

Annual Report of
Municipal Authorities
(DCED-CLGS-04)

December 31,
2022

Glen Rock Sewer Authority



Guidance You
Can Count On.

INDEPENDENT AUDITOR'S REPORT

Members of the Authority
Glen Rock Sewer Authority, York County
Glen Rock, Pennsylvania

Opinion

We have audited the accompanying modified cash basis statement of net position of Glen Rock Sewer Authority, York County, Pennsylvania, a component unit of Glen Rock Borough, as of December 31, 2022, and the related modified cash basis statement of revenues, expenses and changes in net position, and debt statement for the year then ended, and the related notes to the financial statements in the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Glen Rock Sewer Authority, York Pennsylvania, as of December 31, 2022 and the changes in financial position and the debt statement for the year then ended, in accordance with the financial reporting provisions of the modified cash basis of accounting within the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Glen Rock Sewer Authority, York Pennsylvania and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting within the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting within the financial reporting provisions of the Department of Community and Economic Development of the Commonwealth of Pennsylvania described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible 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.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Glen Rock Sewer Authority'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 Glen Rock Sewer Authority'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.

Restriction on Use

This report is intended solely for the information and use of the Authority Members, management of Glen Rock Sewer Authority, and the Department of Community and Economic Development of the Commonwealth of Pennsylvania and is not intended to be and should not be used by anyone other than those specified parties.

Smith Elliott Kearns + Company, LLC

Chambersburg, Pennsylvania
June 29, 2023

2022 ANNUAL REPORT OF MUNICIPAL AUTHORITIES AND NON-PROFITS

GLEN ROCK SEWER AUTHORITY 671088

MUNICIPAL AUTHORITY INFORMATION

Information on file

| | |
|--------------------------------------|---------------------------|
| Name: | GLEN ROCK SEWER AUTHORITY |
| Address: | PO BOX 205 |
| | GLEN ROCK, PA 17327 |
| Phone: | (717) 235-2082 |
| Fax: | |
| Contact Person: | DALE GETZ |
| Title: | SUPERINTENDENT |
| Email: | |
| Year Authority Organized | 1964 |
| Year Authority Terminates | 2047 |
| Fiscal Year Ends (month/day): | 12/31 |
| Number of Employees | |
| Full Time Equivalent: | 2 |
| Part Time Equivalent: | 1 |
| Filing Status: | Active |
| Facility Type: | |
| Sewer | |

GLEN ROCK SEWER AUTHORITY**AUTHORITY OFFICIALS LIST**

| | |
|------------------|----------------------------|
| President | JAMES MERRICK |
| Address: | 96 PINE STREET |
| | GLEN ROCK, PA 17327 |
| Phone: | (717) 887-6478 |
| Fax: | |
| e-mail: | |
| Secretary | WILLIAM MABON |
| Address: | 134 VALLEY ST |
| | GLEN ROCK, PA 17327 |
| Phone: | (443) 315-7786 |
| Fax: | |
| e-mail: | |
| Treasurer | LARRY FLEMMENS |
| Address: | 141 CHURCH STREET |
| | GLEN ROCK, PA 17327 |
| Phone: | (717) 307-1141 |
| Fax: | |
| e-mail: | |
| Solicitor | D. MICHAEL CRAYLEY |
| Address: | 246 W BROADWAY |
| | RED LION, PA 17356 |
| Phone: | (717) 246-0146 |
| Fax: | |
| e-mail: | |

