GREATER HAZLETON JOINT SEWER AUTHORITY

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

JULY 31, 2023 AND 2022

AND

INDEPENDENT AUDITORS' REPORT

AND

SUPPLEMENTARY INFORMATION

GREATER HAZLETON JOINT SEWER AUTHORITY

WEST HAZLETON, PA 18202

JULY 31, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Greater Hazleton Joint Sewer Authority
West Hazleton, PA 18202

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Greater Hazleton Joint Sewer Authority (the "Authority") as of and for the years ended July 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Authority as of July 31, 2023 and 2022, and the respective changes in its financial position, and, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13 and the Defined Benefit Pension Trust Fund Schedule of Changes in Authority's Net Pension Liability and Related Ratios, the Schedule of Employer Contributions, the Schedule of Investment Returns, and the Other Post Employment Benefits (OPEB) Other Than Pensions Schedule of Changes in Authority's Net OPEB Liability and Related Ratios on pages 68 through 70, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Schedules of Sewer Treatment Revenues, Schedules of Sewer Transmission Revenues, and Schedules of Operating Expenses on pages 71 through 74 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Sewer Treatment Revenues, Schedules of Sewer Transmission Revenues, and Schedules of Operating Expenses 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 Schedules of Sewer Treatment Revenues, Schedules of Sewer Transmission Revenues, and Schedules of Operating Expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Snyder & Clemente

Sugarloaf, Pennsylvania
November 1, 2023

INTRODUCTION

The following discussion and analysis of the Greater Hazleton Joint Sewer Authority's (the "Authority") annual financial report provides an overview and analysis of their financial performance for the fiscal year ended July 31, 2023. This presentation is intended to further the readers' understanding of the financial statements that follow, and it is recommended that it be read in conjunction with the accompanying basic financial statements and notes to those statements in order to obtain a thorough understanding of the Authority's financial condition as of July 31, 2023.

Management's Discussion and Analysis is designed to focus on the current year's activities and resulting changes in the Authority's financial position and also includes currently known facts that may have a significant impact on the Authority's financial position now and in the foreseeable future.

FINANCIAL HIGHLIGHTS

At July 31, 2023 the Authority's total assets decreased by $1,150,150 from July 31, 2022. This net decrease was the result of several changes, including a decrease in other current assets of $21,936, decrease in capital assets (net of accumulated depreciation) of $1,706,349, which were offset by an increase in cash and cash equivalents of $482,920 and an increase to Restricted Assets in the amount of $95,215.

Total liabilities decreased $2,840,545, which was primarily caused by a decrease in current portion of long-term debt and long-term debt, net of current portion of $3,284,330, which was offset by an increase of $162,640 in restricted accounts payable capital assets, an increase of $27,074 in OPEB liability, an increase of $256,896 in Net Pension Liability, and an increase of $16,135 in compensated absences.

Total net position of $55,214,299 was $1,283,001 higher than the prior year, reflecting the net effect of the Authority's profitable operations needed to fund ongoing capital projects. Net investment in capital assets increased by $1,497,082, due to the Authority's acquisition and construction of capital assets and payment of the related debt. Consistent with the Authority's issuance of its Series 2020 Sewer Revenue Bonds, a portion of the Authority's total net position at July 31, 2023, $1,331,061, was restricted for bond covenants. Unrestricted net position decreased by $146,656 the net effect of all of the changes as previously noted.

The Authority's total operating revenues increased $50,562 from the previous year, primarily due to an increase in penalties, hauled waste revenue, school revenue and a decrease in surcharges as the sewer authority reinstated water shutoffs and customer penalties as normal operations resumed following the COVID-19 pandemic.

Total operating expenses of $12,447,912 increased by $1,298,981 from the prior year. The most significant increase was in plant operations expense due to contractual increases in salary/wages and inflationary increases to chemicals and maintenance parts.

Investment income increased by $399,309, as a result of higher rates of return. Interest expense remained relatively consistent with 2022, increasing by only 8,045. The Authority received an LSA grant for $250,000 in 2023. These overall changes resulted in a net non-operating revenues (expenses) of $144,362 for 2023 as compared to ($792,049) for 2022.

