

TOWNSHIP OF CONCORD
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2021



TOWNSHIP OF CONCORD

TABLE OF CONTENTS

	<u>Pages</u>
INDEPENDENT AUDITOR'S REPORT.....	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	4-11
STATEMENT OF NET POSITION.....	12
STATEMENT OF ACTIVITIES.....	13
BALANCE SHEET – GOVERNMENTAL FUNDS.....	14
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION.....	15
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS.....	16
RECONCILIATION OF THE CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES.....	17
STATEMENT OF NET POSITION – SEWER FUND.....	18
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – SEWER FUND.....	19
STATEMENT OF CASH FLOWS – SEWER FUND.....	20



Pages

NOTES TO FINANCIAL STATEMENTS.....21-44

REQUIRED SUPPLEMENTARY INFORMATION

NET PENSION LIABILITY AND RELATED RATIOS.....45

SCHEDULE OF EMPLOYER CONTRIBUTIONS AND RELATED INFORMATION.....46

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCES BUDGET AND ACTUAL –

GENERAL FUND.....47

OPEN SPACE FUND.....48

CAPITAL RESERVE FUND.....49

RESERVE FUND OPEN SPACE.....50

FIRE HYDRANT FUND.....51

LIBRARY TAX FUND.....52

HIGHWAY AID FUND.....53

TREE FUND.....54

SINKING FUND.....55

SEWER OPERATING/ACQUISITION/SINKING FUND.....56

SUPPLEMENTARY INFORMATION

OTHER GOVERNMENTAL FUNDS – BALANCE SHEET.....57

OTHER GOVERNMENTAL FUNDS – STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES.....58

DETAIL SCHEDULE OF PLANT OPERATIONS AND GENERAL AND
ADMINISTRATIVE EXPENSES – SEWER FUND.....59



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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Township Council
Township of Concord
Concord, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Concord, Pennsylvania 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 accompanying 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 of Concord, 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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 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 management's discussion and analysis, budgetary comparison information, and pension information 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 of Concord, Pennsylvania's basic financial statements. The other governmental funds financial statements and schedule of detailed expenses for the sewer fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other governmental fund financial statements and the schedule of detailed expenses for the sewer fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other governmental funds financial statements and schedule of detailed expenses for the sewer fund is fairly stated in all material respects in relation to the basic financial statements as a whole.

Leitzell & Economidis, PC

LEITZELL & ECONOMIDIS, PC
Certified Public Accountants

September 30, 2022
Media, Pennsylvania

**TOWNSHIP OF CONCORD
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

(UNAUDITED)

This Management's Discussion and Analysis (MD&A) is intended to provide a narrative overview and analysis of the financial activities of Concord Township for the year ended December 31, 2021. The Township's financial performance is discussed and analyzed within the context of the financial statements and the disclosures that follow. This discussion focuses on the Township's primary government.

FINANCIAL HIGHLIGHTS

Township Council and Management believe the Township's financial outlook is positive. While 2021 was economically slowed by the recovery from the pandemic in 2020, the Township was able to navigate those waters favorably through sound planning and healthy fund balances. The Township's stable commercial tax base, sound real estate market and stable economy aided in keeping the Township's financial position solid as the local area slowly returned to pre-pandemic activity.

- During the year, the Township's operating revenue for governmental activities on the government-wide statements totaled \$6,180,711 (including an actuarial change in net pension obligation) representing an increase of \$540,755 (or about 10%). Licenses and permit applications increased this year as development slowly returned to pre-pandemic activity. Transfer taxes also increased this period in comparison to prior year as housing activity exceeded pre-pandemic levels due to historic markets post-pandemic. Operating expenses, not including unallocated depreciation, in the government-wide statements decreased by \$135,303 or about 2%, primarily resulting from public works, highway improvements, and park and recreation related activities and expenses. The public works activity decreased concurrently with the intergovernmental grant activity related to highway activity. Park and recreations activity increased due to on-going grant projects for open space purchases and trail improvements. As noted above, the actuarial changes in the net pension obligation as well as deferred inflows and outflows of pension activities resulted in an increase of net assets in the amount of \$128,239.
- The Sewer Fund operating revenues decreased slightly (approximately 2%) during the period, while capital contributions and capacity purchases added to net position by \$888,605 and \$73,150 respectively. Operating expenses increased slightly inclusive of an increase in depreciation expense. Sewer Fund operation expense increased by \$30,920, primarily in repairs and maintenance. As a result of the Township's management of sewer related activities, the sewer fund activities continue to result in surpluses (even without regard for capacity charges and non-operating income). The Township continues to be committed to their fund policies and the utilization of Sewer Fund surplus for future capital expenses.
- Revenues for the Township's governmental fund activities were \$6,062,414 representing an increase of approximately 15% from the prior year, a major impact as noted above from an increase in transfer tax and licenses and permits from the prior year. Real estate tax revenue remained consistent with prior years. Intergovernmental grants increased somewhat this year particularly relative to parks and recreation and streets and highway projects. Expenditures, including debt service

payments, increased to \$8,773,448, primarily representative of an increase in capital spending to \$2,623,979.

- At the close of this fiscal year, unassigned fund balance for the General Fund was \$817,616 or 20% of total General Fund expenditures or 18% of total General Fund revenues. The Township's change in net position decreased in 2021 from 2020 in the amount of \$191,922 in the governmental activities because of interfund transfers. The Sewer Fund continues to show operational improvement, positive cash flows and increasing economies of scale, and the business type activities net position increased \$2,206,101 in 2021 compared to 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves. This MD&A represents management's analysis of the Township's financial condition and performance. Summary financial statement data and other management tools were utilized for analysis.

Government-Wide Financial Statements

The Township's report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. These statements are intended to provide the reader with a broad overview of the Township's finances, similar to the perspective found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The *Statement of Net Position* includes all Township's assets and liabilities, as well as its deferred outflows and inflows of resources. The difference between net assets plus deferred outflows of resources less liabilities and deferred inflows of resources is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating.

The second statement, the *Statement of Activities*, presents information on how the Township's net assets have changed during the most recent fiscal year. All current year revenue and expenses are included regardless of when cash is received or paid. Revenues and expenses are reported in this statement for some items that will result in cash flows in subsequent fiscal periods, such as uncollected taxes. An important purpose of this statement is to show the financial reliance of the Township's distinct functions on revenues provided by various sources.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and intergovernmental revenue, such as grants, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities of the sewer fund). Governmental activities include general government, public safety, public works, highways and streets, sewers and culture and recreation. Business type activities represent the function of the Sewer Fund.

Fund Financial Statements

The fund financial statements provide more detailed information about the Township's most significant *funds* – not the Township as a whole. The funds are an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Major funds are separately reported, while all others are combined into a single, aggregated presentation. The Township has one proprietary fund—Sewer Fund. A proprietary fund is a fund in which customers are charged fees for specific services.

Governmental Funds – Almost all the Township's basic services are included in the governmental funds, which are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, the governmental fund statements focus on a detailed short-term view that helps determine whether there are sufficient financial resources that are available at the end of the fiscal year or that can be spent in the near future to finance the programs and commitments of the Township. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided subsequent to the governmental funds statement to reconcile the differences between the two statements. The Township maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Open Space, Capital Reserve Fund, Reserve Fund Open Space and the ARPA Fund, all of which are considered to be major funds. Information relative to the other governmental funds is combined into a single, aggregated presentation titled "Other Governmental Funds."

Proprietary Fund—As noted above, the Township includes a proprietary fund (the Sewer Fund). Along with a statement of net assets and statement of revenue, expenses and changes in net assets, the Township also presents for the sewer fund a statement of cash flows.

Notes to Financial Statements – The notes to financial statements provide required disclosures and other information essential to a full understanding of the material data provided in the government-wide and fund financial statements. The notes present information about the Township's accounting policies, significant accounts and activities, obligations, commitments, and subsequent events, if any.

Budgetary Highlights

The Township adopted an annual appropriated budget for all its governmental funds and its proprietary fund as presented in Required Supplementary Information. There were no amendments to the 2021 budgets. A budgetary comparison statement has been provided for those funds with legally adopted budgets to demonstrate budgetary compliance.

FINANCIAL ANALYSIS OF THE TOWNSHIP

The following comparative condensed financial data serve as indicators of the Township's financial health or financial position. Table 1 below shows a condensed version of the Township's net position. The component change in net position is shown below in Table 2 as a condensed summary of changes in net position. Table 3 provides a comparative of the components of the capital assets from 2020 to 2021 for both the governmental activities and the sewer fund activities. Table 4 shows changes in outstanding debt from 2020 to 2021.

TABLE 1
NET POSITION - GOVERNMENTAL ACTIVITIES
DECEMBER 31,

	2021	2020
Current assets	\$ 14,869,935	\$ 16,573,593
Capital assets, net	28,226,062	26,277,788
Other non-current assets	929,886	468,985
Total assets	<u>44,025,883</u>	<u>43,320,366</u>
Deferred outflows of resources	<u>361,229</u>	<u>226,753</u>
Current liabilities	2,981,313	1,962,531
Noncurrent liabilities	6,561,768	7,080,487
Total liabilities	<u>9,543,081</u>	<u>9,043,018</u>
Deferred inflows of resources	<u>885,105</u>	<u>353,253</u>
Net position invested in capital assets	21,135,225	18,676,232
Restricted net position	267,616	2,215,137
Unrestricted net position	12,556,085	13,259,479
Total net position	<u>\$ 33,958,926</u>	<u>\$ 34,150,848</u>

TABLE 1
NET POSITION - BUSINESS TYPE ACTIVITIES SEWER FUND
DECEMBER 31,

	2021	2020
Current assets	\$ 16,226,572	\$ 17,468,625
Prepaid pension obligation	343,828	135,042
Capital assets, net	30,887,439	27,678,568
Total assets	<u>47,457,839</u>	<u>45,282,235</u>
Deferred outflows of resources	<u>207,264</u>	<u>157,190</u>
Current liabilities	1,029,199	873,260
Noncurrent liabilities	3,344,000	3,619,395
Total liabilities	<u>4,373,199</u>	<u>4,492,655</u>
Deferred inflows of resources	<u>415,796</u>	<u>276,763</u>
Net position invested in capital assets	27,284,439	23,807,173
Unrestricted net position	15,591,669	16,862,834
Total net position	<u>\$ 42,876,108</u>	<u>\$ 40,670,007</u>

TABLE 2
SUMMARY OF CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2021	2020
Revenues		
Property taxes	\$ 1,585,185	\$ 1,627,329
Local enabling taxes and other taxes	1,846,944	1,037,985
Charges for services	1,028,319	753,654
Grants and contributions	962,708	1,244,678
Franchise fee - cable	365,165	368,449
Investment earnings	24,716	72,669
Change in net pension obligation	128,239	359,694
Reimbursements	181,434	108,873
Miscellaneous	58,001	66,625
Total revenues	<u>6,180,711</u>	<u>5,639,956</u>
Operating expenses		
General government	1,941,848	2,063,396
Public safety	1,081,729	1,067,891
Highway and streets	1,380,112	1,814,063
Culture and recreation	664,563	268,376
Library	197,873	276,177
Pension	271,103	160,996
Interest and debt related costs	182,838	204,470
Unallocated amortization	(12,927)	(12,927)
Unallocated depreciation	665,494	711,944
Total program/function	<u>6,372,633</u>	<u>6,554,386</u>
Change in net position	<u>\$ (191,922)</u>	<u>\$ (914,430)</u>