GLEN ROCK SEWER AUTHORITY

GEOGRAPHICAL AREAS SERVED

Municipality Name

GLEN ROCK BORO

SHREWSBURY TWP

County

YORK

YORK

GLEN ROCK SEWER AUTHORITY

STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDING 2022

| CURRENT ASSETS | |
|--|----------------|
| Cash and cash equivalents | |
| Investments | 695,839 |
| Receivables (net of allowance for uncollectibles) | |
| Lease rental payments receivable (Financing authorities, only) | |
| Due from other governments | |
| Inventories | |
| Prepays | |
| Restricted current assets: | |
| Cash or cash equivalents | |
| Investments | |
| Lease rental payments receivable (Financing authorities, only) | |
| Intergovernmental receivables | |
| Other current assets | |
| TOTAL CURRENT ASSETS | 695,839 |
| NON-CURRENT ASSETS | |
| Restricted non-current assets: | |
| Investments | |
| Lease rental payments receivable (Financing authorities, only) | |
| Capital assets not being depreciated: | |
| Land | |
| Construction in progress | |
| Capital assets net of accumulated depreciation: | |
| Buildings and system | |
| Improvements other than buildings | |
| Furnishings, machinery and equipment | |
| Infrastructure | |
| Lease rental payments receivable (Financing authorities, only) | |
| Other non-current assets | |
| TOTAL NON-CURRENT ASSETS | 0 |
| TOTAL ASSETS | 695,839 |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|--|---------|
| Deferred amount of debt refundings | |
| Deferrals related to pensions | |
| Other deferred outflows of resources | |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 0 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | 695,839 |

CURRENT LIABILITIES

| | |
|----------------------------------|---|
| Accounts payable | |
| Accrued payroll and withholdings | |
| Accrued interest payable | |
| Due to other governments | |
| Unearned revenue | |
| Funds held as fiduciary | |
| Debt due within one year | |
| Other current liabilities | |
| TOTAL CURRENT LIABILITIES | 0 |

NON-CURRENT LIABILITIES

| | |
|--------------------------------------|---|
| Debt due in more than one year | |
| Net pension liabilities | |
| Other non-current liabilities | |
| TOTAL NON-CURRENT LIABILITIES | 0 |
| TOTAL LIABILITIES | 0 |

DEFERRED INFLOWS OF RESOURCES

| | |
|--|---|
| Deferred amount on debt refundings | |
| Deferrals related to pensions | |
| Other deferred inflows of resources | |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 0 |
| TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | 0 |

NET POSITION

| | |
|---|---------|
| Net investment in capital assets | |
| Restricted | |
| Unrestricted | 695,839 |
| TOTAL NET POSITION | 695,839 |
| TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND NET POSITION | 695,839 |

GLEN ROCK SEWER AUTHORITY

Sewer

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDING 2022**

SEWER OPERATING REVENUES

| | |
|---|----------------|
| Charges for service | 530,523 |
| Lease rental income (Financing authorities, only) | |
| Operating grants: | |
| Federal | |
| State | |
| Local | |
| Other | |
| Contributions | |
| Interest income | |
| Assessment revenue* | |
| Payments in lieu of assessments* | |
| Program income* | |
| Other operating revenue | |
| TOTAL SEWER OPERATING REVENUES | 530,523 |

SEWER OPERATING EXPENSES

| | |
|---------------------------------------|----------------|
| Administrative | 40,157 |
| Contracted services | 28,891 |
| Personnel services | 127,979 |
| Supplies and materials | 8,692 |
| Repairs and maintenance | 236,694 |
| Utilities | 55,676 |
| Other services and charges | |
| Depreciation and amortization | |
| Fundraising* | |
| Program services* | |
| Other operating expenses | 1,451 |
| TOTAL SEWER OPERATING EXPENSES | 499,540 |
| SEWER OPERATING INCOME (LOSS) | 30,983 |

SEWER NONOPERATING REVENUES / (EXPENSES)

| | |
|----------------------|--|
| Nonoperating grants: | |
| Federal | |
| State | |

| | |
|---|------------------|
| Local | |
| Other | |
| Investment earnings / (losses) | 2,893 |
| Interest expense | |
| Gain / (loss) on sale of assets | 24,600 |
| Other financing sources / (uses) | (4,540) |
| Other nonoperating revenues | 3,573 |
| Other nonoperating (expenses) | |
| Debt service principal and interest (expense)** | (239,348) |
| TOTAL SEWER NONOPERATING REVENUES (EXPENSES) | (212,822) |
| CAPITAL CONTRIBUTIONS | |
| CHANGE IN NET POSITION | (181,839) |
| NET POSITION - BEGINNING OF YEAR | 877,678 |
| PRIOR PERIOD ADJUSTMENT | |
| SEWER NET POSITION - END OF YEAR | 695,839 |