Overall, the Authority experienced an increase in net position of $1,283,001 for the fiscal year ended July 31, 2023 as compared to a net increase of $1,595,009 in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's primary mission is to provide wastewater treatment service to the Greater Hazleton Area.

The Authority does not provide other general government types of services or programs. The Authority's operations, capital expenditures and debt payments are funded almost entirely through rates, fees and other charges for these wastewater treatment services. As such, the Authority is considered to be, and therefore presents its financial report as, a stand-alone enterprise fund.

The Authority's financial statements consist of three parts: Management's Discussion and Analysis (MD&A), the basic financial statements and the related notes to the financial statements, and supplementary (both required and other) information. The MD&A serves as an introduction to the basic financial statements and provides analysis and overview of the Authority's financial activities.

As a stand-alone proprietary fund, the Authority's basic financial statements consist of *Statements of Net Position*, *Statements of Revenues, Expenses and Changes in Net Position* and *Statements of Cash Flows*. In addition, the basic financial statements also include *Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position*, both for the Authority's Pension Trust Fund. These statements, together with the *Management's Discussion and Analysis*, provide both short-term and long-term financial information and implications for the Authority's financial position.

Presentation of comparative schedules further enhances the reader's ability to gauge the Authority's fiscal strength and provides useful trend information. To further illuminate the information contained in these statements, *Notes to Financial Statements* and certain supplementary information appear immediately following the basic financial statements.

In addition to this discussion and analysis, other required supplementary information is presented.

The *Statements of Net Position*, similar to a balance sheet, presents the Authority's basic financial position through disclosure of information about the Authority's assets and liabilities. Net position represents the difference between total assets and total liabilities.

The *Statements of Revenues, Expenses and Changes in Net Position*, similar to private sector statements, provides information regarding the Authority's total economic resource inflow and outflow (accrual method of accounting). The difference between these inflows and outflows represent the changes in net position, which links these statements to the *Statements of Net Position*.

The *Statements of Cash Flows* deals specifically with the flow of cash and cash equivalents arising from operating, capital and financing activities, non-capital activities, and investing activities. Because the Authority's *Statements of Revenues, Expenses and Changes in Net Position* are a measurement of the flow of total economic resources, operating income usually differs from net cash flow from operations. To enhance the reader's understanding of this difference, the *Statements of Cash Flows* also includes reconciliations between these two amounts. In accordance with accounting principles generally accepted in the United States of America, a reconciliation of cash and cash equivalents is also presented in these statements.

The *Statements of Fiduciary Net Position – Pension Trust Fund*, also similar to a balance sheet, presents the basic financial position of the Authority's Pension Trust Fund. Net position held in trust for pension benefits represents the difference between total fiduciary assets and total fiduciary liabilities.

The *Statements of Changes in Fiduciary Net Position – Pension Trust Fund*, also similar to private sector statements, provides information regarding the Authority's total economic resource inflow and outflow (accrual method of accounting) for its Pension Trust Fund. The difference between these inflows and outflows represent the changes in fiduciary net position, which links these statements to the *Statements of Fiduciary Net Position*.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes can be found immediately after the financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents important required supplementary information and other non-required supplementary information that provides further detail regarding the financial statements. These statements and schedules can be found immediately following the notes to the financial statements.

Major Features of the Greater Hazleton Joint Sewer Authority's Financial Statements

	Proprietary Funds	Fiduciary Funds
Scope	Activities the Authority operates similar to private businesses	Funds for which the Authority is the trustee or agent for someone else's resources, such as the employees' pension trust fund
Required Financial Statements	Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows	Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

FINANCIAL ANALYSIS

Total Assets, Total Liabilities, and Total Net Position

Significant changes within the Authority's categories of assets and liabilities are as follows:

ASSETS

	2023	Increase (Decrease)	2022
Cash and Cash Equivalents	$ 13,000,191	$ 482,920	$ 12,517,271
Other Current Assets	2,997,173	(21,936)	3,019,109
Restricted Assets	1,508,424	95,215	1,413,209
Capital Assets (Net of Accumulated Depreciation)	75,171,791	(1,706,349)	76,878,140
Net Pension Asset	-	-	-
TOTAL ASSETS	$ 92,677,579	$ (1,150,150)	$ 93,827,729
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts Related to Pensions and OPEB	670,206	(71,382)	741,588

