

SALISBURY TOWNSHIP, PENNSYLVANIA
INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Salisbury Township, Pennsylvania

Qualified and Unmodified Opinions

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-Type Activities	Unmodified
General Fund	Unmodified
Highway Aid Fund	Unmodified
Capital Projects Fund	Unmodified
Other Governmental Funds	Unmodified
Propriety Funds	Unmodified
Fiduciary Funds	Unmodified

Qualified Opinion on Governmental Activities

In our opinion, except for the effects of the matter described in the "Basis for Qualified and Unmodified Opinions" section of our report on "Governmental Activities", the financial statements referred to above present fairly, in all material respects, the financial position of Salisbury Township, Pennsylvania, as of December 31, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Business-type Activities, General Fund, Highway Aid Fund, Capital Projects Fund, Other Governmental Funds, Propriety Funds, and Fiduciary Funds.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the the Business-type Activities, General Fund, Highway Aid Fund, Capital Projects Fund, Other Governmental Funds, Propriety Funds, and Fiduciary Funds of Salisbury Township, Pennsylvania, 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 Qualified and Unmodified Opinions

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Salisbury Township, 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 qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

The Non-Uniform Pension Plan is maintained by the Commonwealth of Pennsylvania, under the Pennsylvania Municipal Retirement System. The GASB 68 disclosures provided by the Commonwealth of Pennsylvania for the year ending December 31, 2021 are not yet available and the amounts reported as non-uniform pension assets, liabilities and expenses in the Governmental Activities are based on information for the year ended December 31, 2020. The amount by which this departure would affect the assets, deferred inflows of resources, fund balances, and revenues of the General Fund has not been determined.

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 Salisbury Township, Pennsylvania'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.

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

In performing an audit in accordance with 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 Salisbury Township, Pennsylvania'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 Salisbury Township, Pennsylvania'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

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting or placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and certain pension plan schedules on pages 55 to 65 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.



Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Salisbury Township's basic financial statements. The combining individual nonmajor fund financial statements on pages 66 and 67 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Frey & Co. CPAs, LLC

Frey & Co. CPAs, LLC
Walnutport, Pennsylvania
December 1, 2022

SALISBURY TOWNSHIP, PENNSYLVANIA
 GOVERNMENT-WIDE STATEMENT OF NET POSITION
 DECEMBER 31, 2021

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 4,513,519	\$ 1,840,698	\$ 6,354,217
Taxes Receivable	186,288	-	186,288
Accounts Receivable, net	521,691	1,050,057	1,571,748
Prepaid Expenses	5,510	-	5,510
Due from (to) Other Funds	407,250	(407,250)	-
 Total Current Assets	 5,634,258	 2,483,505	 8,117,763
Capital Assets, Net	9,780,349	7,863,695	17,644,044
Bond Issue Costs, Net	15,384	23,075	38,459
 Total Assets	 15,429,991	 10,370,275	 25,800,266
 Deferred Outflows, Pension	 1,868,741	 -	 1,868,741
 TOTAL ASSETS AND DEFERRED OUTFLOWS	 \$ 17,298,732	 \$ 10,370,275	 \$ 27,669,007

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

SALISBURY TOWNSHIP, PENNSYLVANIA
GOVERNMENT-WIDE STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2021

	Governmental Activities	Business-Type Activities	Total
<u>CURRENT LIABILITIES</u>			
Accounts Payable and Accrued Expenses	\$ 262,936	\$ 1,047,148	\$ 1,310,084
Payroll Liabilities	72,410	14,880	87,290
Other Liabilities	8,120	-	8,120
Unearned Grant Revenue	28,934	-	28,934
Current Portion of Long-term Debt	149,560	224,340	373,900
Total Current Liabilities	<u>521,960</u>	<u>1,286,368</u>	<u>1,808,328</u>
<u>LONG-TERM LIABILITIES</u>			
Compensated Absences	282,958	35,760	318,718
Net Pension Liability	1,458,737	-	1,458,737
Long-term Debt, net of Current Portion	1,788,160	2,682,240	4,470,400
Total Long-Term Liabilities	<u>3,529,855</u>	<u>2,718,000</u>	<u>6,247,855</u>
Total Liabilities	<u>4,051,815</u>	<u>4,004,368</u>	<u>8,056,183</u>
Deferred Inflows-Pension	<u>3,222,495</u>	-	<u>3,222,495</u>
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	7,842,629	4,980,191	12,822,820
Restricted	1,246,525	-	1,246,525
Unrestricted	935,269	1,385,716	2,320,985
Total Net Position	<u>10,024,422</u>	<u>6,365,907</u>	<u>16,390,329</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 17,298,732</u>	<u>\$ 10,370,275</u>	<u>\$ 27,669,007</u>

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

SALISBURY TOWNSHIP, PENNSYLVANIA
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Charges for		Operating		Capital		Governmental	Business-Type	Total
	Expenses	Services	Grants and Contributions	Grants and Contributions	Grants and Contributions	Activities			
Governmental Activities:									
General Government	\$ 1,449,893	\$ 405,248	\$ 535,792	\$ 701,030	\$ 1,642,070	\$ 192,177	\$ -	\$ 192,177	
Public Safety	3,520,275	366,444	119,233	-	485,677	(3,034,598)	-	(3,034,598)	
Public Works	2,971,479	13,575	449,016	142,291	604,882	(2,366,597)	-	(2,366,597)	
Culture and Recreation	184,997	5,325	-	-	5,325	(179,672)	-	(179,672)	
Community Development	17,940	-	-	-	-	(17,940)	-	(17,940)	
Interest on Long-Term Debt	33,577	-	-	-	-	(33,577)	-	(33,577)	
Total Governmental Activities	8,178,161	790,592	1,104,041	843,321	2,737,954	(5,440,207)	-	(5,440,207)	
Business-Type Activities:									
	5,609,735	5,815,975	-	45,522	5,861,497	-	251,762	251,762	
Total	\$ 13,787,896	\$ 6,606,567	\$ 1,104,041	\$ 888,843	\$ 8,599,451	(5,440,207)	251,762	(5,188,445)	
	General Revenues:								
			Property Taxes and Local Taxes			7,221,278	-	7,221,278	
			Interest and Rental Earnings			88,642	1,149	89,791	
			Operating Transfers			405,350	(397,549)	7,801	
			Gain on Sale of Assets			121,976	-	121,976	
			Total General Revenues, Contributions and (Losses)			7,837,246	(396,400)	7,440,846	
			Changes in Net Position			2,397,039	(144,638)	2,252,401	
			Net Position, Beginning of Year			7,627,383	6,510,545	14,137,928	
			Net Position, End of Year			\$ 10,024,422	\$ 6,365,907	\$ 16,390,329	

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

SALISBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF ASSETS, LIABILITIES, AND
FUND BALANCES - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General Fund	Highway Aid Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 3,222,835	\$ 573,256	\$ -	\$ 717,428	\$ 4,513,519
Taxes Receivable	176,224	-	-	10,064	186,288
Accounts Receivable	572,081	-	-	2,610	574,691
Due from Other Funds	557,250	-	-	-	557,250
Prepaid Expenses	5,510	-	-	-	5,510
TOTAL ASSETS	\$ 4,533,900	\$ 573,256	\$ -	\$ 730,102	\$ 5,837,258
<u>LIABILITIES</u>					
Accounts Payable and Accrued Expenses	\$ 135,381	\$ 237	\$ 70,722	\$ 56,596	\$ 262,936
Payroll Liabilities	72,410	-	-	-	72,410
Other Liabilities	8,120	-	-	-	8,120
Unearned Grant Revenues	28,934	-	-	-	28,934
Deferred Tax Revenues	35,179	-	-	-	35,179
Deferred Revenues	258,062	-	-	-	258,062
Due to Other Funds	-	-	150,000	-	150,000
TOTAL LIABILITIES	538,086	237	220,722	56,596	815,641
<u>FUND BALANCES</u>					
Restricted	-	573,019	-	673,506	1,246,525
Committed	-	-	(220,722)	-	(220,722)
Unassigned	3,995,814	-	-	-	3,995,814
TOTAL FUND BALANCES	3,995,814	573,019	(220,722)	673,506	5,021,617
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,533,900	\$ 573,256	\$ -	\$ 730,102	\$ 5,837,258

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

SALISBURY TOWNSHIP, PENNSYLVANIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021

Fund Balances - Total Governmental Funds	\$ 5,021,617
 Amounts reported for governmental activities in the government wide statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds Capital Assets - Net of Accumulated Depreciation	9,780,349
Compensated Absences related to accrued vacation and sick time is included in the statement of net position	(282,958)
Deferred revenue will be collected in the future, but are not available to pay for the current period's expenditures and therefore are not recognized as revenue on the governmental fund financial statements	258,062
Deferred tax revenue will be collected in the future, but are not available to pay for the current period's expenditures and therefore are not recognized as revenue on the governmental fund financial statements	35,179
Bond issue costs, net will be amortized over the life of the bond issue in the government wide financial statements and recorded as an expense in the fund	15,384
Allowance for doubtful accounts is related to accounts receivable balances after the 60 day collection period and is not recognized in the governmental fund financial statements	(53,000)
Deferred outflows of resources related to the net pension liability is included in the statement of net position	1,868,741
Deferred inflows of resources related to the net pension liability included in the statement of net position	(3,222,495)
Long-term obligations are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Long-Term Debt including current portion	(1,937,720)
Net Pension Liability	<u>(1,458,737)</u>
Net Position of Governmental Activities	<u>\$ 10,024,422</u>

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

SALISBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Highway Aid Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>					
Taxes	\$ 6,785,228	\$ -	\$ -	\$ 464,895	\$ 7,250,123
Intergovernmental	1,244,430	442,308	-	-	1,686,738
Licenses and Permits	241,021	-	-	-	241,021
Charges for Services	626,132	-	-	-	626,132
Interest, Rents and Royalties	84,894	510	-	232	85,636
Fines and Forfeits	57,381	-	-	-	57,381
Other Income	227,849	-	-	-	227,849
Total Revenues	9,266,935	442,818	-	465,127	10,174,880
<u>EXPENDITURES</u>					
Current:					
General Government	1,416,696	-	111,829	-	1,528,525
Public Safety	3,878,399	-	132,465	240,075	4,250,939
Public Works	2,449,167	874,924	450,576	-	3,774,667
Culture and Recreation	97,517	-	67,463	86,088	251,068
Community Development	17,940	-	-	-	17,940
Other	197,099	-	-	-	197,099
Total Expenditures	8,056,818	874,924	762,333	326,163	10,020,238
Excess of Revenues over (under) Expenditures	1,210,117	(432,106)	(762,333)	138,964	154,642
<u>OTHER FINANCING SOURCES (USES)</u>					
Bond Proceeds	405,450	-	-	1,626,150	2,031,600
Proceeds from Sale of Assets	77,001	-	-	44,975	121,976
Operating Transfers In	528,750	-	900,211	146,294	1,575,255
Operating Transfers Out	(831,909)	-	(246,294)	(91,702)	(1,169,905)
Bond Issue Costs	(15,778)	-	-	-	(15,778)
Debt Service - Principal	-	-	-	(1,720,030)	(1,720,030)
Debt Service - Interest	(4,563)	-	-	(29,014)	(33,577)
Other Financing Sources (Uses), net	158,951	-	653,917	(23,327)	789,541
Changes in Fund Balances	1,369,068	(432,106)	(108,416)	115,637	944,183
Fund Balances - Beginning of the year	2,626,746	1,005,125	(112,306)	557,869	4,077,434
Fund Balances - End of Year	\$ 3,995,814	\$ 573,019	\$ (220,722)	\$ 673,506	\$ 5,021,617