TABLE 2
SUMMARY OF CHANGES IN NET POSITION - BUSINESS TYPE ACTIVITY
FOR THE YEARS ENDED DECEMBER 31,

	2021	2020
Revenue		
Operating revenues	\$ 4,332,284	\$ 3,683,776
Capacity purchases	73,150	878,655
Pension plan state aid	32,660	36,190
Interest income	22,326	60,001
Change in net pension plan obligation	121,960	64,090
Other	162,561	135,040
Total revenue	<u>4,744,941</u>	<u>4,857,752</u>
Expenses		
Plant operations	1,305,616	1,306,153
General and administrative	794,093	807,253
Depreciation and amortization	1,233,212	1,178,581
Interest expense and bond issuance costs	94,524	104,538
Total program/function	<u>3,427,445</u>	<u>3,396,525</u>
Capital contributions	888,605	86,616
Change in net position	<u>\$ 2,206,101</u>	<u>\$ 1,547,843</u>

**TABLE 3
CHANGES IN CAPITAL ASSETS - GOVERNMENTAL
YEAR-TO-YEAR COMPARISON
DECEMBER 31,**

<u>CAPITAL INVESTMENT</u>	<u>2021</u>	<u>2020</u>	<u>% Inc/Decr</u>
Land	\$ 16,075,524	\$ 14,006,642	14.77%
Buildings and equipment	11,220,628	11,206,453	0.13%
Construction in progress	1,451,325	1,117,455	29.88%
Infrastructure	7,495,791	7,300,409	2.68%
Capital lease	236,598	236,598	0.00%
TOTALS	<u>\$ 36,479,866</u>	<u>\$ 33,867,557</u>	

**CHANGES IN CAPITAL ASSETS - BUSINESS TYPE ACTIVITY
YEAR-TO-YEAR COMPARISON
DECEMBER 31,**

<u>CAPITAL INVESTMENT</u>	<u>2021</u>	<u>2020</u>	<u>% Inc/Decr</u>
Construction in progress	\$ 986,735	\$ 172,602	471.68%
Land	561,303	561,303	0.00%
Buildings and equipment	17,903,021	17,415,222	2.80%
Infrastructure	28,691,806	25,624,348	11.97%
TOTALS	<u>\$ 48,142,865</u>	<u>\$ 43,773,475</u>	

**TABLE 4
CHANGES IN OUTSTANDING DEBT
DECEMBER 31,**

<u>SERIES</u>	<u>2021</u>	<u>2020</u>	<u>INC/DEC</u>
General Obligation Note Series of 2015	\$ 3,388,000	\$ 3,588,000	\$ (200,000)
General Obligation Bond Series of 2016	7,235,000	7,800,000	(565,000)
Capital lease	16,138	24,207	(8,069)
	<u>\$10,639,138</u>	<u>\$11,412,207</u>	<u>\$ (773,069)</u>

GENERAL INFORMATION

Township Council and Management will continue to evaluate and strategically plan to keep the Township's fund balances healthy, so we are able to continue weathering these down years with no major increases to our taxpayers. Over the last several years, Township Council has committed and spent millions of dollars in funding towards Township priorities of open space preservation, parks and trails, and maintaining/improving our critical infrastructure (i.e., public sewers, roadways, and stormwater infrastructure). To continue meeting these important priorities, Council and Management annually evaluate the health of our fund balances and discuss tools to continue to remain financially stable.

Despite the pandemic and financial challenges 2021 presented, Concord Township was able to avoid financial pitfalls due to the sound management and the building of healthy fund balances in years past. As the audited financials for 2021 reflect, the Township's fund balances are still healthy, our debt is manageable, and our operations run lean and efficiently, which has never been more important for our taxpayers. Township Council and management will

continue to make smart organizational decisions to continue our shared goals of keeping Concord Township a great place to live, work and raise a family.

2021 Financial Overview

At the close of 2021, the Township's statement of revenues, expenditures, and changes in fund balances for Total Governmental Funds reflects \$2,711,034 of expenditures more than revenues. This is mainly due from open space land acquisitions, capital projects related to roadways, parks, and community development, and delays in reimbursement time from state and local agencies for matching grant funds. Actual General Fund revenues exceeded budgeted expectations due to Act 511 taxes and Licenses and Permits, which resulted from increased housing market activities and development post-pandemic. The Township's General Fund experienced expenditures more than revenues (after commitment of funds to the Capital Reserve Fund) totaling \$135,803.

Township Council remains committed to the Fund Balance Policy and has been allocating monies to their priorities of preserving future open space and committing capital funds for future projects to improve the Township's parks, to maintain and enhance critical infrastructure, and to preserve land. This financial planning is essential to the economic vitality and quality of life for the community.

The Township's unassigned General Fund balance totaled \$817,616 at year end 2021. Total fund balance for all Governmental Funds totaled \$12,412,495, 80% of which is either committed, assigned, or restricted for specific purposes, such as, open space acquisition/preservation, local trail and parks and recreation upgrades, and roadway and stormwater management improvement projects.

The Sewer Fund, accounts for the business activity of the Township, includes maintaining over sixty-seven miles of sewer lines, two Sewer Plants, and over fourteen pump stations that serve over 2,700 customers daily. The Township's main plant averages over 1.2 million gallons per day in flow volume. The Sewer Fund's statement of revenues, expenditures, and changes in fund balance reflect \$1,317,496 of operating revenues in excess of operating expenditures at year end. The total net position at year end was \$42,876,108, the majority of which is comprised of capital buildings, equipment, and infrastructure. The remaining balance consists of cash and investments held at year end.

The Township has maintained a Moody's Bond Rating of Aa1, which reflects the Township's commitment to fiscal responsibility. This rating signifies the creditworthiness and credit stability of the Township. The total Governmental debt service to be paid through 2035 is \$8,538,850 and the Sewer Fund total debt service to be paid through 2035 is \$4,114,491.

Future Planning

The 2022 proposed Five Year Capital Plan reflects over \$28 million dollars in expenditures planned through FY 2026 which includes funding for new sewer infrastructure, upgrades to existing sewer infrastructure, roadway improvements, stormwater management planning, technological and building upgrades, traffic signal and intersection improvements, historic preservation of Township owned buildings, the purchasing and maintaining of vehicles and heavy equipment, and park and recreation infrastructure enhancements. Township council and staff have worked hard to balance these expenditures by leveraging local, state, and federal grant funding, and utilizing developer fees, loans, and fund balance. The Township's 2022 Budget and 2022 Capital Plan can be viewed on the Township's website at www.townshipofconcord.com.

TO CONTACT TOWNSHIP MANAGEMENT AND REQUEST INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for its funds. If you have questions regarding this report or would like additional information, please contact the Concord Township Office at 610-459-8800, 43 Thornton Road, Glen Mills, PA, 19342-1325.

TOWNSHIP OF CONCORD
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities	Sewer Fund Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 13,593,479	\$ 14,641,205	\$ 28,234,684
Investments	733,136	554,018	1,287,154
Taxes receivables (net of allowance for uncollectibles)	18,391	-	18,391
Sewer rents receivable (net of allowance for uncollectibles)	-	1,002,155	1,002,155
Other receivables	485,775	3,321	489,096
Internal balances	(7,966)	7,966	-
Mortgage receivable - current portion	3,817	-	3,817
Prepaid expenses	43,303	17,907	61,210
Total current assets	<u>14,869,935</u>	<u>16,226,572</u>	<u>31,096,507</u>
Non-current assets			
Mortgage receivable	164,591	-	164,591
Capital assets:			
Land and land improvements	15,093,745	561,303	15,655,048
Plant, buildings, equipment	12,170,407	17,903,021	30,073,428
Infrastructure and related improvements	7,527,791	28,691,806	36,219,597
Construction in progress	1,451,325	986,735	2,438,060
Capital leases	236,598	-	236,598
Less accumulated depreciation	(8,253,804)	(17,255,426)	(25,509,230)
Net property, plant and equipment	<u>28,226,062</u>	<u>30,887,439</u>	<u>59,113,501</u>
Prepaid net pension obligation	765,295	343,828	1,109,123
Total assets	<u>44,025,883</u>	<u>47,457,839</u>	<u>90,374,599</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related differences and contributions post measurement date	361,229	162,292	523,521
Unamortized bond refunding charges (net)	-	44,972	44,972
	<u>361,229</u>	<u>207,264</u>	<u>568,493</u>
LIABILITIES			
Current liabilities:			
Accounts payable	335,241	288,680	623,921
Accrued interest	6,053	2,259	8,312
Resources received in advance	1,523,481	-	1,523,481
Escrow liability	583,494	456,491	1,039,985
Escheated funds	3,975	-	3,975
Current portion of long-term liabilities	529,069	259,000	788,069
Long-term liabilities:			
Debt due in more than one year	6,561,768	3,366,769	9,928,537
Total liabilities	<u>9,543,081</u>	<u>4,373,199</u>	<u>13,916,280</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related differences on earnings	721,839	324,304	1,046,143
Unamortized bond discount	163,266	91,492	254,758
	<u>885,105</u>	<u>415,796</u>	<u>1,300,901</u>
NET POSITION			
Invested in capital assets, net of related debt	21,135,225	27,284,439	48,419,664
Restricted	267,615	-	267,615
Unrestricted	12,556,086	15,591,669	28,147,755
Total net position	<u>\$ 33,958,926</u>	<u>\$ 42,876,108</u>	<u>\$ 76,835,034</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

TOWNSHIP OF CONCORD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Functions/programs	Program Revenues				Net (Expenses), Revenue and Changes in Net Position		
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental Activities	Business Type Activities	Total
Primary government:							
General governmental	\$ 1,941,848	\$ 179,372	\$ 7,800	\$ -	\$ (1,754,676)	\$ -	\$ (1,754,676)
Public safety	1,081,729	821,357	134,830	-	(125,542)	-	(125,542)
Recreation	664,583	27,546	44,000	-	(593,017)	-	(593,017)
Public works - highway	1,380,112	44	700,646	-	(679,422)	-	(679,422)
Pension	271,103	-	72,880	-	(198,223)	-	(198,223)
Library	197,873	-	-	-	(197,873)	-	(197,873)
Interest	182,838	-	-	-	(182,838)	-	(182,838)
Unallocated amortization	(12,927)	-	-	-	12,927	-	12,927
Unallocated depreciation	685,494	-	-	-	(685,494)	-	(685,494)
Total governmental activities	6,372,633	1,028,319	960,156	-	(4,384,158)	-	(4,384,158)
Business Type Activities							
Sewer Fund	3,332,921	4,332,284	32,660	-	-	1,032,023	1,032,023
Interest	94,524	-	-	-	-	(94,524)	(94,524)
Total business type activities	3,427,445	4,332,284	32,660	-	-	937,499	937,499
Total primary government	\$ 9,800,078	\$ 5,360,603	\$ 992,816	\$ -	(4,384,158)	937,499	(3,446,659)
General revenues:							
Taxes					3,432,129	-	3,432,129
Grants and contributions not restricted to a specific program					2,552	-	2,552
Cable television					365,165	-	365,165
Interest and investment earnings					24,716	22,326	47,042
Rental income					35,124	21,843	56,967
Gain on sale of asset					10,210	-	10,210
Capacity purchases					-	73,150	73,150
Change in net pension plan obligation					128,239	121,960	250,199
Miscellaneous income					194,101	140,718	334,819
Total general revenues					4,192,236	379,997	4,572,233
Capital contributions					-	888,605	888,605
Change in net position					(191,922)	2,206,101	2,014,179
Net position - beginning					34,150,848	40,670,007	74,820,855
Net position - ending					\$ 33,958,926	\$ 42,876,108	\$ 76,835,034