LIABILITIES

	2023	Increase (Decrease)	2022
Current Liabilities (Payable from Current Assets)	$ 3,343,025	$ (18,960)	$ 3,361,985
Current Liabilities (Payable from Restricted Assets)	177,363	162,640	14,723
Noncurrent Liabilities	33,273,727	(2,984,225)	36,257,952
TOTAL LIABILITIES	$ 36,794,115	(2,840,545)	$ 39,634,660
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts Related to Reservation of Capacity Fees	$ 361,240	361,240	$ -
Deferred Amounts Related to Pensions and OPEB	978,131	(25,228)	1,003,359
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 1,339,371	$ 336,012	$ 1,003,359

NET POSITION

	2023	Increase (Decrease)	2022
Net Investment in Capital Assets	$ 42,664,391	$ 1,497,082	$ 41,167,309
Restricted for Bond Covenants	1,331,061	(67,425)	1,398,486
Restricted for Capital Projects	192,156	-	192,156
Unrestricted	11,026,691	(146,656)	11,173,347
TOTAL NET POSITION	$ 55,214,299	1,283,001	$ 53,931,298

At July 31, 2023 the Authority has classified certain assets as restricted with such restrictions commensurate with the related restrictions imposed by the Trust Indentures securing the Authority's Sewer Revenue Bonds. Similar funds established under the terms of the Trust Indenture, for the safety and security of the bondholders, were also classified as restricted, as was the accrued interest receivable on the investments in such funds.

During the fiscal year ended July 31, 2023 the Authority added $2,651,077 in capital assets, including vehicles, collection systems, and equipment, and it continued construction of several capital construction projects adding $776,752. There was a net increase of $264,811 to total capital assets after offsetting depreciation expense of $3,163,018. Additionally, construction in progress had net decrease of $1,239,248 as a result of projects completed that are now in service. In the current year, majority of the acquisitions were funded by general operating funds.

Total liabilities decreased by $2,840,545 mainly due to principal payments made on long-term debt.

Revenues

The Authority is not empowered to levy or collect taxes, nor does the Authority receive funding from the taxing authorities within its service area. The Authority's operations and debt service, as well as certain capital asset acquisitions and construction, are funded almost entirely from fees charged to its customers for wastewater treatment and transmission services. However, it should be noted that some debt is issued for the purpose of capital asset acquisition and construction. As such, the Authority's revenue stream is impacted by fluctuations in demand for its services and other economic factors.

Operating Revenue

Total sewage treatment and transmission revenue increased by $252,991 from 2022 to 2023 primarily due to increases in all customer revenue categories except schools.

A summary of the Authority's sewer treatment revenues is as follows:

SEWER TREATMENT REVENUES	2023	Increase (Decrease)	2022
Residential	$ 6,442,809	26,115	$ 6,416,694
Independent Outside Haulers	2,117,977	163,500	1,954,477
Industrial	1,059,343	19,823	1,039,520
Non-residential	996,033	7,921	988,112
Surcharge	320,493	38,174	282,319
Schools	243,770	(18,913)	262,683
Penalties	177,671	3,272	174,399
TOTAL SEWER TREATMENT REVENUES	$ 11,358,096	$ 239,892	$ 11,118,204

A summary of the Authority's sewer transmission revenues is as follows:

SEWER TRANSMISSION REVENUES	2023	Increase (Decrease)	2022
Residential	$ 1,567,628	7,168	$ 1,560,460
Non-residential	268,550	5,100	263,450
Industrial	182,224	2,730	179,494
Schools	36,077	(2,440)	38,517
Penalties	48,864	541	48,323
TOTAL SEWER TRANSMISSION REVENUES	$ 2,103,343	$ 13,099	$ 2,090,244

Non-Operating Revenues (Expenses)

From 2022 to 2023, interest income increased by $399,309 as a result of higher rates of return. Receipt of Contributed Capital in the form of a Grant for the Area 10 (Phase 1) Separation Project increased the Non-Operating Revenues by $250,000 from the prior year. Cost of Issuance for the Series 2021 Bonds was zero in 2023 compared to a $295,147 expense recorded in 2022. Interest expense remained relatively unchanged from the prior year with an increase of $8,045. These overall changes resulted in net non-operating income of $144,362 for 2023 as compared to net non-operating expenses of $792,049 for 2022.