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

SALISBURY TOWNSHIP, PENNSYLVANIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Net Changes in Fund Balances - Total Governmental Funds \$ 944,183

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

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Current year depreciation and amortization	(395,183)	
Capitalization of assets	<u>847,795</u>	452,612

Taxes receivable is only recognized when measurable and available therefor accounts receivable balances not collected after 60 days are not recognized as revenue until the period collected in the Governmental Funds		(30,400)
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Accounts receivable, other is only recognized when measurable and available therefor accounts receivable balances not collected after 60 days and six months for grants are not recognized as revenue until the period collected in the Governmental Funds		(29,073)
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Bad debt expense is only recognized on Accounts receivable balances not collected after 60 and are not recognized as expense in the Governmental Funds		(53,000)
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The repayment and (proceeds) of long-term and related issuance costs debt is
an other financing use in the Governmental Funds but the payment and
proceeds reduces (increases) long-term liabilities in the Statement of Net
Position. The effect of these activities are as follows:

Repayment of bond and note principal		1,720,030
Amortization of bond issue costs, bond discounts bond premium, net		15,307
Payment of bond issue costs		15,778
Bond Proceeds		(2,031,600)

In the statement of activities, certain operating expenses - pension, are measured by the amounts contributed towards future retirement during the current year. In the governmental funds, however, expenditures are measured by the amount of financial resources used. This amount represents the change in the net pension liability and deferred outflows and inflows of resources during the current period.		899,751
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In the statement of activities, certain operating expenses - compensated absences, are measured by the amounts earned during the year. In the governmental funds, however expenditures are measured by the amount of financial resources used. This amount represents between the amount earned and used.		<u>493,451</u>
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Changes in Net Position of Governmental-Wide Activities \$ 2,397,039

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

SALISBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2021

	Water Fund	Sewer Fund	Refuse and Recycling Fund	Total Proprietary Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 55,875	\$ 1,384,222	\$ 400,601	\$ 1,840,698
Accounts Receivable, Net	395,870	523,266	130,921	1,050,057
Total Current Assets	451,745	1,907,488	531,522	2,890,755
Capital Assets, Net	4,470,160	3,393,535	-	7,863,695
Bond Issue Costs, Net	17,306	5,769	-	23,075
TOTAL ASSETS	\$ 4,939,211	\$ 5,306,792	\$ 531,522	\$ 10,777,525
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Expenses	\$ 285,996	\$ 383,351	\$ 377,801	\$ 1,047,148
Payroll Liabilities	7,000	7,000	880	14,880
Compensated Absences	15,620	15,620	4,520	35,760
Due to Other Funds	291,000	116,250	-	407,250
Current Portion of Long Term Debt	168,255	56,085	-	224,340
Total Current Liabilities	767,871	578,306	383,201	1,729,378
Long Term Debt, Net of Current Portion	2,011,680	670,560	-	2,682,240
TOTAL LIABILITIES	2,779,551	1,248,866	383,201	4,411,618
NET POSITION				
Invested in Capital Assets, Net of Related Debt	2,307,532	2,672,659	-	4,980,191
Unrestricted	(147,872)	1,385,267	148,321	1,385,716
Total Net Position	2,159,660	4,057,926	148,321	6,365,907
TOTAL LIABILITIES AND NET POSITION	\$ 4,939,211	\$ 5,306,792	\$ 531,522	\$ 10,777,525

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

SALISBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Water Fund	Sewer Fund	Refuse and Recycling Fund	Total Proprietary Funds
OPERATING REVENUES	\$ 2,005,115	\$ 2,057,586	\$ 1,753,274	\$ 5,815,975
OPERATING EXPENDITURES	(2,016,373)	(1,873,216)	(1,665,056)	(5,554,645)
OPERATING INCOME (LOSS)	(11,258)	184,370	88,218	261,330
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	236	711	202	1,149
Intergovernmental Revenue	-	45,522	-	45,522
Interest Expense	(40,635)	(14,455)	-	(55,090)
Operating Transfers In	-	100,000	-	100,000
Operating Transfers Out	(169,528)	(169,528)	(158,493)	(497,549)
Non-Operating Expenses, Net	(209,927)	(37,750)	(158,291)	(405,968)
CHANGES IN NET POSITION	(221,185)	146,620	(70,073)	(144,638)
NET POSITION - BEGINNING	2,380,845	3,911,306	218,394	6,510,545
NET POSITION - ENDING	\$ 2,159,660	\$ 4,057,926	\$ 148,321	\$ 6,365,907

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

SALISBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Water Fund	Sewer Fund	Refuse and Recycling Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received for services	\$ 2,000,060	\$ 2,193,335	\$ 1,756,195	\$ 5,949,590
Cash paid to employees and related benefits	(559,792)	(559,788)	(89,156)	(1,208,736)
Cash paid for materials and services	(1,284,332)	(1,029,609)	(1,320,175)	(3,634,116)
Net Cash Provided By Operating Activities	<u>155,936</u>	<u>603,938</u>	<u>346,864</u>	<u>1,106,738</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of investments	41,396	199,431	-	240,827
Cash received for interest	236	711	202	1,149
Cash Provided by Investing Activities	<u>41,632</u>	<u>200,142</u>	<u>202</u>	<u>241,976</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Operating Transfers In	-	100,000	-	100,000
Operating Transfers Out	(169,528)	(169,528)	(158,493)	(497,549)
Cash Used in Non-Capital Financing Activities	<u>(169,528)</u>	<u>(69,528)</u>	<u>(158,493)</u>	<u>(397,549)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Cash received for Capital Grants	-	45,522	-	45,522
Cash paid for Capital Assets	(119,566)	(427,580)	-	(547,146)
Principal Payments on Long-Term Debt	(105,615)	(35,205)	-	(140,820)
Cash paid for interest	(41,330)	(14,192)	-	(55,522)
Net Cash Flows Used In Capital and Related Financing Activities	<u>(266,511)</u>	<u>(431,455)</u>	<u>-</u>	<u>(697,966)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(238,471)	303,097	188,573	253,199
CASH AND CASH EQUIVALENTS - Beginning	294,346	1,081,125	212,028	1,587,499
CASH AND CASH EQUIVALENTS - Ending	<u>\$ 55,875</u>	<u>\$ 1,384,222</u>	<u>\$ 400,601</u>	<u>\$ 1,840,698</u>
SUPPLEMENTAL INFORMATION				
Non-Cash Capital and Related Financing Activities				
Amount Due to General Fund for Principal Payment (Decrease in Long-Term Debt)	<u>\$ 274,000</u>	<u>\$ 109,850</u>	<u>\$ -</u>	<u>\$ 383,850</u>
2016 Bond Issue refunded with 2021 Bond Issue	<u>\$ 2,261,250</u>	<u>\$ 753,750</u>	<u>\$ -</u>	<u>\$ 3,015,000</u>
2016 Bond Interest paid with 2021 Bond Issue (Increase to Long-Term Debt)	<u>\$ 6,550</u>	<u>\$ 2,183</u>	<u>\$ -</u>	<u>\$ 8,733</u>
2016 Bond Discounts and Premiums fully amortized with refunding (Decrease to Interest Expense)	<u>\$ (7,244)</u>	<u>\$ (1,921)</u>	<u>\$ -</u>	<u>\$ (9,165)</u>
2021 Bond Closing Cost Paid with Bond Proceeds (Increase to Long-Term Debt)	<u>\$ 17,750</u>	<u>\$ 5,917</u>	<u>\$ -</u>	<u>\$ 23,667</u>

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

SALISBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	Water Fund	Sewer Fund	Refuse and Recycling Fund	Total Proprietary Funds
Operating Income	\$ (11,258)	\$ 184,370	\$ 88,218	\$ 261,330
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and Amortization	101,882	151,312	-	253,194
Changes in assets and liabilities:				
Accounts Receivable, net	(5,056)	135,749	2,921	133,614
Accounts Payable and Accrued Expenses	80,798	142,937	255,915	479,650
Payroll Liabilities	2,455	2,455	511	5,421
Compensated Absences	(12,885)	(12,885)	(701)	(26,471)
Net Cash Provided By Operating Activities	<u>\$ 155,936</u>	<u>\$ 603,938</u>	<u>\$ 346,864</u>	<u>\$ 1,106,738</u>

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

SALISBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021

	Pension Trust Fund	Escrow Fund
ASSETS:		
Cash and Cash Equivalents	\$ 820,821	\$ 126,765
Accrued Interest and Dividends Receivable	5,606	-
Investments, at Fair Value	7,433,524	-
TOTAL ASSETS	\$ 8,259,951	\$ 126,765
LIABILITIES AND NET POSITION		
Escrow Liability	\$ -	\$ 126,232
NET POSITION:		
Net Position	-	533
Held-in-Trust for Pension Benefits	8,259,951	-
TOTAL LIABILITES AND NET POSITION	\$ 8,259,951	\$ 126,765

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

SALISBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

	Pension Trust Fund	Escrow Fund
ADDITIONS:		
Contributions:		
Pennsylvania State Aid	\$ 182,297	\$ -
Employer	223,351	-
Plan Members	71,792	-
	477,440	-
Total Contributions		-
INVESTMENT INCOME:		
Investment Income and Losses, Net	1,189,080	7,937
Less: Investment Expenses	(48,626)	-
	1,140,454	7,937
Investment Income, net		7,937
Total Additions, net	1,617,894	7,937
DEDUCTIONS:		
Distributions to Participants	(273,281)	-
Transfers to General Fund	-	(7,801)
	(273,281)	(7,801)
TOTAL DEDUCTIONS		(7,801)
CHANGES IN NET POSITION	1,344,613	136
NET POSITION - Beginning	6,915,338	397
NET POSITION - Ending	\$ 8,259,951	\$ 533

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

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Salisbury Township of Lehigh County, (the "Township"), which was founded in 1753, operates under the First-Class Township code of the Commonwealth of Pennsylvania. The Township has an approximate population of 13,621 based on a 2020 census report, living within an area of 11.1 square miles. The Township has an elected five-member Board of Commissioners, and provides the following services to its residents: public safety, sanitation, highways and streets, culture and recreation, community development, and general administration.

Principles Determining Scope of Reporting Entity

The accompanying financial statements present the primary government. In evaluating the Township (the primary government) as a reporting entity, all potential component units that may or may not fall within the financial accountability of the Township have been addressed. Financial accountability is present if the Township appoints a voting majority of a component unit's governing body and has the ability to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Township.

The Township has determined that no outside agency meets the above criteria; therefore, no other agency has been included in the Township's financial statements. In addition, the Township is not aware of any entity which would exercise such oversight that would result in the Township being considered a component unit of the entity.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues, with the exception of intergovernmental revenue

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(grant revenue) to be available if collected within sixty (60) days of the end of the calendar year. Grant revenue is recognized as revenue when the grant requirements have been fulfilled and when available. Grant revenue collected within 6 months of year end is considered available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due. Property taxes, local taxes, and garbage collection fees associated with the current fiscal period are all considered to be subject to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Government-Wide Financial Statements

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

The statement of activities demonstrates the degree to which 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.