TOWNSHIP OF CONCORD

BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2021

	General Fund	Open Space Fund	Capital Reserve Fund	Reserve Open Space Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,900,166	\$ 1,317,539	\$ 6,907,132	\$ 926,504	\$ 938,923	\$ 603,215	\$ 13,593,479
Investments	-	-	733,136	-	-	-	733,136
Tax receivables (net of allowance for uncollectibles)	8,967	-	-	4,985	-	4,439	18,391
Other receivables	485,775	-	-	-	-	-	485,775
Due from other funds	-	-	-	13,465	-	9,122	22,587
Prepaid expenses	43,303	-	-	-	-	-	43,303
Total assets	<u>3,438,211</u>	<u>1,317,539</u>	<u>7,640,268</u>	<u>944,954</u>	<u>938,923</u>	<u>616,776</u>	<u>14,896,671</u>
DEFERRED OUTFLOW OF RESOURCES							
Total assets and deferred outflows of resources	<u>\$ 3,438,211</u>	<u>\$ 1,317,539</u>	<u>\$ 7,640,268</u>	<u>\$ 944,954</u>	<u>\$ 938,923</u>	<u>\$ 616,776</u>	<u>\$ 14,896,671</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenditures	\$ 211,284	\$ 546	\$ 105,808	\$ -	\$ -	\$ 17,803	\$ 335,241
Due to other funds	22,587	-	7,966	-	-	-	30,553
Escheated funds	3,975	-	-	-	-	-	3,975
Escrow liability	583,494	-	-	-	-	-	583,494
Resources received in advance in an exchange transaction	452,352	-	45,000	-	938,546	87,583	1,523,481
Total liabilities	<u>1,273,692</u>	<u>546</u>	<u>158,574</u>	<u>-</u>	<u>938,546</u>	<u>105,386</u>	<u>2,476,744</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable taxes	3,600	-	-	2,017	-	1,815	7,432
Total deferred inflows of resources	<u>3,600</u>	<u>-</u>	<u>-</u>	<u>2,017</u>	<u>-</u>	<u>1,815</u>	<u>7,432</u>
Fund balances:							
Non-spendable	43,303	-	-	-	-	-	43,303
Restricted	-	-	267,615	-	-	-	267,615
Committed for:							
Debt service	-	-	-	-	-	614	614
Capital asset purchases	-	-	4,808,148	205,911	-	-	5,014,059
Assigned	1,300,000	1,316,993	1,176,376	737,026	377	-	4,530,772
Unassigned	817,616	-	1,229,555	-	-	508,961	2,556,132
Total fund balance	<u>2,160,919</u>	<u>1,316,993</u>	<u>7,481,694</u>	<u>942,937</u>	<u>377</u>	<u>509,575</u>	<u>12,412,495</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,438,211</u>	<u>\$ 1,317,539</u>	<u>\$ 7,640,268</u>	<u>\$ 944,954</u>	<u>\$ 938,923</u>	<u>\$ 616,776</u>	<u>\$ 14,896,671</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

TOWNSHIP OF CONCORD

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

DECEMBER 31, 2021

Total fund balances - governmental funds \$ 12,412,495

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land and land improvements	\$ 15,093,745	
Plant, buildings, equipment	12,170,407	
Construction in progress	1,451,325	
Capital lease	236,598	
Infrastructure and related improvements	7,527,791	
Net property, plant and equipment	<u>36,479,866</u>	
Accumulated depreciation and amortization	<u>(8,253,804)</u>	
Total capital assets		28,226,062

Mortgage receivable is not due and payable in the current period and is therefore not reported in the funds 168,408

Bond discounts and premiums are amortized within the government-wide statements over the life of the bond issuance (163,266)

Net change in deferred inflows and outflows relative to net pension calculation (360,610)

Some revenues may be collected after year-end but are not available soon enough for the current period expenditures and therefore are deferred in the funds 7,432

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Net pension liability/prepaid pension liability	765,295	
Compensated absences	(54,699)	
Capital lease payable	(16,138)	
Bonds payable	<u>(7,020,000)</u>	
		(6,325,542)

Accrued interest (6,053)

Net position \$ 33,958,926

TOWNSHIP OF CONCORD

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Open Space Fund	Capital Reserve Fund	Reserve Fund Open Space	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Revenues							
Real estate taxes	\$ 777,950	\$ -	\$ -	\$ 432,493	\$ -	\$ 381,343	\$ 1,591,786
Other taxes	1,846,944	-	-	-	-	-	1,846,944
Licenses - permits	812,596	-	-	-	-	-	812,596
Fines and forfeits	8,760	-	-	-	-	-	8,760
Investment earnings	3,557	1,649	12,939	5,073	377	1,338	24,933
Intergovernmental revenue and grants	224,565	-	186,688	-	-	478,575	889,828
Rents	35,124	-	-	-	-	-	35,124
Charges for services	198,791	5,987	-	-	-	3,624	206,402
Franchise fee - cable television	365,165	-	-	-	-	-	365,165
Reimbursements	181,434	-	-	-	-	-	181,434
Act 205 pension	72,880	-	-	-	-	-	72,880
Other income	11,540	22	15,000	-	-	-	26,562
Total revenues	<u>4,537,308</u>	<u>7,658</u>	<u>214,627</u>	<u>437,566</u>	<u>377</u>	<u>864,880</u>	<u>6,062,414</u>
Expenditures							
Current:							
General governmental	1,929,114	9,178	-	1,275	-	-	1,939,567
Public safety	914,073	-	-	-	-	167,656	1,081,729
Culture and recreation	135,968	-	-	472,004	-	56,591	664,563
Public works - highway	679,171	29,563	-	-	-	671,378	1,380,112
Pension	188,765	-	-	-	-	-	188,765
Library	-	-	-	-	-	197,873	197,873
Debt service:							
Principal	-	-	-	380,000	-	133,000	513,000
Interest	-	-	-	118,900	-	64,960	183,860
Capital outlay:							
Open space	-	-	-	1,333,177	-	-	1,333,177
Streets and highways	11,289	-	601,571	-	-	-	612,860
Culture and recreation	-	-	537,178	-	-	-	537,178
General government	-	-	140,764	-	-	-	140,764
Total expenditures	<u>3,858,380</u>	<u>38,741</u>	<u>1,279,513</u>	<u>2,305,356</u>	<u>-</u>	<u>1,291,458</u>	<u>8,773,448</u>
Excess of revenue over (under) expenditures	678,926	(31,083)	(1,064,886)	(1,867,790)	377	(426,578)	(2,711,034)
Other financing sources (uses)							
Operating transfer in	92,025	-	700,000	-	-	206,885	998,910
Operating transfer out	(906,754)	-	-	-	-	(92,156)	(998,910)
	<u>(814,729)</u>	<u>-</u>	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>114,729</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	(135,803)	(31,083)	(364,886)	(1,867,790)	377	(311,849)	(2,711,034)
Fund balance - beginning	2,296,722	1,348,076	7,846,580	2,810,727	-	821,424	15,123,529
Fund balance - ending	<u>\$ 2,160,919</u>	<u>\$ 1,316,993</u>	<u>\$ 7,481,694</u>	<u>\$ 942,937</u>	<u>\$ 377</u>	<u>\$ 509,575</u>	<u>\$ 12,412,495</u>

TOWNSHIP OF CONCORD

**RECONCILIATION OF THE CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2021

Change in fund balances - total governmental funds **\$ (2,711,034)**

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period these amounts were:

Capital outlay	2,623,979
Depreciation	(665,494)

Compensated absences are not reported as expenditures in the governmental funds, but increases or decreases the long-term liabilities in the Statement of Net Position (net change)	(10,350)
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Repayment of long term debt and capital lease obligations are reported as expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consisted of:

Bond and note principal	513,000
Amortization	12,927
Capital lease payment	8,069

Actuarial changes in net pension obligation resulted in revenue increase	128,239
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Actuarial changes in deferred inflows and outflows relative to the pension resulted in change in pension expense for the period	(82,048)
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Mortgage payments on the government wide statements and reduction of principal payment shown as revenue in the governmental funds; difference in revenue received and gain on sale or disposal of assets	(3,631)
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Accrued interest is not reported in the governmental funds, but is shown as an expenditure for the period on the government-wide basis - net of change	1,022
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Some revenues are not collected for several months or longer after the Township's year-end, they are not considered "available" revenues and are deferred in the governmental funds. Those amounts were for real estate taxes and reflected prior years' revenues collected in the current period and are shown here as the net differential

Changes in net position of governmental activities	<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="text-align: right;">(6,601)</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ (191,922)</td> </tr> </table>	(6,601)	\$ (191,922)
(6,601)			
\$ (191,922)			

TOWNSHIP OF CONCORD
STATEMENT OF NET POSITION
SEWER FUND

DECEMBER 31, 2021

ASSETS

Current:

Cash and cash equivalents	\$ 14,641,205
Investments	554,018
Receivables:	
Sewer rents receivable	1,002,155
Escrow receivable	3,321
Due from general fund	7,966
Prepaid expenses	17,907
Total current assets	<u>16,226,572</u>
Property, plant and equipment:	
Land	561,303
Plant, building, equipment and infrastructure	46,594,827
Construction in progress	986,735
Less: Accumulated depreciation	<u>(17,255,426)</u>
Net property, plant and equipment	<u>30,887,439</u>

Other assets:

Prepaid net pension obligation	343,828
Total assets	<u>47,457,839</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related differences and contributions post measurement date	162,292
Unamortized bond refunding charges (net)	44,972
Total deferred outflows of resources	<u>207,264</u>

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	288,680
Escrow liability	456,491
Accrued interest	2,259
Advance payments	-
Current portion of long-term debt	259,000
Total current liabilities	<u>1,006,430</u>

Long term liabilities

Long-term debt net of current portion	3,366,769
Total long term liabilities	<u>3,366,769</u>
Total liabilities	<u>4,373,199</u>

DEFERRED INFLOWS OF RESOURCES

Pension related differences on earnings	324,304
Unamortized bond discount	91,492
Total deferred inflows of resources	<u>415,796</u>

NET POSITION

Invested in capital assets, net of related debt	27,261,670
Unrestricted	15,614,438
Total net position	<u>\$ 42,876,108</u>

TOWNSHIP OF CONCORD

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
SEWER FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

OPERATING REVENUES	
Sewer rental fees	\$ 4,257,722
Lien charges, penalties and miscellaneous	74,562
Total operating revenues	4,332,284
 OPERATING EXPENSES	
Plant operations	1,305,616
General and administrative	794,093
Depreciation	1,222,869
Amortization	10,343
Total operating expenses	3,332,921
Operating income	999,363
 Nonoperating income (expense)	
Rental income	21,843
Change in net pension plan obligation	121,960
Miscellaneous	132,506
Interest income	22,326
Pension plan state aid	32,660
Capacity purchases	73,150
Amortization bond premium	8,212
Interest expense - sewer revenue bonds	(94,524)
Nonoperating income (expense)	318,133
Net income before capital contributions	1,317,496
Capital contributions:	888,605
Increase in net position	2,206,101
Net position - beginning restated	40,670,007
Net position - ending	\$ 42,876,108

TOWNSHIP OF CONCORD
STATEMENT OF CASH FLOWS
SEWER FUND
FOR YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts received from customers	\$ 4,340,159
Cash payments for employees compensation and benefits	(884,554)
Cash payments to vendors for goods and services	(1,150,486)
<i>Net Cash Provided By Operating Activities</i>	<u>2,305,119</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment earnings	22,326
<i>Net Cash Provided By Investing Activities</i>	<u>22,326</u>
CAPITAL AND RELATED FINANCING ACTIVITIES	
Capacity purchases	73,150
Acquisitions and construction of capital assets	(4,431,741)
Dedication of sewer lines-capital contribution	888,605
Rental	21,843
Principal payments on debt	(252,000)
Interest paid	(95,487)
<i>Net Cash Used By Capital and Related Financing Activities</i>	<u>(3,795,630)</u>
CASH FROM NON-OPERATING ACTIVITIES	
Miscellaneous	187,774
<i>Net Cash Provided by Non-Operating Activities</i>	<u>187,774</u>
Net decrease in cash and cash equivalents	(1,280,411)
Cash and cash equivalents - beginning of year	15,921,616
Cash and cash equivalents - end of year	<u>\$ 14,641,205</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 999,363
Adjustment for noncash charges to operations:	
Depreciation and amortization expense	1,233,212
Changes in assets and liabilities:	
(Increase) decrease sewer rents receivable	(27,875)
(Increase) decrease in prepaid assets	598
Increase (decrease) in accounts payable and accrued expenses	119,821
Increase (decrease) in advanced payments	(20,000)
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 2,305,119</u>

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Concord Township is a second-class Township within the Commonwealth of Pennsylvania. Effective in January of 2017, the Township is governed by Home Rule Charter. The Township has a seven-member Township Council. All members are elected at large and serve four-year terms.