A summary of the changes in the Authority's non-operating revenues and expenses are as follows:

NONOPERATING REVENUES AND (EXPENSES)	2023	Net Change	2022
Interest Income	$ 425,969	$ 399,309	$ 26,660
Grants	250,000	250,000	-
Costs of Issuance-Series of 2021 Bonds	-	295,147	(295,147)
Interest Expense	(531,607)	(8,045)	(523,562)
TOTAL NONOPERATING REVENUES AND (EXPENSES)	$ 144,362	$ 936,411	$ (792,049)

Expenses

Operating Expenses

Total 2023 operating expenses of $12,447,912 increased by $1,298,981 from the prior year.

During 2023, collection system expenses increased by $254,105 primarily because of the increase in equipment maintenance and repairs, replacements, and maintenance to collection and conveyance lines. Treatment Plant expenses increased by $380,651 primarily because of increases to salaries, electricity, laboratory supplies/expense, and repairs/maintenance.

During 2023 total administrative expenses increased by $546,331 with slight increases or decreases amount the categories. The most notable increases were $266,237 in pension plan expense, $18,608 in group insurance, and $29,949 for property & casualty insurance. It should be noted that the prior year administrative expenses were offset by a bad-debt recovery of $150,000.

A summary of the changes in the Authority's operating expenses is as follows:

OPERATING EXPENSES	2023	Increase (Decrease)	2022
Plant	$ 5,214,083	$ 380,651	$ 4,833,432
Depreciation	3,163,018	49,277	3,113,741
Administrative	2,111,780	546,331	1,565,449
Collection System	1,334,793	254,105	1,080,688
Pumping Stations	624,238	68,617	555,621
TOTAL OPERATING EXPENSES	$ 12,447,912	$ 1,298,981	$ 11,148,931

Increase in Net Position

During 2023 the Authority's total operating revenues exceeded total operating expenses by $1,138,639. After considering the non-operating revenues (expenses), the Authority experienced a net increase in net position of $1,283,001.

Acquisition and Construction of Capital Assets

Major capital assets placed into service during fiscal year ended July 31, 2023 include the following:

	July 31, 2023
Sewer Treatment Plant:	
2020 WWTP Improvements Project	$ 1,498,382
Collection System:	
Haz. Area 10 CSO Phase 1	445,474
Stacie Manor Force Main	27,304
Vehicles:	
2022 Chevrolet Silverado 2500	59,213
2022 Dodge Ram	75,556
2023 Chevrolet Stakebody	59,854
Equipment:	
Centrifuge Rotating Assembly	367,931
Other Equipment	117,363
TOTAL	$ 2,651,077

The $377,184 balance remaining in construction in progress is largely composed of the Locust Street CSO project. A summary of the changes in construction in progress is as follows:

$	1,616,432	Balance 7/31/2022
	731,912	Additions
	(1,971,160)	Placed into Service
$	377,184	Balance 7/31/2023

Debt Administration

At July 31, 2023 the Authority had $29,600,256 in notes and bonds outstanding, versus $32,166,401 in notes and bonds outstanding at July 31, 2022.

More detailed information about the Authority's outstanding debt is presented in the notes to the financial statements.

Economic Factors

Although the Authority is not required to have legally adopted budgets, the Authority prepares a budget for use as a management control device during the fiscal year. The Authority's management and Board of Directors considered many factors when preparing the July 31, 2023 budget and the fees that will be charged for supplying wastewater treatment services to its customers. Among the factors considered were the following:

- Operating revenues from customer accounts are expected to increase due to anticipated residential and industrial/warehousing growth in the service area.

- Anticipated average salary and wage increases of 4.5%, for Maintenance and Clerical CBA employees.

- Increases in the Group Insurance line item anticipated due to a 17.6% premium increase for 2024.