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

A Proprietary Fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Proprietary Funds are charges to customers for sales and services. Operating expenses for the Proprietary Funds include the cost of sales and services as well as administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the statement of assets, liabilities and fund balances. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers operating revenues to be available if they are collected within sixty (60) days and grant revenues within six (6) months of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due. Property taxes, local taxes, and garbage collection fees associated with the current fiscal period are all considered to be subject to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government reports the following major governmental funds:

- **General Fund (Major Fund)** is the general operating fund of the Township. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.
- **Highway Aid Fund (Major Fund)** is used to account for the revenues and expenditures funded by the Pennsylvania Department of Transportation to aid in certain costs associated with the Township's roadways.
- **Capital Projects Fund (Major Fund)** account for financial resources to be used for the acquisition or construction of certain major capital expenditures which are not financed by the Proprietary or General Funds.
- **Other Governmental Funds (Non-major Funds)** are special revenue funds used to account for specific revenue sources that are restricted to expenditures for specified purposes.

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

- **Proprietary Funds** - The focus of the Proprietary Fund measurement is upon determination of net income and cash flows. Accrual basis accounting principles applicable are similar to those used by businesses in the private sector.

The Proprietary Fund includes the Township's Water Fund, Sewer Fund, and Refuse and Recycling Fund which distinguish operating revenues and expenditures from non-operating items. Operating revenues and expenditures generally result from providing goods and services. The principal operating revenues of these funds are charges to customers for services.

Operating expenditures for the proprietary funds include the cost of personnel and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

- **Fiduciary Funds** - Trust Funds are used to account for assets held by the Township in a trustee capacity. This includes the Pension Trust Fund and Escrow Fund. The Pension Trust Fund is used to account for the Township sponsored police retirement pension plan. The Pension Trust Fund is accounted for in essentially the same manner as the Proprietary Fund since capital maintenance is critical. The non-uniformed pension plan is not included in the fiduciary fund because the plan assets are maintained and held in the name of the Commonwealth of Pennsylvania. The Escrow Fund is established to administer resources received and held by the Township in a custodial nature. This Fund accounts for the deposits of developer escrows.

Budgets and Budgetary Accounting

The Township adopts annual budgets for required funds in accordance with the First-Class Township Code. All budget amounts included in the required supplementary information are as originally adopted or as amended by the Board of Commissioners. Appropriations not expended lapse at the end of each fiscal year. The Township uses traditional, program and performance budgeting methods to develop the operating budget, which includes proposed expenditures and the means to finance them. Once adopted, the budget is not revised or amended.

Encumbrances

No provisions are made for the recording of encumbrances.

Cash and Cash Equivalents

For the purpose of the statement of cash flows for proprietary funds, cash includes all demand and savings accounts and certificates of deposit or with an original maturity of three months or less.

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The Board of Commissioners is authorized by statutes to invest its funds as defined in the Township Code.

Authorized types of investments include the following:

- A. U.S. Treasury Bills.
- B. Short-term obligations of the U.S. Government or its agencies or instrumentalities.
- C. Insured savings and checking accounts and certificates of deposit in bank, savings and loan associations, and credit unions.
- D. General obligation bonds of the federal government, the Commonwealth of Pennsylvania or any state agency, or of any Pennsylvania political subdivision.
- E. Shares of mutual funds, whose investments are restricted to the above categories.

Investments of pension trust funds are pursuant to the guidelines established by the Pension Board.

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

Investments are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near-term and that such changes could materially affect the amounts reported in the statement of financial position.

Capital Assets

Capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction costs are reflected as expenditures in governmental funds. In the government wide financial statements, these assets are capitalized and depreciated using the straight-line method over the estimated useful life. Fixed assets in the Proprietary Fund are stated at historical cost. Depreciation of equipment in the Proprietary Fund is computed using the straight-line method over the estimated useful life of the equipment.

General Fixed Assets purchased are recorded as expenditures at the time of purchase. General Fixed Assets are stated at historical cost when determinable, or estimated historical cost based on appraisals or other acceptable methods when historical cost is not available. Donated fixed assets are stated at their fair value as of the date of gift.

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported assets, deferred inflows, liabilities and deferred outflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ materially from those estimates.

Interfund Transactions

In the process of aggregating the financial information for the Government-wide Financial Statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

Interfund activity, if any, within and among the governmental fund categories is reported as follows in the fund financial statements:

- **Interfund loans** - Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- **Interfund reimbursements** - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
- **Interfund transfers** - Flows of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities (if any) columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.

Transfers - legally authorized payments or authorizations to make payments from a fund receiving revenue to a fund through which the resources are to be expended are reported as operating transfers. Transfers to the pension funds are quasi-external transactions and are not treated as operating transfers.

Government-wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities (if any) columns of the Statement of Net Position, except for the net residual amounts due between governmental and business - type activities, which are reported as Internal Balances.

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Financial Statements (Continued)

- Transfers legally authorized payments or authorizations to make payments from a fund receiving revenue to a fund through which the resources are to be expended are reported as operating transfers. Transfers to the pension funds are quasi-external transactions and are not treated as operating transfers.

Classification of Net Position

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

- Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position - This category represents the net position of the Township, which are not restricted for any project or other purpose.

Fund Balances

Governmental funds report fund balance in classifications based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

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

- Nonspendable Fund Balance - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- Restricted Fund Balance - Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.
- Committed Fund Balance - Amounts that can be used only for specific purposes determined by the passage of a resolution by the Board of Commissioners.
- Assigned Fund Balance - Amounts that are intended to be used for a specific purpose, as expressed by the Board of Supervisors or by an official or body to which the Board of Commissioners delegates the authority. As of December 31, 2021, the Board has not delegated the authority to assign fund balance.
- Unassigned Fund Balance - All amounts not included in other spendable classifications.

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

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities' column of the statement of net position. The Township's long-term debt consists of general obligation bonds and notes. In the fund financial statements, the Governmental Funds report the face amount of debt issued as other financing sources and payment of principal and interest is reported as expenditures. Governmental Funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS

The Township, under the Pennsylvania Township Code Act of 1933, as amended, is authorized to invest in direct obligations of the United States government, obligations guaranteed by the United States government, obligations of the Commonwealth of Pennsylvania, or any political subdivision of the Commonwealth of Pennsylvania, savings or time deposits and time certificates of deposit. The deposit and investment policy of the Township adheres to state statutes and prudent business practice.

There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the Township. To the extent the Township's deposits with financial institutions are not insured by the Federal Deposit Insurance Corporation, assets have been pledged by the financial institutions. The fair market value of pledged assets exceeded the carrying amount of deposits at December 31, 2021.

Custodial credit risk

Deposits - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2021, the Township's carrying amount of deposits was \$6,480,982 and the bank balances were \$6,583,503. Of the bank balance, \$250,100 was covered by federal depository insurance; \$6,333,403 exceeded depository insurance and was exposed to custodial credit risk because the deposits were uninsured yet collateralized with securities held by the pledging institution's trust department or agent but not in the Township's name.

Investments - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Township will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Township's investment policy prefers that all security transactions that are exposed to custodial credit risk are processed with the underlying investments held by a third party custodian.

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Interest rate risk

The Township's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Credit risk

Credit risk for investments is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. The Township's investment policy seeks to minimize credit risk by requiring investments in securities allowed under the investment policy.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2021, \$8,259,951 of pension investments is held by the investment's counterparties, not in the name of the Township.

Pension Trust Fund Investments

At December 31, 2021 the Township's Police Pension Trust funds have the following asset allocations:

<u>Asset Type</u>	<u>Fair Market Value</u>	<u>Input Level</u>
Cash and Cash Equivalents	\$ 820,821	N/A
Fixed Income	1,921,345	2
Mutal Funds	4,830,227	1
Common Stocks	681,952	1
Accrued Interest and Dividends	<u>5,606</u>	N/A
 Total Police Pension Fund	 <u>\$8,259,951</u>	

NOTE 3 PROPERTY TAXES

The total tax on real estate in 2021 was 2.42 mills (\$2.42 per \$1,000 of assessed valuation).

The current portion of real estate taxes is collected by the Township. Delinquent real estate taxes are collected by the County of Lehigh and are remitted to the Township. The Lehigh County's Tax Assessor Office is responsible for establishing assessed values.

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 3 PROPERTY TAXES (CONTINUED)

The schedule for real estate taxes levied each year is as follows:

May 1	Levy date
May 1 - May 31	2.0% discount period
June 1 - July 31	Face payment period
August 1 - December 31	10% penalty period
January 1	Lien date

Delinquent real estate taxes receivable at December 31, 2021 were approximately \$44,192. The Township has not set an allowance for doubtful accounts based on history of delinquent tax collections.

Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within the fiscal year and are distributed within 60 days after the fiscal year-end. The amounts that are not received by the township within 60 days is recorded as deferred revenue in the fund financial statements. The balance recorded as deferred revenue at December 31, 2021 related to real estate taxes is \$35,179. Also included in taxes receivable are property taxes and transfer taxes collected in December by the tax collector remitted in January.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable for the Governmental Activities consist of the following at December 31, 2021:

Governmental Activities:

	Gross Receivable	Allowance for Doubtful Accounts	Net
Utility Lien Costs Receivable	\$ 129,457	\$ 92,831	\$ 36,626
Grants Receivable	125,010	-	125,010
Salisbury School District Receivable	137,848	-	137,848
Cable Franchise Fees Receivable	57,343	-	57,343
Fines, Fees and Other Receivables	217,864	-	217,864
	<u>\$ 667,522</u>	<u>\$ 92,831</u>	<u>\$ 574,691</u>

The Township has established an allowance for doubtful accounts equal to 75% of the Utility Lien Costs receivable that have been turned over for collection. The allowance is based on prior collection history. There has not been an allowance established for the other receivables as the Township management believes they are fully collectible.

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 4 ACCOUNTS RECEIVABLE (CONTINUED)

The following have been reported as deferred revenue in the governmental fund financial statements since the funds were not collected within 60 days and are not considered as available in the fund financial statements.

Deferred Revenues:	December 31, 2021
Grants Receivable	\$ 80,511
Fines, Fees and Other Receivables	177,551
	\$ 258,062

In the Government Wide Financial Statements, Governmental Activities an allowance for Doubtful Accounts has been established totaling \$53,000, which is approximately 30% of the fines, fees and other receivables balances not collected within 60 days.

Accounts receivable for the Business-Type Activities consist of the following at December 31, 2021:

Business Type Activities:

	Gross Receivable	Allowance for Doubtful Accounts	Net
Water Service Receivable	\$ 395,870	\$ -	\$ 395,870
Sewer Fees Receivable	548,532	25,266	523,266
Refuse and Recycling Fees Receivable	169,557	38,636	130,921
	\$ 1,113,959	\$ 63,902	\$ 1,050,057

The Township has established an allowance for doubtful accounts equal to 25% liens assessed for delinquent sewer and refuse and recycling fees. The allowance is based on prior collection history. There has not been an allowance established for the water service receivables as the Township management believes they are fully collectible.

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 CAPITAL ASSETS

Governmental Activities

The following is a summary of major fixed assets (property, plant, and equipment) recorded at December 31, 2021 for governmental activities:

	<u>Beginning Balance</u>	<u>Transfer/ Increases</u>	<u>Transfer/ Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated				
Land and land improvements	\$ 6,529,601	\$ -	\$ -	\$ 6,529,601
Construction in Progress	-	102,681	-	102,681
Total Capital Assets, not being	<u>6,529,601</u>	<u>102,681</u>	<u>-</u>	<u>6,632,282</u>
Capital Assets, being depreciated				
Buildings and building improvements	9,028,081	84,640	-	9,112,721
Infrastructure	687,404	-	-	687,404
Traffic signals	244,011	-	-	244,011
Vehicles and transportation equipment	2,521,309	288,569	(100,665)	2,709,213
Office equipment	153,147	-	-	153,147
Operating equipment	1,429,725	371,905	(171,986)	1,629,644
Total Capital Assets, being depreciated	<u>14,063,677</u>	<u>745,114</u>	<u>(272,651)</u>	<u>14,536,140</u>
Total Capital Assets	<u>20,593,278</u>	<u>847,795</u>	<u>(272,651)</u>	<u>21,168,422</u>
Less Accumulated Depreciation	<u>(11,265,541)</u>	<u>(395,183)</u>	<u>272,651</u>	<u>(11,388,073)</u>
Total Capital Assets, Net	<u>\$ 9,327,737</u>	<u>\$ 452,612</u>	<u>\$ -</u>	<u>\$ 9,780,349</u>

Depreciation expense for 2021 amounted to \$395,183 which was charged to their respective Functional Classifications in the Governmental Activities section of the Government-wide Statement of Activities.