*Business/Neighborhood Improvement Districts

**see the Authorities and Non-Profits Annual Financial Report Tip Sheet available from your Start Page.

GLEN ROCK SEWER AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDING 2022

| ASSETS | | |
|-------------------------------|-------------|-----------------|
| | Trust Funds | Custodial Funds |
| Cash and cash equivalents | | |
| Receivables | | |
| Investments, at fair value | | |
| Restricted assets: | | |
| Temporarily restricted: | | |
| Cash, or cash equivalents | | |
| Investments | | |
| Intergovernmental receivables | | |
| Permanently restricted: | | |
| Investments | | |
| Other assets | | |
| TOTAL ASSETS | 0 | 0 |

| DEFERRED OUTFLOWS OF RESOURCES | | |
|--|-------------|-----------------|
| | Trust Funds | Custodial Funds |
| Other deferred outflows of resources | | |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 0 | 0 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | 0 | 0 |

| LIABILITIES | | |
|--|-------------|-----------------|
| | Trust Funds | Custodial Funds |
| Accounts payable and other current liabilities | | |
| Due to other governments | | |
| Unearned revenue | | |
| Debt due within one year | | |
| Other liabilities | | |
| TOTAL LIABILITIES | 0 | 0 |

| DEFERRED INFLOWS OF RESOURCES | | |
|--|-------------|-----------------|
| | Trust Funds | Custodial Funds |
| Other deferred inflows of resources | | |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 0 | 0 |
| TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | 0 | 0 |

NET POSITION

| | Trust Funds | Custodial Funds |
|---|-------------|-----------------|
| Assets held in trust for pension/other postemployment benefits | | |
| Other | | |
| TOTAL NET POSITION | 0 | 0 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | 0 | 0 |

GLEN ROCK SEWER AUTHORITY

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDING 2022**

| ADDITIONS | | |
|--|-------------|-----------------|
| Contributions | | |
| | Trust Funds | Custodial Funds |
| Employer | | |
| Plan members | | |
| Private donations | | |
| Other | | |
| TOTAL CONTRIBUTIONS | 0 | 0 |
| Investment Earnings | | |
| | Trust Funds | Custodial Funds |
| Interest | | |
| Net increase / (decrease) in the fair value of investments | | |
| Other | | |
| TOTAL INVESTMENT EARNINGS | 0 | 0 |
| | Trust Funds | Custodial Funds |
| Less investment expenses | | |
| TOTAL ADDITIONS | 0 | 0 |
| DEDUCTIONS | | |
| | Trust Funds | Custodial Funds |
| Benefits | | |
| Administrative expenses | | |
| Other | | |
| TOTAL DEDUCTIONS | 0 | 0 |
| NET POSITION | | |
| | Trust Funds | Custodial Funds |
| CHANGE IN NET POSITION | 0 | 0 |
| NET POSITION - BEGINNING OF YEAR | 0 | 0 |
| PRIOR PERIOD ADJUSTMENT | | |
| NET POSITION - END OF YEAR | 0 | 0 |

GLEN ROCK SEWER AUTHORITY

**DEBT STATEMENT
FISCAL YEAR ENDING 2022**

| Purpose | Issuance Type | Issue Year (YYYY) | Maturity Year (YYYY) | Original Amount of Issue | Outstanding Beginning of Year | Principal Incurred This Year | Principal Paid This Year | Current Year Accretion on Compound Interest Bonds | Outstanding at Year End |
|--|---------------|-------------------|----------------------|--------------------------|-------------------------------|------------------------------|--------------------------|---|-------------------------|
| General Obligation Bonds and Notes | | | | | | | | | |
| Series 2018 Sewer | Note | 2018 | 2032 | 2,585,000 | 2,239,000 | 0 | 176,000 | 0 | \$2,063,000 |
| Total Bonds and Notes Outstanding | | | | | | | | | \$2,063,000 |
| Capitalized Lease Obligations | | | | | | | | | \$0 |
| Plus (Less) Unamortized Premium (Discount) | | | | | | | | | 0 |
| NET DEBT | | | | | | | | | \$2,063,000 |