- Expenditures related to the ongoing construction and completion of projects currently classified as Construction in Progress.

- Adjustments to various chemical expense line items that correspond to the history of usage in the treatment process over the previous year and increases to the chemical cost from the prior year due to higher bid prices received from suppliers in late June.

- Electrical expense is expected to remain at an elevated level through 2025 due to a 90% increase in generation charges that was caused by electricity provider, Talen Energy, declaring Chapter 13 Bankruptcy to void the Authority's contract to purchase electricity through December 31, 2025.

- A projected continued increase in repairs and maintenance expenses to account for more equipment online since the incinerator installation and the need to inventory additional spare parts due to ongoing supply chain delays.

- Undertaking ACT-537 and Long-Term Control Planning to reduce inflow/infiltration to the WWTP and Combine Sewer Overflow (CSO) discharges in the collection system through future capital projects, including purchase of flow meters to deploy throughout the conveyance system to complete a CSO Overflow Report as required in the Authority's NPDES Permit

CONTACTING
GREATER HAZLETON JOINT SEWER AUTHORITY'S
FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Greater Hazleton Joint Sewer Authority and to demonstrate the Authority's accountability for the money it receives. Questions regarding this report or requests for additional financial information should be directed to Christopher Carsia, Director of Operations or Gregory Olander, Director of Administration at P.O. Box 651, Hazleton, PA 18201-0651.

GREATER HAZLETON JOINT SEWER AUTHORITY
STATEMENTS OF NET POSITION
JULY 31, 2023 AND 2022

ASSETS

	2023	2022
CURRENT ASSETS		
Cash and Cash Equivalents	$ 13,000,191	$ 12,517,271
Accounts Receivable, Net	1,682,655	1,781,804
Unbilled Revenue	1,168,565	1,099,321
Prepaid Expenses	145,953	137,984
TOTAL CURRENT ASSETS	15,997,364	15,536,380
RESTRICTED ASSETS		
Cash and Cash Equivalents	1,508,424	1,413,209
TOTAL RESTRICTED ASSETS	1,508,424	1,413,209
CAPITAL ASSETS		
Non-Depreciable	630,189	1,824,597
Depreciable, Net of Accumulated Depreciation	74,541,602	75,053,543
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	75,171,791	76,878,140
TOTAL ASSETS	92,677,579	93,827,729
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts Related to Pensions	589,959	741,588
Deferred Amounts Related to OPEB	80,247	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	670,206	741,588
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 93,347,785	$ 94,569,317

See Notes to Financial Statements.

GREATER HAZLETON JOINT SEWER AUTHORITY
STATEMENTS OF NET POSITION
JULY 31, 2023 AND 2022

LIABILITIES

	2023	2022
CURRENT LIABILITIES		
Payable from Current Assets:		
Current Portion of Long-Term Debt	$ 2,647,046	$ 2,566,145
Accounts Payable - Operating	235,855	380,670
Accrued Payroll and Compensated Absences	249,940	231,934
Accrued and Withheld Payroll Taxes	2,689	-
Accrued Interest Expense	207,495	183,236
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	3,343,025	3,361,985
Payable from Restricted Assets:		
Accounts Payable - Capital Assets	177,363	14,723
TOTAL CURRENT LIABILITIES	3,520,388	3,376,708
NONCURRENT LIABILITIES		
Long-Term Debt, Net of Current Portion	29,860,354	33,144,684
OPEB Liability	2,503,158	2,476,084
Net Pension Liability	836,906	580,010
Compensated Absences	73,309	57,174
TOTAL NONCURRENT LIABILITIES	33,273,727	36,257,952
TOTAL LIABILITIES	36,794,115	39,634,660
DEFERRED INFLOWS OF RESOURCES		
Deferred Amounts Related to Reservation of Capacity Fees	361,240	-
Deferred Amounts Related to Pensions	-	126,195
Deferred Amounts Related to OPEB	978,131	877,164
TOTAL DEFERRED INFLOWS OF RESOURCES	1,339,371	1,003,359
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	38,133,486	40,638,019

NET POSITION

	2023	2022
Net Investment in Capital Assets	42,664,391	41,167,309
Restricted for Bond Covenants	1,331,061	1,398,486
Restricted for Capital Assets	192,156	192,156
Unrestricted	11,026,691	11,173,347
TOTAL NET POSITION	$ 55,214,299	$ 53,931,298

See Notes to Financial Statements.