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 CAPITAL ASSETS (CONTINUED)

Business-Type Activities

The following is a summary of major fixed assets (property, plant, and equipment) recorded at December 31, 2021 for Business Type Activities:

	<u>Beginning Balance</u>	<u>Transfer/ Increases</u>	<u>Transfer/ Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated				
Construction in Progress	\$ -	\$ 48,580	\$ -	\$ 48,580
Total Capital Assets, not being depreciated	-	48,580	-	48,580
Capital Assets, being depreciated				
Water collection system	6,441,664	-	-	6,441,664
Sewer collection system	10,802,346	356,594	-	11,158,940
Vehicles and equipment	701,802	141,972	-	843,774
Total Capital Assets, being depreciated	17,945,812	498,566	-	18,444,378
Total Capital Assets	17,945,812	547,146	-	18,492,958
Less Accumulated Depreciation	(10,376,661)	(252,602)	-	(10,629,263)
Total Capital Assets, Net	<u>\$ 7,569,151</u>	<u>\$ 294,544</u>	<u>\$ -</u>	<u>\$ 7,863,695</u>

Total depreciation expense for business-type activities is \$252,602 for the year ended December 31, 2021.

NOTE 6 LONG-TERM OBLIGATIONS

Series of 2016 General Obligation Bonds - Governmental Type Debt

Original Issue of \$2,253,400, payable in varying bi-annual interest installments of 2.0% to 4.0% and annual principal installments until December 2035, the maturity date of the bond. These bond proceeds were used to refund the 2010 General Obligation Bond. The bonds are secured by the tax revenue of the township. The bond has been refunded with the issuance of the 2021 General Obligation Bonds.

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Series of 2021 General Obligation Bonds - Governmental Type Debt

Original Issue of \$2,031,600, payable in varying bi-annual interest installments of 1.75% and annual principal installments until December 2035, the maturity date of the bond. These bond proceeds were used to refund the 2016 General Obligation Bond. The bond has \$584,993 remaining that can be drawn down in the future for certain capital projects. The bonds are secured by the tax revenue of the township.

Changes in Long-Term Obligations for Governmental Activities for the period ended December 31, 2021 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Maturities
Series of 2016	\$ 1,626,150	\$ -	\$ 1,626,150	\$ -	\$ -
Series of 2021	-	2,031,600	93,880	1,937,720	149,560
Premium	50,073	-	50,073	-	-
Discount	(34,372)	-	(34,372)	-	-
Total	\$ 1,641,851	\$ 2,031,600	\$ 1,735,731	\$ 1,937,720	\$ 149,560

Annual debt service requirements for Governmental Type Activities are as follows:

Year Ending December 31,	2021 GOB Bond General Activities		
	Principal	Interest	Total
2022	\$ 149,560	\$ 33,910	\$ 183,470
2023	153,320	31,293	184,613
2024	155,080	29,410	184,490
2025	158,840	25,896	184,736
2026	162,600	23,116	185,716
2027-2031	714,320	73,193	787,513
2032-2035	444,000	19,639	463,639
Total	\$ 1,937,720	\$ 236,457	\$ 2,174,177

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Business Type Debt

Series of 2016 General Obligation Bonds - Business Type Debt

Original Issue of \$4,186,600 payable in annual varying principal and semi-annual varying interest payments ranging from 2.0% to 4.0% until December 2035, the maturity date of the bonds. The Bond proceeds were used to refund the 2010 General Obligation Bond and provide an additional \$3,872,558 to fund certain capital projects located within the Township. The bonds are secured by the tax revenue of the township. The bond has been refunded with the issuance of the 2021 General Obligation Bonds.

Series of 2021 General Obligation Bonds - Business Type Debt

Original Issue of \$3,047,700 payable in annual varying principal and semi-annual interest payments 1.75% until December 2035, the maturity date of the bonds. The Bond proceeds were used to refund the 2016 General Obligation Bond. The bond has \$877,489 remaining that can be drawn down in the future for certain capital projects. The bonds are secured by the tax revenue of the township.

Changes in Long-Term Obligations for Business Type Activities for the period ended December 31, 2021 are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Maturities</u>
Series of 2016	\$ 3,398,850	\$ -	\$ 3,398,850	\$ -	\$ -
Series of 2021	-	3,047,400	140,820	2,906,580	224,340
Premium	79,999	-	79,999	-	-
Discount	(70,834)	-	(70,834)	-	-
	<u>\$ 3,408,015</u>	<u>\$3,047,400</u>	<u>\$ 3,548,835</u>	<u>\$2,906,580</u>	<u>\$ 224,340</u>

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Business Type Debt (Continued)

Annual debt service requirements for Business Type Activities are as follows:

2021 GOB Bond Business Type Activities			
Year Ending December 31,	Principal	Interest	Total
2022	\$ 224,340	\$ 50,865	\$ 275,205
2023	229,980	46,939	276,919
2024	232,620	44,115	276,735
2025	238,260	38,844	277,104
2026	243,900	34,674	278,574
2027-2031	1,071,480	109,789	1,181,269
2032-2035	666,000	29,458	695,458
Total	<u>\$ 2,906,580</u>	<u>\$ 354,684</u>	<u>\$ 3,261,264</u>

Annual debt service requirements Government Wide are as follows:

2021 GOB Bond Government Wide			
Year Ending December 31,	Principal	Interest	Total
2022	\$ 373,900	\$ 84,775	\$ 458,675
2023	383,300	78,232	461,532
2024	387,700	73,525	461,225
2025	397,100	64,740	461,840
2026	406,500	57,790	464,290
2027-2031	1,785,800	182,982	1,968,782
2032-2035	1,110,000	49,097	1,159,097
Total	<u>\$ 4,844,300</u>	<u>\$ 591,141</u>	<u>\$ 5,435,441</u>

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables are primarily a result of one fund paying an expense or receiving revenues on behalf of another fund. These funds are primarily transferred within a few weeks from the time the transaction occurred. The following is a summary of the interfund receivables and payables at December 31, 2021.

	Due From Other Funds	Due to Other Funds
General Fund	\$ 557,250	\$ -
Capital Projects Fund	-	150,000
Water Fund	-	291,000
Sewer Fund	-	116,250
	<u>\$ 557,250</u>	<u>\$ 557,250</u>
Total	<u>\$ 557,250</u>	<u>\$ 557,250</u>

Interfund transfers occur when a fund transfers or receives money from another fund and the money does not need to be repaid. The following is a summary of the interfund transfers for the year ended December 31, 2021.

	Transfers In	Transfers Out
General Fund	\$ 528,750	\$ 831,909
Capital Projects Fund	900,211	246,294
Fire Protection Fund	-	68,302
Debt Service Fund	146,294	23,400
Water Fund	-	169,528
Sewer Fund	100,000	169,528
Refuse and Recycling Fund	-	158,493
Escrow Fund	-	7,801
	<u>\$ 1,675,255</u>	<u>\$ 1,675,255</u>
Total	<u>\$ 1,675,255</u>	<u>\$ 1,675,255</u>

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 PENSION PLANS

Plans Description

The Township has one single-employer cash balance pension plan covering non-uniformed employees (the “non-uniformed plan”) and one single-employer defined benefit pension plan covering police (the “police pension plan”). The police pension plan provides retirement, disability and death benefits to its members and their beneficiaries. The plans are subject to Pennsylvania Act 205 as follows:

PENNSYLVANIA ACT 205 OF 1984

Pennsylvania Act 205 of 1984 (“Act 205”), the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for municipal pension plans. Under Act 205 provisions, a municipal budget must provide for the full payment of the minimum municipal obligation (MMO) to each employee pension fund of the municipality. Act 189 of 1990 amended Act 205 and redefined the calculation used to determine the MMO to employee pension funds.

The MMO is now defined as the total financial requirements to the pension fund, less funding adjustments and estimated member contributions.

Act 205 also requires:

- The filing of Biennial Actuarial Valuation Reports for defined benefit plans;
- The funding of pension plans from state aid, members’ contributions, and municipal contributions (if necessary);
- The actual amount of state aid allocated to a municipality cannot exceed a plan’s pension costs;
- A prior cost estimate before the adoption of any benefit plan modification; and
- The municipality to provide information contained in actuarial valuation reports to plan members of benefit recipients.

The Township’s pension plans are eligible for state aid. Pennsylvania received funding for Act 205 through the imposition of a two percent (2%) foreign casualty insurance premiums tax, that portion of the foreign fire insurance tax designated for paid firefighters, and investment income earned on those taxes.

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

PENNSYLVANIA ACT 205 OF 1984 (Continued)

For the year 2021 the Township received \$354,999 of state aid, which was allocated to the pension as follows:

Uniformed	\$	182,297
Non-Uniformed		172,702
 Total	 \$	 <u>354,999</u>

A. EMPLOYEES RETIREMENT PLAN- NON-UNIFORMED PENSION PLAN

1. PLAN DESCRIPTION

a. Plan Administration

Salisbury Township's pension plan is a single-employer cash balance pension plan controlled by the provisions of Ordinance No. 102 adopted pursuant to Act 15 of 1974. The plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multi-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report (CAFR). The CAFR is available on the PMRS website and can be obtained by contacting the PMRS accounting office. The PMRS issued reports are a year behind and the following information is for the year ending December 31, 2020.

b. Plan Membership

Inactive Plan Member Currently Receiving Benefits		32
Inactive Plan Members Entitled to but not yet Receiving Benefits		5
Active employees		32
 Total		 <u>69</u>

c. Benefit Provisions

The plan provides retirement, disability and death benefits to plan members and their beneficiaries. Cost-of-living allowances are provided at the discretion of the plan.

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

A. EMPLOYEES RETIREMENT PLAN- NON-UNIFORMED PENSION PLAN (Continued)

1. **PLAN DESCRIPTION (Continued)**

d. **Summary of Significant Accounting Policies**

Basis of Accounting - The plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due Employer contributions to the plan are recognized when due, in accordance with Act 205, as amended. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - Investments are reported at fair value. The plan's assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by Statement No. 3 of the Governmental Accounting Standards Board for aggregate PMRS investments are included in PMRS's separately issued CAFR.

e. **Long-Term Expected Rate of Return on Plan Assets**

The PMRS System's long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation: are developed for each major asset class. These ranges are combined to produce the Long-Term Expected Rate of Return, by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2020 are summarized in the table below labeled "System Nominal and Real Rates of Return by Asset Class." There are three steps to the method:

- 1) Expected future real rates of return are based primarily on the 20 year nominal rates of return as reflected by applicable return indexes and may be adjusted for specific asset classes if, in the Board's opinion, any such asset classes are expected in the future to significantly vary from its 20 year returns.
- 2) The nominal rates of return by asset class are adjusted by the System's investment expenses and an expected future annual inflation rate of 2.2% to produce the long-term expected real rates of return.
- 3) The long-term expected real rates of return are further adjusted by weighting each asset class using the PMRS portfolio target asset allocations. The results from steps 1 through 3 are shown in the table labeled "System Nominal and Real Rates of Return by Asset Class.

