	1	1	1	1	0	0	0	0
Parks and Recreation:										
Administration	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Total	<u>92</u>	<u>93</u>	<u>99</u>	<u>100</u>	<u>102</u>	<u>105</u>	<u>105</u>	<u>105</u>	<u>104</u>	<u>99</u>

Source:  
Township Finance Office

Note:  
A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080. EMS full-time employees work 1,976 hours per year.

**Schedule 19**  
**Hampden Township**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Community Development:										
Building permits Issued	530	602	521	409	504	525	380	449	455	489
Building inspections conducted	393	308	283	288	433	363	382	351	354	387
Police:										
Incidents investigated	15,183	19,583	19,626	15,398	15,705	17,458	16,807	15,924	N/A	N/A
Patrol - crash responses	517	427	600	663	698	693	639	640	638	N/A
Traffic violations	3,353	5,234	2,631	1,731	1,632	1,836	1,397	1,506	1,126	N/A
Fire:										
Emergency responses	893	778	909	874	872	867	799	749	714	685
Structure fires	59	36	36	114	101	75	105	86	63	45
Public Works:										
Average daily sewage treatment (thousands of gallons)	9,500	9,500	11,753	14,767	9,123	8,493	9,205	10,301	8,465	8,959
Parks and Recreation:										
Community room rental	\$ 10,150	\$ 4,480	\$ 23,510	\$ 21,000	\$ 10,340	\$ 14,750	\$ 18,325	\$ 13,515	\$ 19,445	\$ 13,580

Sources:  
Various Township Departments  
Township Annual Operating Statements

Note:  
Police Department statistics effective with hiring of current Police Chief in May 2014.



**Schedule 20**  
**Hampden Township**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Function/Program</u>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Zone Offices	1	1	1	1	1	1	1	1	1	1
Police Officers	26	26	26	26	25	25	25	24	24	21
Fire Stations:	2	2	2	2	2	2	2	2	2	2
Public Works:										
Streets (miles)	121.00	103.00	99.16	99.16	99.16	99.06	98.56	98.46	98.46	98.26
Highway (miles)	30	27	27	27	27	27	27	27	27	27
Street Lights	1,741	1,741	1,741	1,718	1,717	1,711	1,694	1,688	1,674	1,674
Traffic Signals	36	36	36	37	36	35	34	34	34	34
Parks and Recreation:										
Acreage	260	260	260	257	257	257	257	257	257	257
Playgrounds	7	6	6	6	6	6	6	6	6	6
Baseball/Softball Diamonds	14	14	14	14	14	14	14	14	14	14
Soccer	12	12	12	12	12	12	12	12	12	12
Community Centers	1	1	1	1	1	1	1	1	1	1
Wastewater:										
Sanitary Sewers (miles)	165.00	165.00	165.00	158.60	158.60	158.60	158.60	158.60	158.50	158.40
Storm Sewers (miles)	50.000	50.000	50.000	42.633	42.633	42.607	42.577	42.560	42.560	42.500
Treatment Capacity (thousands of gallons)	5,690	5,690	5,690	5,690	5,690	5,690	5,690	5,690	5,690	5,690

Source:  
Various Township Departments