GREATER HAZLETON JOINT SEWER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JULY 31, 2023 AND 2022

	2023	2022
OPERATING REVENUES		
Sewage Treatment Revenues	$ 11,358,096	$ 11,118,204
Sewage Transmission Revenues	2,103,343	2,090,244
Reservation of Capacity Fee Revenues	72,200	-
Other Operating Revenues	31,470	38,141
Tapping Fee Revenues	21,442	289,400
TOTAL OPERATING REVENUES	13,586,551	13,535,989
OPERATING EXPENSES		
Plant	5,214,083	4,833,432
Depreciation	3,163,018	3,113,741
Administrative	2,111,780	1,565,449
Collection System	1,334,793	1,080,688
Pumping Station	624,238	555,621
TOTAL OPERATING EXPENSES	12,447,912	11,148,931
OPERATING INCOME	1,138,639	2,387,058
NONOPERATING REVENUES (EXPENSES)		
Investment Income	425,969	26,660
Grants	250,000	-
Costs of Bond Issuance - Series of 2021	-	(295,147)
Interest Expense	(531,607)	(523,562)
TOTAL NONOPERATING REVENUES (EXPENSES)	144,362	(792,049)
CHANGE IN NET POSITION	1,283,001	1,595,009
NET POSITION - BEGINNING	53,931,298	52,336,289
NET POSITION - ENDING	$ 55,214,299	$ 53,931,298

See Notes to Financial Statements.

GREATER HAZLETON JOINT SEWER AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JULY 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$ 13,977,696	$ 14,123,311
Cash Payments to Suppliers for Goods and Services	(6,476,204)	(5,471,562)
Cash Payments to Employees for Services	(2,594,520)	(2,461,841)
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,906,972	6,189,908
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Grants	250,000	-
Proceeds from Bond Issuance	-	19,708,833
Payments Made to Refund Debt	-	(19,362,203)
Payments Made for Costs of Bond Issuance	-	(295,147)
Principal Payments on Debt	(2,566,145)	(2,013,737)
Interest Paid	(1,144,632)	(1,059,583)
Acquisition and Construction of Capital Assets	(1,294,029)	(1,561,545)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(4,754,806)	(4,583,382)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	425,969	26,660
NET CASH PROVIDED BY INVESTING ACTIVITIES	425,969	26,660
NET INCREASE IN CASH AND CASH EQUIVALENTS	578,135	1,633,186
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,930,480	12,297,294
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 14,508,615	$ 13,930,480
CASH AND CASH EQUIVALENTS ARE REPORTED IN THE STATEMENT OF NET POSITION AS FOLLOWS:		
Current Assets:		
Cash and Cash Equivalents	13,000,191	12,517,271
Restricted Assets:		
Cash and Cash Equivalents	1,508,424	1,413,209
TOTAL CASH AND CASH EQUIVALENTS	$ 14,508,615	$ 13,930,480

See Notes to Financial Statements.

GREATER HAZLETON JOINT SEWER AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JULY 31, 2023 AND 2022

	2023	2022
Operating Income	$ 1,138,639	$ 2,387,058
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	3,163,018	3,113,741
Bad Debt Recovery	-	(150,000)
Changes in Assets, Liabilities, and Deferred Amounts:		
(Increase) Decrease In:		
Accounts Receivable	99,149	606,027
Unbilled Revenue	(69,244)	(18,705)
Prepaid Expenses	(7,969)	(36,899)
Net Pension Asset	-	68,824
Deferred Outflows of Resources Related to Pensions	151,629	(280,879)
Deferred Outflows of Resources Related to OPEB	(80,247)	105,919
Increase (Decrease) In:		
Accounts Payable - Operating	(144,815)	163,008
Accrued Payroll and Compensated Absences	34,141	21,194
Accrued and Withheld Payroll Taxes	2,689	(490)
OPEB Liability	27,074	(623,834)
Net Pension Liability	256,896	580,010
Deferred Inflows of Resources Related to Reservation of Capacity	361,240	-
Deferred Inflows of Resources Related to Pensions	(126,195)	(316,544)
Deferred Inflows of Resources Related to OPEB	100,967	571,478
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 4,906,972	$ 6,189,908