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

A. EMPLOYEES RETIREMENT PLAN NON-UNIFORMED PENSION PLAN (Continued)

1. **PLAN DESCRIPTION (Continued)**

e. **Long-Term Expected Rate of Return on Plan Assets (Continued)**

System Nominal and Real Rates of Return by Asset Class:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Nominal Rate of Return</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equities (large capitalized firms)	25%	7.56%	5.31%
Domestic Equities (small capitalized firms)	15%	8.31%	6.06%
International Equities (international developed markets)	15%	7.78%	5.53%
International Equities (emerging markets)	10%	8.20%	5.95%
Real Estate	15%	7.50%	5.25%
Timber	5%	6.03%	3.78%
Fixed Income	15%	4.12%	1.87%
Total Portfolio	100%	7.80%	5.55%

Based on the three part analysis, the Board established the System's Long-Term Expected Rate of Return at 7%. In addition to determining the System's Long-Term Expected Rate of Return, the PMRS Board, under the laws of the Commonwealth of Pennsylvania (Act 15 of 1974), is obligated to develop and apply the Regular Interest Rate to each of the individual participating municipalities' actuarial asset accounts held by PMRS. The rationale for the difference between the System's Long-Term Expected Rate of Return and the individual participating municipalities' Regular Interest Rate is described in the following section "Discount Rate." As of December 31, 2020, this is equal to 5.25%.

The Board has determined the minimum acceptable confidence level for achieving the Regular Interest Rate to be 60%. The table below labeled "Confidence Levels for System Nominal and Real Rates of Return" identifies simulated portfolio returns at various confidence levels based on the most recent asset allocation study conducted by the Boards' investment consultant, Marquette Associates.

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

A. EMPLOYEES RETIREMENT PLAN NON-UNIFORMED PENSION PLAN (Continued)

1. **PLAN DESCRIPTION (Continued)**

e. **Long-Term Expected Rate of Return on Plan Assets (Continued)**

Confidence Levels for System Nominal and Real Rates of Return

Confidence Interval	Nominal Rate of Return	Long-Term Expected Rate of Return
95%	4.09%	1.84%
90%	5.02%	2.77%
85%	5.51%	3.26%
80%	6.05%	3.80%
75%	6.44%	4.19%
70%	6.85%	4.60%
60%	7.46%	5.21%

f. **Discount Rate**

While it is often common practice to establish an actuarial Discount Rate that is equal to the Long-Term Expected Rate of Return, PMRS is required by law (Act 15 of 1974) to establish a Discount Rate equal to the Regular Interest Rate (Regular Interest Rate/Discount Rate). The PMRS Board establishes the Regular Interest Rate/Discount Rate on the basis of expected stable and consistent earnings on investments to be applied to the accounts of the individual participating municipalities and includes the accounts of plan participants, municipalities, and plan retirees each year. As a starting point, the Board considers the following five quantitative factors in establishing the Regular Interest Rate/Discount Rate:

- Plan liability as a percentage of total Plan liability,
- Active Plan participant liability as a percentage of total Plan liability,
- Smoothed Pension Benefit Guarantee Corporation (PBGC) annuity rates as a proxy for annuity purchase rates,
- PMRS System Long-Term Expected Rate of Return, and
- PMRS investment expenses

The formula using these factors is as follows:

Regular Interest Rate/Discount Rate = (Retiree Liability Percentage X Smoothed PBGC Annuity Rates) + (Active Employee Liability Percentage X System Long-Term Expected Rate of Return) - (Investment Expenses as a percentage of assets)

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

A. EMPLOYEES RETIREMENT PLAN NON-UNIFORMED PENSION PLAN (Continued)

f. **Discount Rate (Continued)**

The Board then adjusts the Regular Interest Rate/Discount Rate derived from the above formula by a variety of qualitative factors such as the desire to minimize Regular Interest Rate/Discount Rate volatility, varying levels of asset allocation and liquidity, trending of PBGC annuity rates/ total PMRS actuarial and market value funding ratios, feedback from existing PMRS municipalities, and recommendations from the System's investment and actuarial consultants. The Regular Interest Rate/Discount Rate adopted by the Board and used to measure the individual participating municipalities' total pension liability was 5.25% as of December 31, 2020.

The Regular Interest Rate/Discount Rate will likely be less than the System Long-Term Expected Rate of Return. Should the System experience a prolonged period of investment returns in excess of the Regular Interest Rate/Discount Rate, the Board is authorized to allocate any applicable portion of any such excess in accordance with Board policies in the form of Excess Interest as provided for in the law.

The projection of cash flows for each underlying municipal plan, used to determine if any adjustment to the Regular Interest Rate/Discount Rate was required ("depletion testing"), used the following assumptions: 1) member contributions will be made at the current contribution rate, 2) participating plan sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate, and 3) the System's Long-Term Expected Rate of Return will be used in the depletion testing of projected cash flows. Based on those assumptions, the PMRS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

g. **Net Pension Liability**

The net pension liability represents the liability for employees' for projected pension payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service less the amount of the pension plan's fiduciary net position.

The Pennsylvania Municipal Retirement System (PMRS) is an agent multiple-employer defined benefit pension plan. The Measurement Date for the Net Pension Liability (NPL) is December 31, 2020, which is no earlier than the end of the employer's prior fiscal year as allowed by Paragraph 20 of GASB 68. The table below provides a summary of the key results during this measurement period:

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

A. EMPLOYEES RETIREMENT PLAN NON-UNIFORMED PENSION PLAN (Continued)

g. **Net Pension Liability (Continued)**

	12/31/2020	12/31/2019
Net Pension Liability	\$ 1,036,710	\$ 1,908,607
Deferred Inflows	2,073,126	1,639,064
Deferred Outflows	(769,322)	(701,201)
Net Impact on Statement of Net Position	\$ 2,340,514	2,846,470
Total Payroll	\$ 2,478,644	\$ 2,437,143
Total Pension Expense (\$ Amount)	\$ 163,879	\$ 694,750
Total Pension Expense (% of Payroll)	6.61%	28.51%

Any employer contributions made between the Measurement Date and the Reporting Date would be reported as deferred outflows to offset the cash outflow reported. The Total Pension Liability (TPL) for the Employer is measured as of December 31, 2020 based on the actuarial valuation of the same date. The beginning of year TPL as of December 31, 2019 is based on the actuarial valuation as of January 1, 2019 and then the actuarial valuation date of January 1, 2021 was used to determine the balances out to December 31, 2020. This TPL reflects any plan changes identified in the prior year's report. It is our understanding that there were no other significant changes during this projection period, in alternating years, the beginning of year TPL will be based on the actuarial valuation on the same date, and the end of year TPL will be based on the actuarial valuation one year prior and then projected to the measurement date. A breakdown of the components of the net pension expense is shown later in the report.

h. **Determination of Discount Rate**

The determination of the discount rate is based on the Long-Term Expected Rate of Return for individual participating municipalities, which PMRS develops and is also referred to as the Regular Interest Rate. For more information, please refer to the Long-Term Expected Rate of Return on Plan Assets for the December 31, 2020 measurement.

Based on the assumptions outlined in this publication, the plan fiduciary net position was determined to be available to make all projected benefit payments of current plan members based on the assumption that all MMO payments as determined and required under Act 205 will be paid accordingly. Therefore, the municipal long-term expected rate of return for municipal and member accounts was applied to all periods of projected benefit payments to determine the total pension liability.

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

A. EMPLOYEES RETIREMENT PLAN NON-UNIFORMED PENSION PLAN (Continued)

i. **Changes in Net Pension Liability**

The table below shows the changes in the Total Pension Liability, the Plan Fiduciary Net Position (i.e., fair value of Plan assets), and the Net Pension Liability as of the measurement Date:

	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2019	\$ 18,625,496	\$ 16,716,889	\$ 1,908,607
Changes for the year:			
Service Cost	398,946	-	398,946
Interest	970,891	-	970,891
Changes of assumptions	352,271	-	352,271
Differences between expected and actual experience	50,203	-	50,203
Contributions - employer	-	668,355	(668,355)
Contributions - PMRS assessment	-	1,480	(1,480)
Contributions - employee	-	37,179	(37,179)
PMRS investment income	-	807,490	(807,490)
Market value investment income *	-	1,166,366	(1,166,366)
Benefit payments	(1,076,346)	(1,076,346)	-
PMRS administrative expense	-	(1,480)	1,480
Additional administrative expense	-	(35,182)	35,182
Net Changes	695,965	1,567,862	(871,897)
Balances 12/31/2020	\$ 19,321,461	\$ 18,284,751	\$ 1,036,710

*Reflects the net Investment Income/ (loss) of \$1,507,436 and the income/ (loss) due to the difference between expected and actual asset values of \$341,070, which Includes the impact from allocation of assets in support of the underlying retiree liabilities.

This report does not reflect changes in benefits or assumptions after January 1, 2021 because the beginning and end of year TPL are based upon different actuarial valuation dates, there is a difference between expected and actual experience reported this year, per GASB 68 paragraph 22. The beginning of year TPL is based upon the January 1, 2019 actuarial valuation, with liabilities measured at December 31, 2019. The end of year TPL is based upon the same actuarial valuation with liabilities rolled forward to December 31, 2020. Except as noted below, the TPL as of December 31, 2020 was based upon the data, actuarial methods and assumptions, and plan provisions. According to Governmental Accounting Standards Board (GASB) Statements No. 67 and 68, PMRS is required to allocate/distribute all funds to the respective participating employers for financial reporting purposes, to determine the respective employer "plan fiduciary net position." PMRS has determined that net investment income or loss and

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

A. EMPLOYEES RETIREMENT PLAN NON-UNIFORMED PENSION PLAN (Continued)

i. **Changes in Net Pension Liability (Continued)**

administrative expenses will be allocated to the employer/municipality accounts pro-rata based on their beginning Fiduciary Net Position balance adjusted for cash flows throughout the year. The "Additional administrative expenses" are the expenses in excess of the "PMRS administrative expense" (i.e. \$20 per participant expense paid by each plan). The "PMRS investment income" is based upon the regular and excess interest used to credit accounts manually. The "Market value investment income" reflects the investment income/loss during the year net of PMRS investment income and the income/loss due to the difference between expected and actual asset values, including the impact from allocation of assets in support of the underlying retiree liabilities.

j. **Sensitivity of Net Pension Liability to Changes in Discount Rate**

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The table below shows the sensitivity of the NPL to the discount rate with two additional measures, plus and minus one percent from the rate used for disclosure.

	1% Decrease 4.25%	Discount Rate 5.25%	1% Increase 6.25%
Total Pension Liability	\$21,582,014	\$19,321,461	\$17,396,458
Plan Fiduciary Net Position	18,284,751	18,284,751	18,284,751
Net Pension Liability (Asset)	\$ 3,297,263	\$ 1,036,710	\$ (888,293)
Plan Fiduciary Net Position as percentage of the Total Pension Liability	84.72%	94.63%	105.11%

k. **Deferred Outflows and Deferred Inflows of Resources**

The impact of investment gains or losses for expensing is recognized over a period of five years. The impact of experience gains or losses and assumption changes on the TPL are recognized in the collective pension expense over the average expected remaining service life of all active and inactive members of the Plan, as provided below. There were experience gains or losses between the beginning of year and end

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

A. EMPLOYEES RETIREMENT PLAN NON-UNIFORMED PENSION PLAN (Continued)

k. **Deferred Outflows and Deferred Inflows of Resources (Continued)**

of year liabilities because the liabilities are based upon two different actuarial valuation dates. Also, assumption changes as of the Measurement Date have been reflected.