The Township's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Following is a summary of the Township's significant accounting policies:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Government Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the government of Concord Township as a whole. These statements include all funds of the reporting entity. The statements distinguish between governmental and business type activities. The Township has established an Enterprise Fund to provide for the maintenance and operations of the Township's wastewater collection and treatment system. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. The Business Type activities (the Enterprise Fund) are generally financed through user fees. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

Fund Financial Statements

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The emphasis is placed on major funds within the governmental categories. A fund for the purposes of these financial statements is considered major if it is the primary operating fund (General Fund) or it meets the following criteria:

1. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures of the fund are at least ten percent of the total for all funds of that category or type; and
2. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures of the fund are at least five percent of the total for all funds combined.
3. Other funds not necessarily meeting the above criteria are shown in these financial statements as major per the Township's discretion.

The funds of the financial reporting entity are described as follows:

Governmental Funds

General Fund: General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds: The Special Revenue Funds account for revenue derived from specifically earmarked revenue sources. For the purposes of this report, the Special Revenue Funds are as follows: The Fire Hydrant Fund, the Library Tax Fund, the Highway Aid Fund, the Tree Fund and the Stormwater Management Fund.

Debt Service Funds: The Sinking Fund and General Obligation Bond Fund are used to account for accumulation of resources from general long-term debt.

Capital Project Funds: Capital Project Funds are used to account for acquisition or construction of capital items, open space and special projects. The Capital Reserve Fund is used to account for financial resources to be used for the acquisition or construction of major capital assets. The Reserve Fund Open Space is used to account for financial resources to be used for the acquisition of open space as well as the repayment of existing debt service. The Open Space Fund is used to account for financial resources accumulated from contributions from developers to be used by the Township for open space and recreation.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. For the purposes of these statements, the following funds are to be considered major funds: General Fund, Open Space Fund, Capital Reserve Fund and the Reserve Fund Open Space.

TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise Fund

Sewer Fund: The Sewer Fund is a business type activity. Activities in this fund account for the improvements, maintenance and operation of the wastewater treatment and collection system.

The Township previously adopted GASB Statement 84, *Fiduciary Activities*. The objective of this statement established criteria for identifying fiduciary activities by determining whether a government is controlling the assets of a fiduciary activity and establishing the criteria of the beneficiaries with whom a fiduciary relationship exists. The Township maintains two escrow funds, previously reported as Fiduciary Funds. The first was comprised of funds being held by the Township relative to general governmental matters including real estate development, now being shown as assets and liabilities in the General Fund. The second is comprised of funds held by the Township relative to sewer development and construction, now being shown as assets and liabilities in the Sewer Fund.

B. Measurement Focus

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. On the government-wide Statement of Net Position and Statement of Activities, governmental and business-like activities (as applicable) are presented using the economic resources measurement focus. The objective of the economic resources measurement focus is the determination of operating income, changes in net assets, financial position and cash flows (if applicable). All assets and liabilities, whether current or non-current, are reported. All Governmental Fund Types are accounted for on a current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Operating statements of such funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The Sewer Fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting as are the government-wide financial statements as noted above.

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities as well as the business type activities are presented using the accrual basis of accounting. The Sewer Fund (the business type activity) is also presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days of the year-end. Expenditures, including capital outlay, are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Penalties and interest are recorded when received in cash because they are generally not measurable until actually received. Interest is accrued when its receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

D. Assets, Liabilities, Net Position and Fund Balances

Deposits and Investments

The Township is permitted under state law to invest funds consistent with sound business practices in the following types of investments:

Obligations of (a) the United States of America or any of its instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

The Township adopted GASB Statement No. 72, Fair Value Measurement and Application. It was effective for fiscal years beginning after June 15, 2015. Pursuant to GASB 72, Investments are reported at fair value. Fair value is the amount reasonably expected to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Cash and cash equivalents

The Township considers money market funds, Treasury bills and all highly liquid investments with an original maturity date of ninety days or less to be cash equivalents.

Receivables and 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".

All trade and property tax receivables are shown net of any allowance for uncollectibles.

Deferred Inflows and Outflows of Resources

Deferred outflows of resources include such items as:

- Grants paid in advance to a grantee
- Deferred amounts from refunding of debt
- Decrease in value of derivative instruments
- Payments made to a pension fund after the actuarial year but before the end of the fiscal year

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred inflows of resources include such items as:

- Grants received in advance when time requirements are the only eligibility requirement that has not been met
- Resources received in advance that are related to an imposed nonexchange transaction such as prepaid taxes
- Assets recorded in governmental fund financial statements for which revenue is not available such as taxes receivable, previously reported as "deferred" revenue in the fund financial statements
- Current and advance refunding related items
- Increase in fair value of derivative instruments
- Service concession arrangements for up front payments

Capital Assets and Capital Contributions

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the governmental or sewer fund activity columns, as applicable, in the government-wide financial statements. 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. Capital additions are stated at cost or, if cost is not determinable, at estimated fair market value at the date of purchase or donation. Capital assets are defined by the Township as assets with an estimated useful life in excess of one year and an initial, individual cost of more than \$2,000 for other than infrastructure assets and \$5,000 for infrastructure assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

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

Buildings and building improvements	20-40 years
Infrastructure	20-40 years
Furniture and equipment	3-10 years
Non-utility property	5 years
Utility equipment	5-35 years
Utility plant in service	10-50 years

Amounts received by the Township that are used to finance the construction costs of the sewer fund utility property, and the utility property that is dedicated to the Township by developers at no cost, which represent an addition to utility property, are classified as capital contributions.

TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

The Township allows employees to accrue vacation and sick time. Township employees may accrue a maximum of one year allowed vacation time. Township employees may accrue a maximum of sixty calendar days worth of sick time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities.

Government-Wide Statements

Equity is classified as net position and displayed in three components:

Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position – consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net positions that do not meet the definitions of “restricted” or “net investment in capital assets.”

Fund Balance

In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable—resources which cannot be spent because they are either a) not in spendable form) or; b) legally or contractually required to be maintained intact.

Restricted—resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; b) imposed by law through constitutional provisions or enabling legislation.

Committed—resources which are subject to limitations the government imposes upon itself at its highest level of decision making (the Township Council), and that remain binding unless removed in the same manner.

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned—resources neither restricted nor committed for which a government has a stated intended use as established by Township Council or an official to which the Board has delegated the authority to assign amounts for specific purposes.

Unassigned—resources which cannot be properly classified in one of the other four categories. The General fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

E. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

NOTE 2. BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. An annual appropriated budget is adopted for all the funds. All annual appropriations lapse at fiscal year-end.

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

Prior to October 31, a proposed operating budget is submitted to the Township Council for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted at the Township offices to obtain taxpayer comments. Prior to January 1, the budget is legally enacted through motion and vote by the Township Council.

Formal budgetary integration is employed as a management control device during the year for all funds.

Budgeted amounts as of December 31 are as originally adopted, or as amended by the Township Council.

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2. BUDGETARY INFORMATION (continued)

In certain funds the Township expenditures exceeded the budget. They are as follows:

General Fund		
Public works	\$	64,720
Pension	\$	3,765
Sewer Fund		
Depreciation	\$	25,000
Interest Expense	\$	28
Open Space Fund		
General Government	\$	5,378
Reserve Fund		
Culture and recreation	\$	472,004
Highway Aid Fund		
Streets and highways	\$	71,378
Sinking Fund		
Interest expense	\$	75

However, there were sufficient revenues and available fund balance to compensate for the overages.

NOTE 3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Township maintains separate cash checking accounts for use by each of the funds. Cash and cash equivalents at December 31, 2021 consist of:

	Cash- Checking	Cash Escrow	Pennsylvania Local Government Investment Trust PLGIT	Total
General Fund	\$ 2,157,956	\$ 738,696	\$ 3,514	\$ 2,900,166
Open Space Fund	1,276,570	-	40,969	1,317,539
Capital Reserve Fund	6,907,132	-	-	6,907,132
Reserve Fund Open Space	926,504	-	-	926,504
ARPA	938,923	-	-	938,923
Other Governmental Funds	603,215	-	-	603,215
Sewer Fund	12,944,842	456,226	1,240,137	14,641,205
	<u>\$25,755,142</u>	<u>\$ 1,194,922</u>	<u>\$ 1,284,620</u>	<u>\$28,234,684</u>

By State statute, the Township may appoint one or more depositories for Township funds and approve security to be furnished by any such depository. This security may be in the form of collateral consisting of obligations of the United States or the Commonwealth of Pennsylvania, or any political subdivision thereof, deposited with the bank or trust company. Pennsylvania Act 72 of 1971, as amended, allows depositories to satisfy the collateralization requirement by pooling eligible investments to cover total public funds on deposit in excess of federal insurance.

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Such pooled collateral is pledged with the financial institution's trust department. Concord Township primarily maintains deposits either with financial institutions which, pursuant to Act No. 72 of Pennsylvania, pool assets required to be pledged to secure public deposits, the total value of the pool to equal not less than the sum of all the pledges required for each separate deposit, or in amounts insured by the Federal Deposit Insurance Corporation. Deposits for all funds are either fully insured or collateralized pursuant with Commonwealth of Pennsylvania statutes.

The Township has an arrangement to invest its excess cash with the Pennsylvania Local Government Investment Trust (PLGIT). The market value of the investments approximates cost. The amount invested in PLGIT represents ownership of shares in a trust, which invests solely in allowable investment securities. The PLGIT investment portfolios are invested in full faith and credit obligations of the Commonwealth of Pennsylvania and its agencies, instrumentalities and political subdivisions.

Collateralization requirements of Act No. 72, when required for deposits in excess of insurance limits, are followed with respect to pooling, custody and type of collateral.

Custodial credit risk relative to deposits is the risk that in the event of bank failure, the entity's deposits may not be returned to it. The Township follows policies relative to custodial credit risk pursuant to the Commonwealth of Pennsylvania Second Class Township Code. As of December 31, 2021, the aggregate balance of bank deposits included in cash and cash equivalents including those investments in certificates of deposit considered cash equivalents was \$28,234,357 of which \$1,160,969 is insured by the federal depository insurance (FDIC).

The Township considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. Investments shown on these financial statements are certificates of deposit with original maturities in excess of three months. Custodial credit risk for an investment is the risk that in the event of the failure of the counterparty, the entity will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The entity does not have investments subject to custodial credit risk. In addition, the Township has no investment policy that would limit its investment choices to those with certain credit ratings. The Township further does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates other than that imposed by the Second Class Township Code and the Home Rule Charter.

As noted above, a portion of the Township's deposits are within PLGIT. Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized statistical rating organization, is subject to an independent annual audit, and is compliant with collateralization requirements of Act No. 72.

**TOWNSHIP OF CONCORD
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021**

NOTE 3. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Township investments shown on these financial statements consist of certificates of deposit with original maturities in excess of three months. Pursuant to the Fair Value measurement, valuation inputs are assumptions that market participants use in pricing an asset. Fair Value measurement is presented within three levels:

- Level 1—representing quoted prices in active markets
- Level 2—representing other than quoted prices where the value can be derived from observable market data such as quoted prices for similar assets or liabilities in active markets; or quoted prices for similar assets or liabilities in inactive markets; or other than quoted prices that are observable in other areas
- Level 3—representing unobservable inputs for an asset or liability; governments may use their own data to develop unobservable inputs if there is no information available without undue cost and effort.