GLEN ROCK SEWER AUTHORITY

Notes to Financial Statements

December 31, 2022

COMMENTS

NOTE 1 BASIS OF ACCOUNTING

The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The underlying basis of accounting used to record transactions is similar to that prescribed by accounting principles generally accepted in the United States of America, however the financial data is presented within the accompanying annual report which is prepared for the purpose of complying with rules and regulations of the Department of Community and Economic Development of the Commonwealth of Pennsylvania, does not include supporting disclosures or cash flow statements, and is not intended to be a complete presentation of Glen Rock Sewer Authority's assets, liabilities, revenues and expenses.

NOTE 2 FINANCIAL STATEMENTS

The Authority reports under the modified cash basis. As such, principal associated with long term debt is not shown on the balance sheet.



Guidance You
Can Count On.

Authority Members
Glen Rock Sewer Authority
Glen Rock, Pennsylvania

We have audited the financial statements (solely for the purpose of filing the DCED-CLGS-04 Annual Report of Municipal Authorities) of Glen Rock Sewer Authority (the "Authority") for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 20, 2023. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT MATTERS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no significant accounting estimates.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes all adjustments that were identified during the audit process and corrected by management. These adjustments were detected as a result of our audit procedures. The other schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 29, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the use of the members of the Authority Members and management of Glen Rock Sewer Authority and is not intended to be and should not be used by anyone other than these specified parties.

Smith Elliott Kearns + Company, LLC

Chambersburg, Pennsylvania
June 29, 2023

GLEN ROCK SEWER AUTHORITY

Summary of Audit Adjustments

December 31, 2022

| Account | Description | Debit | Credit |
|--|---------------------------------|------------------|------------------|
| Reclassifying Journal Entries JE # 1 | | | |
| To reclassify interest portion of debt payments. | | | |
| 2-472001 | Debt Service - Interest Expense | 63,348.00 | |
| 2-472000 | Debt Service | | 63,348.00 |
| Total | | 63,348.00 | 63,348.00 |
| Reclassifying Journal Entries JE # 2 | | | |
| To reclassify payroll-related expenses to separate accounts. | | | |
| 2-400001 | Employee Benefits | 13,377.00 | |
| 2-400004 | Health Insurance | 28,517.00 | |
| 2-400006 | Bad Debts Expense | 1,817.00 | |
| 2-400007 | Dental Insurane | 1,095.00 | |
| 2-400008 | Payroll Service Fee | 2,198.00 | |
| 2-400009 | Retirement Contribution | 6,035.00 | |
| 2-400000 | Labor | | 59,197.00 |
| 2-480000 | Miscellaneous Expenses | | 464.00 |
| Total | | 59,661.00 | 59,661.00 |
| Reclassifying Journal Entries JE # 3 | | | |
| To reclass sale of capital asset | | | |
| 2-330000 | Miscellaneous Income | 24,600.00 | |
| 2-391000 | Sale of capital asset | | 24,600.00 |
| Total | | 24,600.00 | 24,600.00 |

**Schedule of Uncorrected Financial Statement Misstatements
Glen Rock Sewer Authority
Year Ended December 31, 2022**

| <i>Description (Nature) of Audit Difference</i> | | | <i>Amount</i> | <i>Financial Statement Effect - Amount of Over(Under) Statement</i> | | | | | |
|--|--|--|---------------|---|------------------------------|------------------------|-----------------|-----------------|-----------------------|
| | | | | <i>Total Assets</i> | <i>Total Liabilities</i> | <i>Fund Equity</i> | <i>Revenues</i> | <i>Expenses</i> | <i>Net Income</i> |
| Unidentified difference when tying transactions to bank statements | | | 862 | | | | | 862 | (862) |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total | | | 862 | - | - | - | - | 862 | (862) |