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

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ -	\$ 505,119
Changes in assumptions	-	264,203
Net difference between projected and actual earnings on pension plan investments	2,073,126	-
2021 MMO Payment	-	823,217
	-	823,217
Total	\$ 2,073,126	\$ 1,592,539

Year Ended December 31:

2021	\$ (402,752)
2022	(99,713)
2023	(568,065)
2024	(233,274)
2025	-
Thereafter	-
Total	\$ (1,303,804)

l. Calculation of Collective Pension Expense

The annual pension expense recognized can be calculated two different ways. First, it is the change in the amounts reported on for the Employer's Statement of Net Position that relate to the plan and are not attributable to employer contributions. That is, it is the change in NPL plus the changes in deferred outflows and deferred inflows plus employer contributions. Alternatively, annual pension expense can be calculated by its individual components. While GASB does not require or suggest the organization of the individual components shown in the table below, we believe it helps to understand the level and volatility of pension expense.

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

A. EMPLOYEES RETIREMENT PLAN NON-UNIFORMED PENSION PLAN (Continued)

I. Calculation of Collective Pension Expense (Continued)

	Measurement Date as of	
	<u>12/31/2020</u>	<u>12/31/2019</u>
Change in Net Pension Liability	\$ (871,897)	\$ (2,297,483)
Change in Deferred Outflows***	(68,121)	659,029
Change In Deferred Inflows	434,062	1,638,816
Employer Contributions	<u>669,835</u>	<u>694,388</u>
Pension Expense***	<u>\$ 163,879</u>	<u>\$ 694,750</u>
Pension Expense as % of Payroll	6.61%	28.51%
Operating Expenses		
Service Cost	\$ 398,946	\$ 392,266
Employee Contributions	(37,179)	(24,226)
PMRS Administrative Expense	1,480	1,480
Additional Administrative Expense	<u>35,182</u>	<u>26,726</u>
Total Operating Expenses	<u>\$ 398,429</u>	<u>\$ 396,246</u>
Financing Expenses		
Interest Costs	\$ 970,891	\$ 950,884
Expected Return on Assets	<u>(807,490)</u>	<u>(773,180)</u>
Total Financing Expenses	<u>\$ 163,401</u>	<u>\$ 177,704</u>
Changes		
Recognition of Assumption Changes	\$ 88,068	\$ 145,764
Recognition of liability gains and losses	246,285	351,980
Recognition of Investment Gains and Losses	<u>(732,304)</u>	<u>(376,944)</u>
Total Changes	<u>\$ (397,951)</u>	<u>\$ 120,800</u>
Pension Expense***	<u>\$ 163,879</u>	<u>\$ 694,750</u>

*** Does not include changes in contributions subsequent of measurement date.

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

B. EMPLOYEES RETIREMENT POLICE PENSION PLAN

1. PLAN DESCRIPTION

The Salisbury Township Police Pension Plan (the "Plan") is a single-employer defined benefit pension plan covering the full-time police officers. The Plan is governed by the Board of Township Commissioners. The Board of Township Commissioners has delegated the authority to manage Plan assets to PNC Institutional Asset Management.

Salisbury Township filed an actuarial valuation report Form 201C with Public Employee Retirement Commission. The report dated January 1, 2021, was the most recently certified by the municipality's chief administrative officer. This report indicated the municipality maintains a pension plan to provide pension or retirement benefits for Uniform employees. The Actuarial information was rolled forward to January 1, 2022 in accordance with GASB 67 and 68.

a. Plan Membership

As of January 1, 2021 and 2022, the following employees were covered by the benefit terms:

	2022	2021
Active employees	20	19
Retirees and beneficiaries currently receiving benefits	10	10
Terminated employees entitled to benefits but not yet receiving them	1	0
Total	31	29

b. Benefits Provided

The following is a summary of the Plan benefit provisions:

1. Eligibility Requirements

- A. All full-time policemen working at least forty (40) hours per week at a definite salary.
- B. Normal Retirement Date - A participant may retire upon the attainment of age fifty (50) and completion of twenty-five (25) years of service.
- C. Disability Retirement Date - The existence of a permanent and total disability from performing police work provided the police officer was honorably discharged as a result of the disability.

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

B. EMPLOYEES RETIREMENT POLICE PENSION PLAN (Continued)

1. **PLAN DESCRIPTION (CONTINUED)**

2. **Retirement Benefit**

- A. Normal Retirement Benefit - Fifty percent (50%) of the participant's average monthly salary during the last thirty-six (36) months of employment. Effective 1 /02/07, a service increment equal to one hundred dollars (\$100) per month for each full year of service in excess of twenty-five (25) years shall be added to the normal retirement benefit. The maximum service increment shall be live hundred dollars (\$500) per month.
- B. Disability Retirement Benefit - In the event of a permanent service-related injury, the benefit shall be equal to 75% of the average monthly salary during the last thirty-six (36) months of employment or if greater, 50% of the participant's monthly salary at the time of disability. The benefit would be payable as if the date of disability had been his normal retirement date. This benefit is reduced by any benefits or payments received by such participant under the Social Security Administration for the same injury.

3. **Survivor Benefit:**

- A. Pre-Retirement - The widow of a participant who was vested or was still employed after having met the age and service requirements shall receive 50% of the pension the participant would have received had he been retired at the time of his death.
- B. Post-Retirement Survivors Benefit - The widow of a participant who has attained eligibility for retirement, or a participant who retired on pension, shall receive during the spouse's lifetime, fifty percent (50%) of the pension the participant was receiving or would have been receiving had he been retired at the time of his death.
- C. If no such widow survives, or if the spouse survives and subsequently dies or remarries, then the children under the age of eighteen (18) [or are attending college and have not yet attained age twenty three (23)], shall be entitled to the same benefit described above.

4. **Members Contributions:**

- A. Each participant shall contribute to the fund not less than five percent (5%) or more than eight percent (8%). The Township may, on an annual basis, reduce or eliminate participant contributions to the fund. These contributions will be made in accordance with IRC Section 414(h)(2).

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

B. EMPLOYEES RETIREMENT POLICE PENSION PLAN (Continued)

1. **PLAN DESCRIPTION (CONTINUED)**

c. **Actuarial Methods and Assumptions**

Actuarial Methods

Liabilities-all plan benefits are valued using the entry age normal cost valuation method

Actuarial Assumptions

- Investment Return- 7% per annum, net of investment expenses.
- Salary Increases- 5% - compounded annually. Demographic Assumptions
- Mortality -
 - Pre-Retirement -None
 - Post-Retirement - PUBS-2010 Healthy Retiree Mortality projected 5 years past the valuation date using Scale MP-2020
- Termination- none assumed
- Disability- none assumed
- Retirement Age - normal retirement age, or age on valuation date if greater.
- Marital Status- 80% of active members are assumed to be married. Female spouse is assumed to be 3 years younger than male spouse.
- Form of Annuity - 50% joint and survivor.

d. **Contributions**

Act 205 requires that annual contributions to the Plan be based upon the Plan's Minimum Municipal Obligation (MMO), which is based on the Plan's biennial actuarial valuation, in accordance with the Plan's governing document, employees are required to contribute 3.04% of compensation to the Plan. The Plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205.

Investment expenses, including investment manager and custodial services, are funded through investment earnings. Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions.

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

B. EMPLOYEES RETIREMENT POLICE PENSION PLAN (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - POLICE PENSION FUND

a. Basis of Accounting

The Plan's policy is to prepare its financial statements on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

b. Valuation of Investments

The pension Plan's assets are valued at fair market value.

c. Investment Policy

The pension Plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board. The investment policy of the Plan is to maximize the total rate of return over the long term, subject to preservation of capital, by diversifying the allocation of capital among various investments in domestic equity securities, international equity, securities, domestic fixed income instruments and other asset classes as may be deemed prudent.

The Plan's investment policy establishes that the portfolio may be invested in the following asset classes with the following target asset allocation:

Asset Class	Target	Asset Class	Target
Domestic Equity		International Equity	5%
Large Cap	32%	Fixed Income	23%
Mid Cap	24%	Cash	10%
Small Cap	6%		

d. Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.35 percent. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

B. EMPLOYEES RETIREMENT POLICE PENSION PLAN (Continued)

3. PENSION LIABILITY

a. Net Pension Liability

The components of the net pension liability of the municipality as of December 31, 2021 were as follows:

Total Pension Liability	\$ 8,681,978
Plan Fiduciary Net Position	<u>8,259,951</u>
Net Pension Liability	<u>\$ 422,027</u>

Plan Fiduciary Net Position as percentage of Total 95.1%

b. Actuarial Assumptions

An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2021. Update procedures were used to roll forward to the Plan's fiscal year ending December 31, 2021. This report was based upon the Plan's actuarial assumptions, asset valuation method and cost method.

c. Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation of 2.24%) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target	Asset Class	Target
Domestic Equity		International Equity	6.55%
Large Cap	5.72%	Fixed Income	2.18%
Mid Cap	6.77%	Real Estate	5.41%
Small Cap	7.37%	Cash	-0.33%

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

EMPLOYEES RETIREMENT POLICE PENSION PLAN (Continued)

3. PENSION LIABILITY (CONTINUED)

d. Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

e. Net Pension Liability Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net position liability would be if it were calculated using a different rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability (Asset)	\$1,533,630	\$422,027	(509,667)

f. Changes in Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period:

SALISBURY TOWNSHIP, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

EMPLOYEES RETIREMENT POLICE PENSION PLAN (Continued)

f. Changes in Net Pension Liability (Continued)

	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2020	\$ 7,885,947	\$ 6,915,338	\$ 970,609
Service Cost (Beginning of year)	330,725	-	330,725
Interest (Includes interest on service cost)	576,919	-	576,919
Benefit payments, including refunds of member contributions	(273,281)	(273,281)	-
Changes of Assumptions	304,873	-	304,873
Difference Between Expected and Actual Experience	(143,205)	-	(143,205)
Contributions - Employer	-	405,648	(405,648)
Contributions - Member	-	71,792	(71,792)
Net Investment income	-	1,146,554	(1,146,554)
Additional Administrative expense	-	(6,100)	6,100
	<u>\$ 8,681,978</u>	<u>\$ 8,259,951</u>	<u>\$ 422,027</u>
Balances 12/31/2021			

g. Pension Expense

Pension expense for the year ending December 31, 2021 is summarized below:

Service Cost (Beginning of year)	\$ 330,725
Interest (Includes interest on service cost)	576,919
Differences Between Expected and Actual Experience	(85,715)
Changes in Assumption	39,147
Employee Contributions	(71,792)
Projected Earnings on Pension Plan Investments	(483,907)
Differences Between Projected and Actual Earnings on Investments	(146,242)
Administrative Expenses	6,100
	<u>165,235</u>
Total Pension Expense	<u>165,235</u>

h. Deferred Outflows and Inflows of Resources

For the year ended December 31, 2021 the township recognized pension expense of \$165,235. At December 31, 2021 the township reported deferred outflows and inflows of resources related to the police pension fund as summarized below:

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 8 PENSION PLANS (CONTINUED)

EMPLOYEES RETIREMENT POLICE PENSION PLAN (Continued)

h. Deferred Outflows and Inflows of Resources (Continued)

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference Between Expected and Actual Experience Changes in Assumptions	\$ 496,014	\$ -
	-	276,202
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	653,355	-
	\$ 1,149,369	\$ 276,202

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

Year Ended December 31:	
2022	\$ (154,122)
2023	(301,730)
2024	(204,676)
2025	(172,254)
2026	(29,887)
Thereafter	(10,498)
Total	\$ (873,167)

NOTE 9 UNFAVORABLE BUDGET VARIANCES

The Water Fund had an unfavorable budget variance of \$218,930. The budget variance is primarily related to revenues being less than anticipated, increase in water costs due to inflation, and additional repairs and maintenance that were not anticipated.