The Township's investments are all considered to be Level 1 in the Fair Value hierarchy and consist of the following:

	Certificates of Deposit
Capital Reserve Fund	\$ 733,136
Sewer Fund	554,018
	<u>\$ 1,287,154</u>

NOTE 4. TAXES RECEIVABLE

Taxes receivable as of year end for the Township's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Real Estate taxes	\$ 19,361
Less: Allowance for uncollectibles	<u>(970)</u>
Total taxes receivable	<u>\$ 18,391</u>

Management estimates its allowance for doubtful accounts at 5% of real estate taxes based on a conservative estimate of collection history on delinquent accounts.

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5. SEWER RECEIVABLES

Receivable for the sewer fund are recognized as revenue when earned, including services provided but not billed, net of the allowance for uncollectible accounts, are as follows:

Sewer rent receivables	\$ 1,016,475
Less: allowance for uncollectibles	<u>(14,320)</u>
	<u>\$ 1,002,155</u>
Escrow receivable	<u>\$ 3,321</u>
	<u>\$ 3,321</u>

NOTE 6. OTHER RECEIVABLES

Other receivables in the governmental funds at December 31, 2021 consisted of:

Local services tax	\$ 134,056
Transfer tax	69,256
County aid	10,058
Recycling grant	49,325
Amusement tax	7,601
Franchise fee	92,739
Escrow receivables	91,331
Traffic signal damage reimbursement	31,409
	<u>\$ 485,775</u>

NOTE 7. MORTGAGE RECEIVABLE

The Township in 2010 sold a property to the Rachel Kohl Library for \$363,000 holding an original 15-year mortgage. The mortgage was refinanced in 2018 extending the time period an additional 30 years through 2048 at 3.5 percent per annum. The balance of the mortgage at year end is \$168,408.

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables arise from interfund transactions. Principally, these amounts result from operating subsidies or loans. Interfund receivables and payables are eliminated within the government-wide financial statements but are shown on the governmental fund statements. These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and payments between the funds are made.

The composition of interfund balances as of December 31, 2021 is as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
General fund	\$ -	\$ 22,587
Reserve fund open space	13,465	-
Sewer Fund	7,966	-
Capital Reserve fund	-	7,966
Library tax fund	5,911	-
Fire hydrant fund	3,211	-
	<u>\$ 30,553</u>	<u>\$ 30,553</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts from the funds collecting the receipts as debt service payments become due, and (3) use unreserved revenues collected to finance various programs accounted for in other funds pursuant to authorizations.

There were no interfund residual equity transfers this period.

Interfund operating transfers were as follows:

	<u>Transfers to other funds</u>	<u>Transfer from other funds</u>
General fund	\$ 906,754	\$ 92,025
Capital Reserve fund	-	700,000
Highway aid fund	-	14,503
Fire hydrant fund	92,025	-
General Obligation bond fund	131	-
Sinking fund	-	192,382
	<u>\$ 998,910</u>	<u>\$ 998,910</u>

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9. CAPITAL ASSETS

Capital activity in the governmental funds for 2021 was as follows:

	Balance 01/01/21	Additions	Deletions	Balance 12/31/21
Capital assets not being depreciated:				
Land	\$ 13,215,508	\$ 1,878,237	\$ -	\$ 15,093,745
Construction in progress	1,117,455	333,870	-	1,451,325
Total capital assets not being depreciated	14,332,963	2,212,107	-	16,545,070
Capital assets being depreciated:				
Land improvements	965,558	16,221	-	981,779
Building and building improvements	5,624,988	24,999	(11,670)	5,638,317
Streets / roads	7,268,409	227,382	-	7,495,791
Street lights	283,882	-	-	283,882
Traffic lights	2,925,188	-	-	2,925,188
Vehicles	634,394	132,716	-	767,110
Equipment	1,563,577	10,554	-	1,574,131
Capital leases	236,598	-	-	236,598
Subtotal capital assets being depreciated	19,502,594	411,872	(11,670)	19,902,796
Total capital assets before contributed assets	33,835,557	2,623,979	(11,670)	36,447,866
Contributed street lights	32,000	-	-	32,000
Total capital assets	33,867,557	2,623,979	(11,670)	36,479,866
Accumulated depreciation:				
Land improvements	14,345	3,056	-	17,401
Building and building improvements	1,940,214	144,181	(1,459)	2,082,936
Streets / roads	1,701,901	187,545	-	1,889,446
Street lights	159,647	3,966	-	163,613
Traffic lights	2,357,329	122,728	-	2,480,057
Vehicles	363,526	50,854	-	414,380
Equipment	840,414	145,095	-	985,509
Capital leases	212,393	8,069	-	220,462
Total accumulated depreciation	7,589,769	665,494	(1,459)	8,253,804
Capital assets, net of depreciation	\$ 26,277,788	\$ 1,958,485	\$ (10,211)	\$ 28,226,062

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9. CAPITAL ASSETS (continued)

Capital activity in the sewer fund for 2021 was as follows:

	Beginning Balance 01/01/21	Increases	Decreases	Ending Balance 12/31/21
Nondepreciable assets:				
Land	\$ 561,303	\$ -	\$ -	\$ 561,303
Construction in progress	172,602	986,735	(172,602)	986,735
	<u>733,905</u>	<u>986,735</u>	<u>(172,602)</u>	<u>1,548,038</u>
Depreciable assets:				
Utility plant in service				
Sewer utility plant	13,078,973	421,985	-	13,500,958
Plant improvements	3,357,014	68,604	-	3,425,618
Sewer lines	25,624,348	3,067,458	-	28,691,806
	<u>42,060,335</u>	<u>3,558,047</u>	<u>-</u>	<u>45,618,382</u>
Utility equipment	864,422	59,561	(62,351)	861,632
Private residence	114,813	-	-	114,813
Subtotal - depreciable assets	<u>43,039,570</u>	<u>3,617,608</u>	<u>(62,351)</u>	<u>46,594,827</u>
Total assets (non depreciable and depreciable)	<u>43,773,475</u>	<u>4,604,343</u>	<u>(234,953)</u>	<u>48,142,865</u>
Depreciation:				
Utility plant in service:				
Sewer utility plant	6,010,751	388,066	-	6,398,817
Plant improvements	1,611,812	174,036	-	1,785,848
Sewer lines	7,944,838	590,659	-	8,535,497
	<u>15,567,401</u>	<u>1,152,761</u>	<u>-</u>	<u>16,720,162</u>
Utility equipment	513,295	66,804	(62,351)	517,748
Private residence	14,212	3,304	-	17,516
Subtotal - depreciation	<u>16,094,908</u>	<u>1,222,869</u>	<u>(62,351)</u>	<u>17,255,426</u>
Total assets being depreciated - net	<u>26,944,662</u>	<u>2,394,739</u>	<u>-</u>	<u>29,339,401</u>
Total property, plant and equipment	<u>\$ 27,678,567</u>	<u>\$ 3,381,474</u>	<u>\$ (172,602)</u>	<u>\$ 30,887,439</u>

There were no contract commitments within either the governmental or the Sewer fund activities at year end. Construction in progress is related to the engineering fees associated with these projects.

**TOWNSHIP OF CONCORD
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021**

NOTE 10. PROPERTY TAX

For 2020, the following tax was levied on assessed value of real estate:

- .5140 mills for general purposes
- Real estate bills: mailed February 1
- Discount period – February 1 to March 31– 2% of gross levy
- Flat period - April 1 to May 31
- Penalty period –June 1 to collection– 10% of gross levy
- Lien date – December 31

Other taxes levied in 2021:

- Real estate transfer – ½% of sales price
- Admissions taxes – 2.5% of gross sales
- LST - \$52 per person

NOTE 11. RESOURCES RECEIVED IN ADVANCED/DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In the governmental statements, real estate taxes collected within 60 days of the fiscal year-end are recorded as current revenues. The noncurrent portion of real estate taxes is recorded as deferred inflows of resources until such time as it becomes available. Further, resources received in advance both on the governmental statements as well as the government wide statement includes fees or contributions received in the current period applicable to future period. Following are the resources received in advance in an exchange transaction:

Deferred fees other	\$ 2,630
Stormwater management	87,583
Deferred for Home2 Suites	30,000
Escrow deferred revenue	203,007
Deferred builder contribution for traffic lights	246,715
Deferred for future development	15,000
American Rescue Plan funding	938,546
	<u>\$1,523,481</u>

Deferred outflows of resources on the government wide statements include unamortized bond refunding charges as well as pension related differences and contributions post-measurement date. Deferred inflows of resources on the government wide statements include unamortized bond discounts and pension related differences. The governmental funds reflect taxes not currently available.

**TOWNSHIP OF CONCORD
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021**

NOTE 12. COMPENSATED ABSENCES

Compensated absences include vacation and sick leave benefits as follows:

Paid vacation time is to be paid at the employee's base pay rate at the time of vacation and does not include overtime or any special forms of compensation. Unused vacation time at the end of the calendar year may be carried forward for a maximum of one year.

Sick leave benefits accrue at the rate of 12 days per year, calculated on a "benefit year", for the twelve-month period that begins when the employee starts to earn sick leave benefits. Sick leave benefits will be calculated based on the employee's base rate at the time of absence. Unused sick leave benefits will be allowed to accumulate until the employee has accrued a total of 60 calendar days worth of sick leave benefits.

Compensated absences, as noted in Note 13, are shown as a long-term liability in these financial statements (government wide). They include:

	General Fund	Sewer Fund	Total
Sick leave accrual	\$ 21,311	\$ 9,937	\$ 31,248
Vacation accrual	33,388	12,832	46,220
	<u>\$ 54,699</u>	<u>\$ 22,769</u>	<u>\$ 77,468</u>

NOTE 13. LONG-TERM DEBT

During a prior period, the Township adopted GASB Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of the Statement was to improve consistency in the information disclosed that is related to debt and to segregate the direct borrowings and direct placements from other types of debt. The Township has a direct placement as shown below as General Obligation Note Series 2015.

The Township has outstanding general obligation bonds and notes in the amount of \$10,623,000 of which \$7,020,000 is related to governmental activities and \$3,603,000 related to the operation of the Sewer Fund, business type activity. Of these obligations, notes from direct placement total \$3,388,000.

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 13. LONG-TERM DEBT (continued)

A summary of long-term debt transactions for the year ended December 31, 2021 is as follows:

	Principal Outstanding 1/1/2021	Additions	Refunding/ Maturities	Principal Outstanding 12/31/2021	Amount Due In One Year Governmental	Amount Due In One Year Sewer Fund
General Obligation Note Series 2015- Direct Placement	\$ 3,588,000	\$ -	\$ 200,000	\$ 3,388,000	\$ 136,000	\$ 69,000
General Obligation Bond Series 2016	7,800,000	-	565,000	7,235,000	385,000	190,000
	<u>\$ 11,388,000</u>	<u>\$ -</u>	<u>\$ 765,000</u>	10,623,000	521,000	259,000
			Capital lease obligation	16,136	8,069	-
			Compensated absences	77,468	-	-
				<u>\$ 10,716,606</u>	<u>\$ 529,069</u>	<u>\$ 259,000</u>

The 2016 General Obligation Bond was a refunding of previously issued bonds in the amount remaining of \$8,060,000 and new money in the amount of \$1,500,000 for sewer expansion purposes. The Bond carries a variable interest rate ranging from .5% to 4.0%, maturing in 2034.

The 2015 General Obligation Note, a direct placement with the Delaware Valley Regional Finance Authority (DeVal), was issued in the amount of \$4,560,000 of which \$3,042,000 represented a refunding of a construction loan and associated costs as well as \$1,518,000 for a sewer expansion project and associated issuance costs. This note carries a fixed interest rate of 2.726% and extends through 2035.

DeVal has entered into interest rate swap agreements with various counterparties to provided fixed interest rates to borrowers. These transactions would normally only be terminated if the borrower requested such or if the borrower defaulted on its loan. The borrower then would be responsible for any termination payment. The DeVal swap transactions related to the fixed rate loans are effective under both the consistent critical terms and the quantitative method standards promulgated via GASB Statement 53, *Accounting and Financial Reporting for Derivative Instruments*.