The Refuse and Recycling Fund had an unfavorable budget variance of \$60,520. The variance is primarily a result of fourth quarter credits applied to the customers related to poor performance of the refuse collection company.

The Capital Projects had an unfavorable budget variance of \$108,416. The budget variance is primarily related to additional capital projects that were able to be funded with American Rescue Plan Act funds.

The Highway Fund had an unfavorable budget variance of \$262,671. The budget variance is primarily related to additional capital projects and capital equipment purchases that were not anticipated.

SALISBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 10 FUND BALANCES

The following is a summary of the governmental-fund balances of the Township at December 31, 2021:

General Fund	
Unassigned	\$3,995,814
Highway Aid Fund	
Restricted for Township Roads	573,019
Capital Projects Fund	
Committed to Capital Outlays	(220,722) ***
Other Governmental Funds	
Restricted for:	
Fire Safety	319,251
Library Services	77,901
Recreation	118,345
Other Restricted Contributions	<u>158,009</u>
Total Other Governmental Funds	<u>673,506</u>
Total Governmental Fund Balances	<u>\$5,021,617</u>

*** Negative fund balance is a result of liabilities greater than assets and will be funded by a general fund operating transfer in 2022.

NOTE 11 SUBSEQUENT EVENTS

The Township has evaluated subsequent events through December 1, 2022, which is the date the financial statements are available to be issued.

Subsequent to December 31, 2021, there has been a significant decline in the capital markets in the United States and beyond due to many factors. Accordingly, the Township's Police Pension investment values have correspondingly declined by \$1,789,919 as of September 30, 2022, the date the last investment statement was issued. The Township's 2022 year to date Non-Uniform Pension investment statements were not available at the date the financial statements are available to be issued.

There have been no additional events through December 1, 2022 that require adjustments or disclosures to the financial statements.

SALISBURY TOWNSHIP, PENNSYLVANIA
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (UNAUDITED)
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Original Budget	Actual	Variance with Budget
<u>Revenues:</u>			
Taxes	\$ 6,248,200	\$ 6,785,228	\$ 537,028
Intergovernmental	521,724	1,244,430	722,706
Licenses and Permits	248,750	241,021	(7,729)
Charges for Service	574,045	626,132	52,087
Interest, Rents and Royalties	85,085	84,894	(191)
Fines and Forfeits	70,000	57,381	(12,619)
Other	300,800	227,849	(72,951)
Total Revenues	8,048,604	9,266,935	1,218,331
<u>Expenditures:</u>			
General Government	1,341,316	1,416,696	(75,380)
Public Safety	3,923,350	3,878,399	44,951
Public Works	2,671,165	2,449,167	221,998
Culture and Recreation	89,058	97,517	(8,459)
Community Development	-	17,940	(17,940)
Other	215,500	197,099	18,401
Total Expenditures	8,240,389	8,056,818	183,571
<u>Other Financing Sources (Uses):</u>			
Bond Proceeds	-	405,450	405,450
Proceeds from Sale of Assets	10,000	77,001	67,001
Bond Issue Cost	-	(15,778)	(15,778)
Bond Interest Expense	-	(4,563)	(4,563)
Operating Transfers In	505,600	528,750	23,150
Operating Transfers Out	(292,150)	(831,909)	(539,759)
Total Other Financing Sources, Net	223,450	158,951	(64,499)
Net Changes in Fund Balance	\$ 31,665	\$ 1,369,068	\$ 1,337,403

See Independent Auditors' Report

SALISBURY TOWNSHIP, PENNSYLVANIA
 BUDGETARY COMPARISON SCHEDULE - HIGHWAY AID FUND (UNAUDITED)
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>
<u>Revenues:</u>			
Intergovernmental	\$ 429,405	\$ 442,308	\$ 12,903
Interest, Rents and Royalties	2,160	510	(1,650)
Total Revenues	431,565	442,818	11,253
<u>Expenditures:</u>			
Public Works	601,000	874,924	(273,924)
Total Expenditures	601,000	874,924	(273,924)
Net Changes in Fund Balance	\$ (169,435)	\$ (432,106)	\$ (262,671)

See Independent Auditors' Report

SALISBURY TOWNSHIP, PENNSYLVANIA
 BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECTS FUND (UNAUDITED)
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Original Budget	Actual	Variance with Budget
<u>Revenues:</u>			
Interest and Rents	\$ -	\$ -	\$ -
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	687,928	900,211	212,283
Operating Transfers Out	(183,150)	(246,294)	(63,144)
Bond Interest Payments	(19,637)	-	19,637
Other Financing Sources, Net	485,141	653,917	168,776
<u>Expenditures:</u>			
General Government	40,000	111,829	(71,829)
Public Safety	88,726	132,465	(43,739)
Public Works	336,415	450,576	(114,161)
Culture and Recreation	20,000	67,463	(47,463)
Total Expenditures	485,141	762,333	(277,192)
Net Changes in Fund Balance	\$ -	\$ (108,416)	\$ (108,416)

See Independent Auditors' Report

SALISBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET TO ACTUAL - WATER FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>
OPERATING REVENUES	\$ 2,033,400	\$ 2,005,115	\$ (28,285)
OPERATING EXPENDITURES	<u>(1,816,040)</u>	<u>(2,016,373)</u>	<u>(200,333)</u>
OPERATING INCOME	<u>217,360</u>	<u>(11,258)</u>	<u>(228,618)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	1,800	236	(1,564)
Interest Expense	-	(40,635)	(40,635)
Operating Transfers Out	<u>(221,415)</u>	<u>(169,528)</u>	<u>51,887</u>
Non-operating Expenses, Net	<u>(219,615)</u>	<u>(209,927)</u>	<u>9,688</u>
CHANGES IN NET POSITION	<u>\$ (2,255)</u>	<u>\$ (221,185)</u>	<u>\$ (218,930)</u>

See Independent Auditors' Report

SALISBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET TO ACTUAL - SEWER FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Original Budget	Actual	Variance with Budget
OPERATING REVENUES	\$ 2,083,100	\$ 2,057,586	\$ (25,514)
OPERATING EXPENDITURES	(1,626,713)	(1,873,216)	(246,503)
OPERATING INCOME	456,387	184,370	(272,017)
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	4,320	711	(3,609)
Intergovernmental Revenue	45,522	45,522	-
Interest Expense	-	(14,455)	(14,455)
Operating Transfers In	-	100,000	100,000
Operating Transfers Out	(464,637)	(169,528)	295,109
Non-operating Expenses, Net	(414,795)	(37,750)	377,045
CHANGES IN NET POSITION	\$ 41,592	\$ 146,620	\$ 105,028

See Independent Auditors' Report

SALISBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET TO ACTUAL - REFUSE AND RECYCLING FUND
(UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Original Budget	Actual	Variance with Budget
OPERATING REVENUES	\$ 1,945,810	\$ 1,753,274	\$ (192,536)
OPERATING EXPENDITURES	(1,781,563)	(1,665,056)	116,507
OPERATING INCOME	164,247	88,218	(76,029)
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	1,200	202	(998)
Operating Transfers Out	(175,000)	(158,493)	16,507
Non-operating Expenses, Net	(173,800)	(158,291)	15,509
CHANGES IN NET POSITION	\$ (9,553)	\$ (70,073)	\$ (60,520)

See Independent Auditors' Report

SALISBURY TOWNSHIP, PENNSYLVANIA
SCHEDULE OF CHANGES IN PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS (UNAUDITED)
NON-UNIFORM PENSION PLAN
DECEMBER 31, 2021

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability										
Service Cost (Beginning of year)	\$ 398,946	\$ 392,266	\$ 410,952	\$ 375,947	\$ 317,511	\$ 326,459	\$ 309,455	N/A	N/A	N/A
Interest (Includes interest on service cost)	970,891	950,884	867,205	842,578	806,791	768,776	737,497	N/A	N/A	N/A
Changes of benefit terms								N/A	N/A	N/A
Differences between expected and actual experience	50,203	-	1,168,669	-	473,976	(1,232)	142,072	N/A	N/A	N/A
Changes of assumptions	352,271	-	-	-	416,583	208,095	-	N/A	N/A	N/A
Transfers					54,954	-	-	N/A	N/A	N/A
Benefit payments, including refunds of member contributions	(1,076,346)	(863,895)	(805,344)	(764,071)	(678,566)	(583,305)	(687,496)	N/A	N/A	N/A
Net Changes In Total Pension Liability	695,965	479,255	1,641,482	454,454	1,391,249	718,793	501,528	N/A	N/A	N/A
Total Pension Liability - Beginning	18,625,496	18,146,241	16,504,759	16,050,305	14,659,056	13,940,263	13,438,735	N/A	N/A	N/A
Total Pension Liability - Ending	19,321,461	18,625,496	18,146,241	16,504,759	16,050,305	14,659,056	13,940,263	N/A	N/A	N/A
Plan Fiduciary Net Position										
Contributions - Employer	\$ 668,355	\$ 692,908	\$ 505,948	\$ 486,159	\$ 407,248	\$ 391,296	\$ 264,342	N/A	N/A	N/A
Contributions - PMRS assessment	1,480	1,480	1,480	1,500	1,460	1,400	-	N/A	N/A	N/A
Contributions - Member	37,179	24,226	-	-	-	-	-	N/A	N/A	N/A
PMRS Investment income	807,490	773,180	717,729	686,956	696,996	690,377	696,043	N/A	N/A	N/A
Market Value Investment income	1,166,366	2,177,045	(1,173,093)	1,515,206	(24,004)	(610,438)	(49,673)	N/A	N/A	N/A
Transfers					54,954	-	-	N/A	N/A	N/A
Benefit payments, including refunds of member contributions	(1,076,346)	(863,895)	(805,344)	(764,071)	(678,566)	(583,305)	(687,496)	N/A	N/A	N/A
PMRS Administrative expense	(1,480)	(1,480)	(1,460)	(1,420)	(1,380)	(1,400)	(1,240)	N/A	N/A	N/A
Additional Administrative expense	(35,182)	(26,726)	(32,029)	(31,592)	(34,147)	(28,780)	(26,693)	N/A	N/A	N/A
Net Change in Plan Fiduciary Net Position	1,567,862	2,776,738	(786,769)	1,892,738	422,561	(140,850)	195,283	N/A	N/A	N/A
Plan Fiduciary Net Position - Beginning	16,716,889	13,940,151	14,726,920	12,834,182	12,411,621	12,552,471	12,357,188	N/A	N/A	N/A
Plan Fiduciary Net Position - Ending	18,284,751	16,716,889	13,940,151	14,726,920	12,834,182	12,411,621	12,552,471	N/A	N/A	N/A
Net Pension Liability - Ending	\$ 1,036,710	\$ 1,908,607	\$ 4,206,090	\$ 1,777,839	\$ 3,216,123	\$ 2,247,435	\$ 1,387,792	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.63%	89.75%	76.82%	89.23%	79.96%	84.67%	90.04%	N/A	N/A	N/A
Covered Employee Payroll	\$ 2,478,644	\$ 2,437,143	\$ 2,584,504	\$ 2,364,361	\$ 2,220,762	\$ 2,111,508	\$ 1,966,279	N/A	N/A	N/A
Plans Net Pension Liability as a Percentage of the Covered Employee Payroll	41.83%	78.31%	162.74%	75.19%	144.82%	106.44%	70.58%	N/A	N/A	N/A

Notes to Schedule:

Assumption Changes - None

Benefit Changes - None

* Information from 2011-2013 is not available

See Independent Auditors' Report

SALISBURY TOWNSHIP, PENNSYLVANIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND RELATED RATIOS (UNAUDITED)
NON-UNIFORM PENSION PLAN
DECEMBER 31, 2021

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially Determined Contribution	\$ 669,835	\$ 694,388	\$ 507,408	\$ 487,579	\$ 408,628	\$ 392,556	\$ 264,322	N/A	N/A	N/A
Contribution in Relation to the Actuarially Determined Contribution*	669,835	694,388	507,428	487,659	408,708	392,696	264,342	N/A	N/A	N/A
Contribution deficiency/(excess)	\$ -	\$ -	\$ (20)	\$ (80)	\$ (80)	\$ (140)	\$ (20)	N/A	N/A	N/A
Participant Payroll**	\$ 2,478,644	\$ 2,437,143	\$ 2,584,504	\$ 2,364,361	\$ 2,220,762	\$ 2,111,508	\$ 1,966,279	N/A	N/A	N/A
Contributions as a Percentage of Participant Payroll	27.02%	28.49%	19.63%	20.63%	18.40%	18.60%	13.44%	N/A	N/A	N/A

* Information provided by PMRS and not reconciled to determine the cause of any deviation from the Actuarially Determined Contribution
 **Beginning in 2015, amount is actual payroll. In 2014, amount is excepted payroll based on the most recent actuarial valuation. These amounts may not match to the M/MO Payroll.