Scheduled future maturities as of December 31, 2021 are as follows:

	Governmental			Sewer Fund (Business Activity)		
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
2022	\$ 521,000	\$ 174,535	\$ 695,535	\$ 259,000	\$ 70,222	\$ 329,222
2023	540,000	163,128	703,128	266,000	68,343	334,343
2024	548,000	151,311	699,311	267,000	66,405	333,405
2025	557,000	139,313	696,313	279,000	64,443	343,443
2026	570,000	127,105	697,105	276,000	62,425	338,425
2027-2031	2,465,000	461,964	2,926,964	1,295,000	243,460	1,538,460
2032-2035	1,819,000	116,567	1,935,567	961,000	61,420	1,022,420
	<u>\$ 7,020,000</u>	<u>\$ 1,333,923</u>	<u>\$ 8,353,923</u>	<u>\$ 3,603,000</u>	<u>\$ 636,718</u>	<u>\$ 4,239,718</u>

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 13. LONG-TERM DEBT (continued)

Subsequent to year end, the Township entered into new debt for the purpose of refunding its 2016 bond issuance. The new issuance carries an interest rate of 1.7150 percent maturing in 2034.

Debt service in total beginning in 2022 through 2035 is as follows:

	Governmental		Sewer Fund		Total Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 541,350	\$ 135,450	\$ 268,650	\$ 67,526	\$ 810,000	\$ 202,976
2023	548,700	134,580	272,300	67,043	821,000	201,623
2024	559,740	123,687	277,260	61,621	837,000	185,308
2025	571,110	112,709	282,890	56,172	854,000	168,881
2026	582,150	101,428	288,850	50,573	871,000	152,001
2027	484,310	89,928	240,690	44,850	725,000	134,778
2028	494,340	80,065	245,660	39,933	740,000	119,998
2029	503,700	69,990	250,300	34,912	754,000	104,902
2030	513,730	59,714	255,270	29,790	769,000	89,503
2031	523,090	49,224	259,910	24,563	783,000	73,786
2032	533,120	38,534	264,880	19,236	798,000	57,770
2033	544,150	27,633	269,850	13,803	814,000	41,436
2034	554,850	16,490	276,150	8,266	831,000	24,756
2035	188,000	5,125	95,000	2,590	283,000	7,715
	<u>\$ 7,142,340</u>	<u>\$ 1,044,555</u>	<u>\$ 3,547,660</u>	<u>\$ 520,879</u>	<u>\$ 10,690,000</u>	<u>\$ 1,565,434</u>

NOTE 14. CAPITAL LEASE OBLIGATION

Assets recorded under capital lease are as follows:

Equipment	\$ 236,598
Less: accumulated depreciation	(220,460)
Total	<u>\$ 16,138</u>

The following is a schedule of future minimum principal lease payments:

2022	\$ 8,069
2023	8,069
	<u>\$ 16,138</u>

TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 15. NON-UNIFORMED PENSION PLAN

Concord Township pension plan participates in an agent multi-employer defined benefit pension plan controlled by the provisions of Ordinance No. 269 adopted pursuant to Act 15 of 1974. Many Townships in the Commonwealth of Pennsylvania participate in the Pennsylvania Municipal Retirement System (PMRS). Under this program, contributions are made by three parties: the Township, the Commonwealth and the employee. Each participating municipality has the Authority to establish or amend its respective benefits and employee contribution rates subject to the PMRS Board approval. Employer contributions are actuarially determined by PMRS actuary. Financial Statements pursuant to the plan are available through the Township or through PMRS directly in Harrisburg, Pennsylvania.

A. The PMRS is an agent multiple defined benefit pension plan.

B. Retirement and Vesting

Normal retirement – permitted upon the attainment of age sixty

Early retirement – available after 8 years of service for an involuntary termination or 20 years for a voluntary termination.

Vesting – 100% after 5 years of service regardless of the type of termination.

C. Benefits payable upon retirement

The benefit is calculated by multiplying years of credited service times the final salary times 1.15%. The final average salary is based upon the final 3 consecutive years of credited service earned. There is a maximum benefit of 80% of the member's final average salary.

Disability benefits – Payable to any member who becomes physically or mentally incapacitated to such a degree that he or she is not able to engage in any gainful employment. A service-connected disability requires no minimum service period, pays 50% of final salary and is reduced by any payments that an employee can receive from the Pennsylvania Workmen's Compensation Act or the Pennsylvania Occupational Disease Act. A non-service connected disability pays 30% of final salary and requires a 10-year service requirement with the municipality.

Death benefits – Other than a refund of employee contributions plus interest, death benefits are not provided prior to early retirement. Once a member has reached the required service for a voluntary early retirement or the normal retirement age and dies prior to retiring, the beneficiary will be entitled to lump sum distribution of the total accrued benefit.

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15. NON-UNIFORMED PENSION PLAN (continued)

Employee contributions – Equal to 3.5% of compensation.

D. Net Pension Liability

The net pension liability of the employer is the liability of the employer to employees for benefits provided through this defined benefit pension plan. It is calculated as the total pension liability of the Township less the Township's portion of the Plan's fiduciary net position. The total pension liability is the actuarial present value of projected benefit payments that is attributed to past periods of employee service, in conformity with the requirements of GASB 68. Total pension liability is the actuarial liability calculated under the entry age normal actuarial cost method. The net pension liability may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling a Plan's benefit obligation in the event of a plan termination or similar action.

Annual contributions are based upon the plan's Minimum Municipal Obligation (MMO), which is based upon the plan's biennial actuarial valuation. The Plan receives an allocation of state aid from the General Municipal Pension System State Aid program to be utilized for pension funding. Funding requirements in excess of employee contributions and Commonwealth aid are the obligation of the Township. The MMO for 2021 was \$171,362, consisting of \$105,540 in state aid and the balance of \$93,960 from The Township of Concord contribution. The Township this period contributed an additional \$75,000 above its minimum municipal obligation to increase its funding goals. The Township contributed a total of \$274,500 this period to the pension plan. During the period, employee contributions were \$57,854.

An Actuarially Determined Contribution (ADC) is a contribution amount determined in accordance with Actuarial Standards of Practice and is based upon the Minimum Municipal Obligation as defined in Act 205 of the Commonwealth of Pennsylvania.

The measurement date for the net pension liability as presented in these financial statements is December 31, 2020, which is no earlier than the end of the Township's fiscal year as allowed by GASB 68. The fiduciary net position as of December 31, 2020 (the measurement date) totaled \$7,356,868 pursuant to actuarial determination consistent with GASB 67 and GASB 68.

Pursuant to the Governmental Accounting Standards Board, PMRS is required to allocate/distribute all funds to the respective participating employers for financial reporting purposes. Consequently, PMRS has allocated net investment income or loss and administrative expenses accordingly.

Changes in the discount rate affect the measurement of the total pension liability. Lower discount rates produce a higher total pension liability, and higher discount rate produce a

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15. NON-UNIFORMED PENSION PLAN (continued)

lower liability accordingly. The discount rate applied in determining the net pension asset or liability as presented in these statements was 5.25%. Following shows the impact of the net pension liability to the discount rate applied pursuant to the measurement date.

<u>1% Decrease</u> <u>4.25%</u>	<u>Current</u> <u>5.25%</u>	<u>1% Increase</u> <u>6.25%</u>
\$ (430,087)	\$ (1,109,123)	\$ (1,690,825)

For the year ended December 31, 2021, the Township recognized pension expense in its government wide statements in the amount of \$271,103 for governmental activities and \$89,520 in the Sewer Fund activities. In addition, the Township reported the actuarial impact of the decrease in the net pension liability by recording a pension asset in the amount of \$765,295 and reflecting an increase in revenue of \$128,239. The Township reported deferred outflows of resources and deferred inflows of resources related to pension as follows:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Difference between expected and actual experience	\$ 14,007	\$ 390,585
Changes in assumptions	235,014	988
Net difference between projected and actual investment earnings	-	654,570
Changes in proportions	-	-
Difference between employer contributions and proportionate share of total contributions	-	-
Contributions subsequent to measurement date	274,500	-
	<u>\$ 523,521</u>	<u>\$ 1,046,143</u>

Certain amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense in future years as follows:

Year ended December 31:	
2021	\$ 21,532
2022	\$ (146,016)
2023	\$ (281,796)
2024	\$ (116,342)
2025	\$ -
Thereafter	\$ -

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 15. NON-UNIFORMED PENSION PLAN (continued)

Membership in the plan is as follows at December 31, 2020 valuation date:

Measurement Date	12/31/2020
Actuarial Cost Method	Entry Age
Amortization Period	Level dollar based on Act 205 Amortization Periods
Discount Rate	5.25%
Asset Valuation Method	Municipal Reserves
Inflation	2.80%
Salary increase	Age related scale with merit and inflation component

The total pension liability at December 31, 2020 (the measurement date) was determined by an actuarial valuation date of January 1, 2019 using the following actuarial assumptions applied to all periods in the measurement:

Mortality rates for post-retirement were based on the RP-2000 Sex distinct Annuitant Table. Males are projected five years with Scale AA; females are projected 10 years with Scale AA, setback five years. Pre-retirement mortality is based on RP-2000 Mortality Tables non-annuitant projected 15 years for males with Scale AA; and projected 15 years with Scale AA, setback five years.

The long-term expected rate of return on pension plan investments is determined by a building block method in which best-estimates of expected future real rates of return are developed for each major asset class for the PMRS portfolio as a whole and at different levels of probability or confidence. The long term expected system rate of return as reported by PMRS is 7.8% at the measurement date. The Long term expected rate of return for individual participating municipalities is referred to as the regular interest rate and at December 31, 2020 is equal to the discount rate of 5.25%.

The real rates of return by asset class (at the December 31, 2020 measurement date) are as follows:

	<u>Target Allocation</u>	<u>Nominal Rate of Return</u>	<u>Long term Expected Real Rate of Return</u>
Domestic equities-large cap	25.00%	7.56%	5.31%
Domestic equities-small cap	15.00%	8.31%	6.06%
International equities (developed markets)	15.00%	7.78%	5.53%
International equities (emerging markets)	10.00%	8.20%	5.95%
Real Estate	15.00%	7.50%	5.25%
Timber	5.00%	6.03%	3.78%
Fixed Income	15.00%	4.12%	1.87%
Total portfolio	<u>100.00%</u>	<u>7.80%</u>	<u>5.55%</u>

**TOWNSHIP OF CONCORD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 16. POST EMPLOYMENT BENEFITS

The Township does not provide post employment benefits for its employees.

NOTE 17. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Township expects such amounts, if any, to be immaterial.

The Township is involved in various claims and lawsuits arising in the normal course of business. In the opinion of management, the unrecorded potential claims against the Township, not covered by insurance, resulting from such claims and lawsuits, would not have a material adverse effect on the Township's financial position as of December 31, 2021.

NOTE 18. UNCERTAINTY AND RISKS

Since balance sheet date, as a result of the COVID-19 outbreak in the United States of America and various economic factors subsequent to year end, uncertainties have arisen including the volatility of the stock market. The ultimate financial impact of the economic and market conditions is unknown at this time.

NOTE 20. SUBSEQUENT EVENTS

Management of the Township has evaluated subsequent events through September 30, 2022, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

**TOWNSHIP OF CONCORD
(UNAUDITED)**

NET PENSION LIABILITY AND RELATED RATIOS

(As reported by PMRS - Unaudited)

Measurement Date as of 12/31	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 189,531	\$ 180,902	\$ 176,089	\$ 188,711	\$ 171,596	\$ 170,276	\$ 165,432
Interest	328,758	313,624	299,861	287,938	277,531	261,667	246,015
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(488,231)	-	16,713	-	19,787	-	8,833
Changes in assumptions	243,764	-	(18,342)	-	140,013	(27,260)	-
Benefit payments	(194,698)	(234,580)	(217,694)	(237,800)	(138,430)	(137,439)	(143,584)
Net change in total pension liability	<u>79,124</u>	<u>259,946</u>	<u>256,627</u>	<u>238,849</u>	<u>470,497</u>	<u>267,244</u>	<u>276,696</u>
Total pension liability - beginning	<u>6,168,621</u>	<u>5,908,675</u>	<u>5,652,048</u>	<u>5,413,199</u>	<u>4,942,702</u>	<u>4,675,458</u>	<u>4,378,406</u>
Total pension liability - ending	<u>\$ 6,247,745</u>	<u>\$ 6,168,621</u>	<u>\$ 5,908,675</u>	<u>\$ 5,652,048</u>	<u>\$ 5,413,199</u>	<u>\$ 4,942,702</u>	<u>\$ 4,655,102</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ 247,781	\$ 274,825	\$ 271,755	\$ 274,567	\$ 218,474	\$ 209,035	\$ 202,112
Contributions - members	53,001	50,589	49,427	53,017	50,374	48,433	47,405
PMRS investment income	324,135	301,372	275,906	276,709	250,622	229,782	210,220
Market value investment income	337,231	841,196	(564,754)	529,848	115,707	(229,116)	11,237
Benefit payments including refunds	(194,698)	(234,580)	(217,694)	(237,800)	(138,430)	(137,439)	(143,584)
PMRS administrative expense	(700)	(720)	(600)	(600)	(600)	(620)	(560)
Other administrative expense	(14,122)	(10,417)	(30,654)	(12,726)	(12,278)	(9,579)	(8,062)
Net change in plan fiduciary net position	<u>752,628</u>	<u>1,222,265</u>	<u>(216,614)</u>	<u>883,015</u>	<u>483,869</u>	<u>110,496</u>	<u>318,768</u>
Plan fiduciary net position - beginning	<u>6,604,240</u>	<u>5,381,975</u>	<u>5,598,589</u>	<u>4,715,574</u>	<u>4,231,705</u>	<u>4,121,209</u>	<u>3,802,441</u>
Plan fiduciary net position - ending	<u>\$ 7,356,868</u>	<u>\$ 6,604,240</u>	<u>\$ 5,381,975</u>	<u>\$ 5,598,589</u>	<u>\$ 4,715,574</u>	<u>\$ 4,231,705</u>	<u>\$ 4,121,209</u>
Net pension (asset) liability	<u>\$ (1,109,123)</u>	<u>\$ (435,619)</u>	<u>\$ 526,700</u>	<u>\$ 53,459</u>	<u>\$ 697,625</u>	<u>\$ 710,997</u>	<u>\$ 533,893</u>
Plan fiduciary net position as a percentage of total pension liability	117.75%	107.06%	91.09%	99.05%	87.11%	85.62%	88.53%
Covered employee payroll	\$ 1,514,315	\$ 1,445,365	\$ 1,413,446	\$ 1,514,766	\$ 1,439,256	\$ 1,383,797	\$ 1,331,190
Net pension liability as a percentage of covered employee payroll	-73.24%	-30.14%	37.26%	3.53%	48.47%	51.38%	40.11%

REQUIRED SUPPLEMENTARY INFORMATION

**TOWNSHIP OF CONCORD
(UNAUDITED)**

SCHEDULE OF EMPLOYER CONTRIBUTIONS AND RELATED INFORMATION

DECEMBER 31, 2021

	Schedule of Employer Contributions	Actuarially Determined Contribution (ADC)	Covered Employee Payroll	Contribution as a Percentage of Covered Payroll
12/31/2011	\$ 128,972	n/a	\$ 808,514	15.95%
12/31/2012	\$ 170,123	n/a	\$ 867,367	19.61%
12/31/2013	\$ 143,622	n/a	\$ 1,277,534	11.24%
12/31/2014	\$ 202,112	\$ 142,072	\$ 1,331,190	15.18%
12/31/2015	\$ 209,035	\$ 178,975	\$ 1,383,797	15.11%
12/31/2016	\$ 218,474	\$ 188,474	\$ 1,439,255	15.18%
12/31/2017	\$ 274,567	\$ 199,527	\$ 1,514,766	18.13%
12/31/2018	\$ 271,755	\$ 196,715	\$ 1,413,446	19.23%
12/31/2019	\$ 274,805	\$ 192,055	\$ 1,445,365	19.01%
12/31/2020	\$ 247,741	\$ 199,745	\$ 1,514,315	16.36%
12/31/2021	\$ 274,500	\$ 171,362	\$ 1,653,959	16.60%

	Schedule of Investment Returns						
For the year ended December 31, (as provided by PMRS most recent information)	2020	2019	2018	2017	2016	2015	2014
	13.80	20.90	-4.57%	17.84%	8.23%	-27.00%	5.20%

REQUIRED SUPPLEMENTAL INFORMATION
TOWNSHIP OF CONCORD

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Real estate taxes	\$ 817,490	\$ 817,490	\$ 777,950	\$ (39,540)
Other taxes	1,508,000	1,508,000	1,846,944	338,944
Licenses and permits	819,300	819,300	812,596	(6,704)
Fines and forfeits	9,100	9,100	8,760	(340)
Investment earnings	11,000	11,000	3,557	(7,443)
Intergovernmental revenue	262,760	262,760	224,565	(38,195)
Rents	33,100	33,100	35,124	2,024
Charges for services	251,750	251,750	196,791	(54,959)
Franchise fee - cable television	400,000	400,000	365,165	(34,835)
Act 205 pension	67,000	67,000	72,880	5,880
Other income	162,550	162,550	192,974	30,424
Total revenues	<u>4,342,050</u>	<u>4,342,050</u>	<u>4,537,306</u>	<u>195,256</u>
EXPENDITURES				
General governmental	2,169,178	2,169,178	1,929,114	240,064
Public Safety	945,927	945,927	914,073	31,854
Cultural and recreation	218,325	218,325	135,968	82,357
Public works - highway	625,740	625,740	690,460	(64,720)
Pension	185,000	185,000	188,765	(3,765)
Library	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>4,144,170</u>	<u>4,144,170</u>	<u>3,858,380</u>	<u>285,790</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>197,880</u>	<u>197,880</u>	<u>678,926</u>	<u>481,046</u>
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers in	-	-	92,025	92,025
Operating transfers out	(197,880)	(197,880)	(906,754)	(708,874)
Total other financing sources (uses) of funds, net	<u>(197,880)</u>	<u>(197,880)</u>	<u>(814,729)</u>	<u>(616,849)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>(135,803)</u>	<u>\$ (135,803)</u>
FUND BALANCE - BEGINNING			2,296,722	
FUND BALANCE - ENDING			<u>\$ 2,160,919</u>	

REQUIRED SUPPLEMENTAL INFORMATION
TOWNSHIP OF CONCORD

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - OPEN SPACE FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

	Open Space Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Investment earnings	\$ 7,500	\$ 7,500	\$ 1,649	\$ (5,851)
Intergovernmental grants and revenue		-	-	-
Other income	91,300	91,300	6,009	(85,291)
Total revenues	<u>98,800</u>	<u>98,800</u>	7,658	(91,142)
EXPENDITURES				
Open space acquisition and development and maintenance	95,000	95,000	29,563	65,437
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance costs	-	-	-	-
General government	3,800	3,800	9,178	(5,378)
Total expenditures	<u>98,800</u>	<u>98,800</u>	<u>38,741</u>	<u>60,059</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(31,083)</u>	<u>(31,083)</u>
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Total other financing sources (uses) of funds, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>(31,083)</u>	<u>\$ (31,083)</u>
FUND BALANCE - BEGINNING			1,348,076	
FUND BALANCE - ENDING			<u>\$ 1,316,993</u>	

REQUIRED SUPPLEMENTAL INFORMATION
TOWNSHIP OF CONCORD

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL RESERVE FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

	Capital Reserve Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Investment earnings	\$ 54,327	\$ 54,327	\$ 12,939	\$ (41,388)
Intergovernmental revenue and grants	3,884,714	3,884,714	186,688	(3,698,026)
Other income	<u>1,685,234</u>	<u>1,685,234</u>	<u>15,000</u>	<u>(1,670,234)</u>
Total revenues	<u>5,624,275</u>	<u>5,624,275</u>	<u>214,627</u>	<u>(5,409,648)</u>
EXPENDITURES				
Capital outlay:				
Streets and highway and open space	5,099,275	5,099,275	1,138,749	3,960,526
General government	<u>525,000</u>	<u>525,000</u>	<u>140,764</u>	<u>384,236</u>
Total expenditures	<u>5,624,275</u>	<u>5,624,275</u>	<u>1,279,513</u>	<u>4,344,762</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(1,064,886)</u>	<u>(1,064,886)</u>
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers in	-	-	700,000	700,000
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses) of funds, net	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>700,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>(364,886)</u>	<u>\$ (364,886)</u>
FUND BALANCE - BEGINNING			<u>7,846,580</u>	
FUND BALANCE - ENDING			<u>\$ 7,481,694</u>	

REQUIRED SUPPLEMENTAL INFORMATION
TOWNSHIP OF CONCORD

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - RESERVE FUND OPEN SPACE

FOR THE YEAR ENDED DECEMBER 31, 2021

	Reserve Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Real estate taxes	\$ 448,650	448,650	\$ 432,493	\$ (16,157)
Other income	2,530,550	2,530,550	-	(2,530,550)
Investment earnings	22,000	22,000	5,073	(16,927)
Total revenues	<u>3,001,200</u>	<u>3,001,200</u>	<u>437,566</u>	<u>(2,563,634)</u>
EXPENDITURES				
General government	2,300	2,300	1,275	1,025
Culture and recreation	-	-	472,004	(472,004)
Debt service:				
Principal	380,000	380,000	380,000	-
Interest	118,900	118,900	118,900	-
Capital outlay:				
Open space acquisition and development	2,500,000	2,500,000	1,333,177	1,166,823
Streets and highway	-	-	-	-
General government	-	-	-	-
Total expenditures	<u>3,001,200</u>	<u>3,001,200</u>	<u>2,305,356</u>	<u>695,844</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(1,867,790)</u>	<u>(1,867,790)</u>
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers out	-	-	-	-
Operating transfers in	-	-	-	-
Total other financing sources (uses) of funds, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>(1,867,790)</u>	<u>\$ (1,867,790)</u>
FUND BALANCE - BEGINNING			<u>2,810,727</u>	
FUND BALANCE - ENDING			<u>\$ 942,937</u>	

REQUIRED SUPPLEMENTAL INFORMATION
TOWNSHIP OF CONCORD

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - FIRE HYDRANT FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

	Fire Hydrant Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Real estate taxes	\$ 187,200	\$ 187,200	\$ 182,384	\$ (4,816)
Investment earnings	1,100	1,100	300	(800)
Intergovernmental revenues	-	-	-	-
Total revenues	<u>188,300</u>	<u>188,300</u>	<u>182,684</u>	<u>(5,616)</u>
EXPENDITURES				
General government	300	300	-	300
Public safety	188,000	188,000	167,656	20,344
Public works - highway	-	-	-	-
Total expenditures	<u>188,300</u>	<u>188,300</u>	<u>167,656</u>	<u>20,644</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>15,028</u>	<u>15,028</u>
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(92,025)	(92,025)
Total other financing sources (uses) of funds, net	<u>-</u>	<u>-</u>	<u>(92,025)</u>	<u>(92,025)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>(76,997)</u>	<u>\$ (76,997)</u>
FUND BALANCE - BEGINNING			188,554	
FUND BALANCE - ENDING			<u>\$ 111,557</u>	

REQUIRED SUPPLEMENTAL INFORMATION
TOWNSHIP OF CONCORD

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - LIBRARY TAX FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