Notes to Schedule:

Actuarial Standards of Practice. The Actuarially Determined Contribution provided is based upon the Minimum Municipal Obligation as defined in ACT 205 which conforms to these standards.

Valuation Date.

Actuarially determined contribution rates are calculated as of January 1 for the odd valuation year at least two years prior to the end of the fiscal year in which the contributions were reported. Therefore, the Actuarially Determined Contribution for the calendar year 2020 is based upon the January 1, 2017 actuarial valuation.

A summary of the key assumptions and methods used to determine the 2020 contribution rates:

- Actuarial Cost Method: Entry age
- Amortization Period: Level dollar based upon the amortization periods in Act 205
- Asset Valuation Method: Based upon the municipal reserves
- Discount Rate: 5.25%
- Inflation: 2.8%
- Salary Increases: Age related scale with merit and inflation component
- COLA Increases: 2.8% for those eligible for a COLA
- Pre-Retirement Mortality: Males - RP 2000 with 1 year set back, Females - RP 2000 with 5 year set back
- Post-Retirement Mortality: Sex distinct RP-2000 Combined Healthy Mortality

Plan Changes

Plan changes may include excess interest distribution during the measurement year ending in 2020, if applicable.

Assumption Changes

Actuarial assumptions were updated for the January 1, 2021 actuarial valuations, which is used to determine the Minimum Municipal Obligations for 2020 and 2021, based on the PMRS experience study for the five-year period of January 1, 2014 - December 31, 2018 and the annual board's review of the Regular Interest Rate.

SALISBURY TOWNSHIP, PENNSYLVANIA
 SCHEDULE OF CHANGES IN PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
 LAST 10 FISCAL YEARS (UNAUDITED)
 POLICE PENSION PLAN
 DECEMBER 31, 2021

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Pension Liability										
Service Cost (Beginning of year)	\$ 330,725	\$ 322,713	\$ 307,346	\$ 272,466	\$ 259,491	\$ 257,073	\$ 244,831	N/A	N/A	N/A
Interest (Includes interest on service cost)	576,919	525,359	487,760	481,760	448,639	428,582	401,553	N/A	N/A	N/A
Differences between expected and actual experience	(143,205)	-	(450,360)	-	(162,888)	-	-	N/A	N/A	N/A
Changes of assumptions	304,873	-	-	-	19,604	-	-	N/A	N/A	N/A
Benefit payments, including refunds of member contributions	(273,281)	(289,084)	(257,603)	(248,457)	(247,440)	(269,072)	(275,931)	N/A	N/A	N/A
Net Changes In Total Pension Liability	796,031	558,988	87,143	505,769	317,406	416,583	370,453	N/A	N/A	N/A
Total Pension Liability - Beginning	7,885,947	7,326,959	7,239,816	6,734,047	6,416,641	6,000,058	5,629,605	N/A	N/A	N/A
Total Pension Liability - Ending	8,681,978	7,885,947	7,326,959	7,239,816	6,734,047	6,416,641	6,000,058	N/A	N/A	N/A
Plan Fiduciary Net Position										
Contributions - Employer	223,351	194,892	\$ 200,184	203,489	175,330	182,209	166,980	N/A	N/A	N/A
Contributions - State Aid	182,297	196,953	184,338	175,633	156,001	139,989	133,308	N/A	N/A	N/A
Contributions - Member	71,792	54,937	40,181	50,664	48,520	44,578	31,519	N/A	N/A	N/A
Net Investment Income	1,146,554	560,387	847,447	(362,364)	522,646	301,548	13,984	N/A	N/A	N/A
Benefit payments, including refunds of member contributions	(273,281)	(289,084)	(257,603)	(248,457)	(247,440)	(269,072)	(275,931)	N/A	N/A	N/A
Administrative expense	(6,100)	(750)	(6,025)	(925)	(6,115)	(750)	(5,875)	N/A	N/A	N/A
Net Change in Plan Fiduciary Net Position	1,344,613	717,335	1,008,522	(181,960)	648,942	398,502	63,985	N/A	N/A	N/A
Plan Fiduciary Net Position - Beginning	6,915,338	6,198,003	5,189,481	5,371,441	4,722,499	4,323,997	4,260,012	N/A	N/A	N/A
Plan Fiduciary Net Position - Ending	8,259,951	6,915,338	6,198,003	5,189,481	5,371,441	4,722,499	4,323,997	N/A	N/A	N/A
Net Pension Liability - Ending	422,027	970,609	1,128,956	2,050,335	1,362,606	1,694,142	1,676,061	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.14%	87.69%	84.59%	71.68%	79.77%	73.60%	72.07%	N/A	N/A	N/A
Covered Employee Payroll	1,910,000	1,806,000	1,675,000	1,637,000	1,483,000	1,418,760	1,418,760	N/A	N/A	N/A
Plans Net Pension Liability as a Percentage of the Covered Employee Payroll	22.10%	53.74%	67.40%	125.25%	91.88%	119.41%	118.14%	N/A	N/A	N/A

Notes to Schedule:

Assumption Changes - In 2017 the mortality assumption was changed from the Blue Collar RP-2000 Table projected to 2015 using Scale AA to the Blue Collar RP-2000 table projected to 2017 using Scale AA.

Benefit Changes - None

* Information from 2012-2014 is not available

SALISBURY TOWNSHIP, PENNSYLVANIA
 SCHEDULE OF EMPLOYER CONTRIBUTIONS AND RELATED RATIOS (UNAUDITED)
 POLICE PENSION PLAN
 DECEMBER 31, 2021

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 405,648	\$ 391,845	\$ 384,522	\$ 379,122	\$ 331,331	\$ 322,198	\$ 300,288	\$ 295,572	\$ 262,000	\$ 258,273
Contribution made	405,648	391,845	384,522	379,122	331,331	322,198	300,288	295,572	262,000	258,273
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,910,000	\$ 1,806,000	\$ 1,675,000	\$ 1,637,900	\$ 1,483,000	\$ 1,418,269	\$ 1,418,760	\$ 1,338,311	\$ 1,238,387	\$ 1,218,922
Contributions as a percentage of covered-employee payroll	21.24%	21.70%	22.96%	23.16%	22.34%	22.72%	21.17%	22.09%	21.16%	21.19%

Notes to Schedule:

Assumption Changes - In 2017 the mortality assumption was changed from the Blue Collar RP-2000 Table projected to 2015 using Scale AA to the Blue Collar RP-2000 table projected to 2017 using Scale AA.

Benefit Changes - None

SALISBURY TOWNSHIP, PENNSYLVANIA
 SCHEDULE OF INVESTMENT RETURNS
 LAST 10 FISCAL YEARS (UNAUDITED)
 POLICE PENSION PLAN
 DECEMBER 31, 2021

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Annual money - weighted rate of return, net of investment expenses	16.35%	8.93%	16.08%	-6.63%	10.92%	6.92%	0.37%	N/A	N/A	N/A

Notes to schedule:
 None.

* Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.

SALISBURY TOWNSHIP, PENNSYLVANIA
 COMBINING STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES -
 OTHER GOVERNMENTAL FUNDS (UNAUDITED)
 DECEMBER 31, 2021

	Fire Protection Fund	Library Fund	Recreation Contribution Fund	Other Contribution Fund	Debt Service Fund	Total Other Governmental Funds
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 321,876	\$ 119,198	\$ 118,345	\$ 158,009	\$ -	\$ 717,428
Taxes Receivable	8,339	1,725	-	-	-	10,064
Other Receivables	2,610	-	-	-	-	2,610
TOTAL ASSETS	\$ 332,825	\$ 120,923	\$ 118,345	\$ 158,009	\$ -	\$ 730,102
<u>LIABILITIES</u>						
Accounts Payable	\$ 13,574	\$ 43,022	\$ -	\$ -	\$ -	\$ 56,596
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	13,574	43,022	-	-	-	56,596
<u>FUND BALANCES</u>						
Restricted	319,251	77,901	118,345	158,009	-	673,506
TOTAL FUND BALANCES	319,251	77,901	118,345	158,009	-	673,506
TOTAL LIABILITIES AND FUND BALANCES	\$ 332,825	\$ 120,923	\$ 118,345	\$ 158,009	\$ -	\$ 730,102

See Independent Auditors' Report

SALISBURY TOWNSHIP, PENNSYLVANIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS (UNAUDITED)
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Fire Protection Fund	Library Fund	Recreation Contribution Fund	Other Contribution Fund	Debt Service Fund	Total Other Governmental Funds
REVENUES						
Taxes	\$ 385,009	\$ 79,886	\$ -	\$ -	\$ -	\$ 464,895
Interest, Rents and Royalties	58	46	55	73	-	232
Total Revenues	385,067	79,932	55	73	-	465,127
EXPENDITURES						
Current:						
Public Safety	240,075	-	-	-	-	240,075
Culture and Recreation	-	86,088	-	-	-	86,088
Total Expenditures	240,075	86,088	-	-	-	326,163
Excess of Revenues over (under) Expenditures	144,992	(6,156)	55	73	-	138,964
OTHER FINANCING SOURCES (USES)						
Bond Proceeds					1,626,150	1,626,150
Proceeds from Sale of Assets	44,975	-	-	-	-	44,975
Operating Transfers In	-	-	-	-	146,294	146,294
Operating Transfers Out	(68,302)	-	-	-	(23,400)	(91,702)
Debt Service - Principal	-	-	-	-	(1,720,030)	(1,720,030)
Debt Service - Interest	-	-	-	-	(29,014)	(29,014)
Total Other Financing Uses, net	(23,327)	-	-	-	-	(23,327)
Net Change in Fund Balances	121,665	(6,156)	55	73	-	115,637
Fund Balances - Beginning of Year,	197,586	84,057	118,290	157,936	-	557,869
Fund Balances - End of Year	\$ 319,251	\$ 77,901	\$ 118,345	\$ 158,009	\$ -	\$ 673,506

See Independent Auditors' Report