	Library Tax Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Real estate taxes	\$ 204,953	\$ 204,953	\$ 198,959	\$ (5,994)
Investment earnings	650	650	92	(558)
Other income	-	-	-	-
Intergovernmental revenues	-	-	-	-
Total revenues	<u>205,603</u>	<u>205,603</u>	<u>199,051</u>	<u>(6,552)</u>
EXPENDITURES				
General government	650	650	-	650
Public safety	-	-	-	-
Public works - highway	-	-	-	-
Library	204,953	204,953	197,873	7,080
Total expenditures	<u>205,603</u>	<u>205,603</u>	<u>197,873</u>	<u>7,730</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>1,178</u>	<u>1,178</u>
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses) of funds, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>1,178</u>	<u>\$ 1,178</u>
FUND BALANCE - BEGINNING			<u>30,423</u>	
FUND BALANCE - ENDING			<u>\$ 31,601</u>	

REQUIRED SUPPLEMENTAL INFORMATION
TOWNSHIP OF CONCORD

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - HIGHWAY AID FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

	Highway Aid Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Real estate taxes	\$ -	\$ -	\$ -	\$ -
Investment earnings	3,000	3,000	486	(2,514)
Other income	132,000	132,000	-	(132,000)
Intergovernmental revenues	465,000	465,000	478,575	13,575
Total revenues	<u>600,000</u>	<u>600,000</u>	479,061	(120,939)
EXPENDITURES				
Capital outlay:				
Open space acquisition and development	-	-	-	-
Streets and highway	600,000	600,000	671,378	(71,378)
Total expenditures	<u>600,000</u>	<u>600,000</u>	671,378	(71,378)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	(192,317)	(192,317)
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers in	-	-	14,503	14,503
Operating transfers out	-	-	-	-
Total other financing sources (uses) of funds, net	<u>-</u>	<u>-</u>	14,503	14,503
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ -</u>	<u>\$ -</u>	(177,814)	\$ (177,814)
FUND BALANCE - BEGINNING			233,033	
FUND BALANCE - ENDING			<u>\$ 55,219</u>	

REQUIRED SUPPLEMENTAL INFORMATION
TOWNSHIP OF CONCORD

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - TREE FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

	Tree Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Real estate taxes	\$ -	\$ -	\$ -	\$ -
Investment earnings	2,150	2,150	442	(1,708)
Other income	227,850	227,850	3,624	(224,226)
Intergovernmental revenues	-	-	-	-
Total revenues	<u>230,000</u>	<u>230,000</u>	<u>4,066</u>	<u>(225,934)</u>
EXPENDITURES				
General government	-	-	-	-
Public safety	-	-	-	-
Public works - highway	-	-	-	-
Library	-	-	-	-
Recreation	230,000	230,000	56,591	173,409
Total expenditures	<u>230,000</u>	<u>230,000</u>	<u>56,591</u>	<u>173,409</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(52,525)</u>	<u>(52,525)</u>
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses) of funds, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>(52,525)</u>	<u>\$ (52,525)</u>
FUND BALANCE - BEGINNING			363,109	
FUND BALANCE - ENDING			<u>\$ 310,584</u>	

REQUIRED SUPPLEMENTAL INFORMATION
TOWNSHIP OF CONCORD

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SINKING FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

	Sinking Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Investment earnings	\$ 5	\$ 5	\$ 6	\$ 1
Other income	-	-	-	-
Total revenues	<u>5</u>	<u>5</u>	<u>6</u>	<u>1</u>
EXPENDITURES				
Debt service:				
Principal	133,000	133,000	133,000	-
Interest	64,885	64,885	64,960	(75)
Bond issuance costs	-	-	-	-
Total expenditures	<u>197,885</u>	<u>197,885</u>	<u>197,960</u>	<u>(75)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(197,880)</u>	<u>(197,880)</u>	<u>(197,954)</u>	<u>(74)</u>
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Proceeds from debt	-	-	-	-
Refunding of debt	-	-	-	-
Operating transfers in	197,880	197,880	192,382	(5,498)
Operating transfers out	-	-	-	-
Total other financing sources (uses) of funds, net	<u>197,880</u>	<u>197,880</u>	<u>192,382</u>	<u>(5,498)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>(5,572)</u>	<u>\$ (5,572)</u>
FUND BALANCE - BEGINNING			6,186	
FUND BALANCE - ENDING			<u>\$ 614</u>	

REQUIRED SUPPLEMENTAL INFORMATION
TOWNSHIP OF CONCORD

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SEWER OPERATING /ACQUISITION/SINKING FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)
REVENUES				
Sewer rental fees	\$ 3,749,697	\$ 3,749,697	\$ 4,257,722	\$ 508,025
Lien charges, penalties and miscellaneous	69,300	69,300	74,562	5,262
Rental income	23,119	23,119	21,843	(1,276)
Interest income	87,400	87,400	22,326	(65,074)
Pension plan state aid	37,000	37,000	32,660	(4,340)
Change in pension plan obligation	-	-	121,960	121,960
Capacity purchases	259,692	259,692	73,150	(186,542)
Other	4,164,636	4,164,636	132,506	(4,032,130)
	<u>8,390,844</u>	<u>8,390,844</u>	<u>4,736,729</u>	<u>(3,654,115)</u>
EXPENSES				
Plant operations	1,513,828	1,513,828	1,305,616	208,212
General and administrative	890,292	890,292	794,093	96,199
Depreciation and amortization	1,200,000	1,200,000	1,225,000	(25,000)
Interest expense	94,496	94,496	94,524	(28)
	<u>3,698,616</u>	<u>3,698,616</u>	<u>3,419,233</u>	<u>279,383</u>
NET INCOME BEFORE CAPITAL CONTRIBUTIONS	<u>4,692,228</u>	<u>4,692,228</u>	<u>1,317,496</u>	<u>(3,374,732)</u>
Capital contributions	-	-	888,605	888,605
INCREASE IN NET ASSETS	<u>\$ 4,692,228</u>	<u>\$ 4,692,228</u>	<u>2,206,101</u>	<u>\$ (2,486,127)</u>
NET POSITION - BEGINNING RESTATED			<u>40,670,007</u>	
NET POSITION - ENDING			<u>\$ 42,876,108</u>	
ADDITIONAL BUDGETARY INFORMATION				
Principal payments	\$ 252,000	\$ 252,000	\$ 252,000	\$ -
Capital purchases	\$ 4,440,228	\$ 4,440,228	\$ 4,431,741	\$ 8,487

NOTE: SEWER BUDGET IS PRESENTED AS A COMBINATION OF THE SEWER OPERATING FUND, SEWER EXPANSION AND SEWER SINKING FUND; PRINCIPAL AND CAPITAL PURCHASES ARE SHOWN HERE IN AS ADDITIONAL INFORMATION.

SUPPLEMENTARY INFORMATION

SUPPLEMENTAL INFORMATION

THE TOWNSHIP OF CONCORD

OTHER GOVERNMENTAL FUNDS
BALANCE SHEET

DECEMBER 31, 2021

	Fire Hydrant Fund	Library Tax Fund	Highway Aid Fund	Tree Fund	Stormwater Management Fund	Sinking Fund	General Obligation Bond Fund	Total Governmental Funds
Assets								
Cash and investments	\$ 119,327	\$ 29,313	\$ 55,219	\$ 310,584	\$ 88,158	\$ 614	\$ -	\$ 603,215
Tax receivable - net of allowance	2,144	2,295	-	-	-	-	-	4,439
Other receivable	-	-	-	-	-	-	-	-
Due from other funds	5,911	3,211	-	-	-	-	-	9,122
Total assets	<u>127,382</u>	<u>34,819</u>	<u>55,219</u>	<u>310,584</u>	<u>88,158</u>	<u>614</u>	<u>-</u>	<u>616,776</u>
DEFERRED OUTFLOW OF RESOURCES	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 127,382</u>	<u>\$ 34,819</u>	<u>\$ 55,219</u>	<u>\$ 310,584</u>	<u>\$ 88,158</u>	<u>\$ 614</u>	<u>-</u>	<u>\$ 616,776</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenditures	\$ 14,939	\$ 2,289	\$ -	\$ -	\$ 575	\$ -	\$ -	\$ 17,803
Resources received in advance in an exchange transaction	-	-	-	-	87,583	-	-	87,583
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>14,939</u>	<u>2,289</u>	<u>-</u>	<u>-</u>	<u>88,158</u>	<u>-</u>	<u>-</u>	<u>105,386</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable taxes	886	929	-	-	-	-	-	1,815
Fund Balance								
Non-spendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed for:								
Debt service	-	-	-	-	-	614	-	614
Assigned to capital projects	-	-	-	-	-	-	-	-
Unassigned	111,557	31,601	55,219	310,584	-	-	-	508,961
Total fund balance	<u>111,557</u>	<u>31,601</u>	<u>55,219</u>	<u>310,584</u>	<u>-</u>	<u>614</u>	<u>-</u>	<u>509,575</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 127,382</u>	<u>\$ 34,819</u>	<u>\$ 55,219</u>	<u>\$ 310,584</u>	<u>\$ 88,158</u>	<u>\$ 614</u>	<u>\$ -</u>	<u>\$ 616,776</u>

SUPPLEMENTAL INFORMATION

THE TOWNSHIP OF CONCORD

OTHER GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2021

	Fire Hydrant Fund	Library Tax Fund	Highway Aid Fund	Tree Fund	Stormwater Management Fund	Sinking Fund	General Obligation Bond Fund	Total Governmental Funds
Revenues								
Taxes	\$ 182,384	\$ 198,959	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 381,343
Charges for services	-	-	-	3,624	-	-	-	3,624
Interest	300	92	486	442	-	6	12	1,338
Intergovernmental revenues	-	-	478,575	-	-	-	-	478,575
Total revenues	182,684	199,051	479,061	4,066	-	6	12	864,880
Expenditures								
General government	-	-	-	-	-	-	-	-
Public safety	167,656	-	-	-	-	-	-	167,656
Public works - highway	-	-	671,378	-	-	-	-	671,378
Library	-	197,873	-	-	-	-	-	197,873
Recreation	-	-	-	56,591	-	-	-	56,591
Debt service:								
Principal	-	-	-	-	-	133,000	-	133,000
Interest	-	-	-	-	-	64,960	-	64,960
Capital outlay:								
Recreation	-	-	-	-	-	-	-	-
Streets and highways	-	-	-	-	-	-	-	-
Total expenditures	167,656	197,873	671,378	56,591	-	197,960	-	1,291,458
Excess revenues over (under) expenditures	15,028	1,178	(192,317)	(52,525)	-	(197,954)	12	(426,578)
Other financing sources and uses of funds								
Operating transfer out	(92,025)	-	-	-	-	-	(131)	(92,156)
Operating transfer in	-	-	14,503	-	-	192,382	-	206,885
Total other financing sources and uses of funds	(92,025)	-	14,503	-	-	192,382	(131)	114,729
Excess of revenues and other sources over (under) expenditures and other uses	(76,997)	1,178	(177,814)	(52,525)	-	(5,572)	(119)	(311,849)
Fund balance - beginning	188,554	30,423	233,033	363,109	-	6,186	119	821,424
Fund balance - ending	\$ 111,557	\$ 31,601	\$ 55,219	\$ 310,584	\$ -	\$ 614	\$ -	\$ 509,575

SUPPLEMENTAL INFORMATION

TOWNSHIP OF CONCORD

SEWER FUND

DETAIL SCHEDULE OF PLANT OPERATIONS AND
GENERAL AND ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

PLANT OPERATIONS

Chemicals	\$ 206,449
Communications plant operations	15,250
Gasoline, fuel and diesel	3,075
Laboratory testing	32,841
Maintenance, materials, supplies	238,520
Miscellaneous	28,059
Payroll	378,019
Rate and regulatory services	5,860
Security	13,456
Sludge removal	112,091
Trash removal	4,320
Utilities	255,756
Vehicle expense	11,920
TOTAL PLANT OPERATIONS	<u>\$ 1,305,616</u>

GENERAL AND ADMINISTRATIVE EXPENSES

Accounting and auditing	\$ 7,647
Engineering and permitting	79,887
Insurance	105,913
Legal fees	7,878
Office expense	64,833
Pension plan expense	89,520
Payroll, payroll taxes and benefits	438,415
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$ 794,093</u>