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	2023	2022
Reconciliation of Cash Paid for Interest:		
Interest Expense	$ (531,607)	$ (523,562)
Amortization of Bond Original Issue Premiums (OIPs)	(637,284)	(590,290)
Accrued Interest Expense		
Current Year	207,495	183,236
Prior Year	(183,236)	(128,967)
CASH PAID FOR INTEREST	$ (1,144,632)	$ (1,059,583)
Reconciliation of Cash Paid for Acquisition and Construction of Capital Assets:		
Acquisition and Construction of Capital Assets		
Cost of Property and Equipment	$ (1,456,669)	$ (848,690)
Accounts Payable - Used to Finance Acquisition and Construction of Capital Assets:		
Current Year	177,363	14,723
Prior Year	(14,723)	(727,578)
CASH PAID FOR ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	$ (1,294,029)	$ (1,561,545)

See Notes to Financial Statements.

ASSETS

	December 31 2022	December 31 2021
Cash and Cash Equivalents	$ 168,650	$ 170,530
Investments		
Common Stocks	1,135,545	1,728,443
Mutual Funds	1,009,323	1,120,004
Exchange Traded Funds and Closed-End Funds	891,375	688,102
Corporate Bonds	18,649	34,729
U.S. Government Securities	39,349	48,354
Total Investments	3,094,241	3,619,632
Interest Receivable	357	583
TOTAL ASSETS	$ 3,263,248	$ 3,790,745

LIABILITIES

CURRENT LIABILITY		
Accrued Actuary Fees	13,650	-

NET POSITION

NET POSITION - RESTRICTED FOR PENSION BENEFITS	$ 3,249,598	$ 3,790,745

Note: The Plan’s financial statements are for the years ended December 31, 2022 and 2021.

See Notes to Financial Statements.

GREATER HAZLETON JOINT SEWER AUTHORITY
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION – PENSION TRUST FUND
FOR THE YEARS ENDED JULY 31, 2023 AND 2022

	December 31 2022	December 31 2021
OPERATING REVENUES		
Pension Contributions - Employer	$ 223,000	$ 375,000
Investment Income (Loss)		
Changes in Fair Value of Investments:		
Realized Gains	9,959	169,086
Unrealized Gains (Losses)	(675,048)	68,516
Interest	1,560	2,866
Dividends	83,950	65,741
TOTAL INVESTMENT INCOME (LOSS)	(579,579)	306,209
TOTAL ADDITIONS (SUBTRACTIONS)	(356,579)	681,209
OPERATING EXPENSES		
Retiree Benefits Paid	132,987	148,727
Administrative Expenses:		
Investment Fees	36,247	38,974
Actuary Fees	13,650	15,950
Accounting Fees	1,684	2,087
TOTAL OPERATING EXPENSES	184,568	205,738
CHANGE IN NET POSITION FOR THE YEAR	(541,147)	475,471
NET POSITION RESTRICTED FOR PENSION BENEFITS:		
BEGINNING OF YEAR	3,790,745	3,315,274
END OF YEAR	$ 3,249,598	$ 3,790,745

Note: The Plan’s financial statements are for the years ended December 31, 2022 and 2021.

See Notes to Financial Statements.

1. NATURE OF OPERATIONS, ORGANIZATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity and Nature of Operations

The Greater Hazleton Joint Sewer Authority (the "Authority") is a municipal authority incorporated under the Pennsylvania Municipality Authorities Act of 1945, approved May 2, 1945 P.L. 382, as amended and supplemented. The Authority is a separate governmental unit granted independent authority by the Commonwealth of Pennsylvania to allow the Authority's Board of Directors to set rates, fees and charges without oversight, supervision, or direction from any other state or local entity or agency.

The Authority collects and treats residential, commercial, and industrial sewage originating in the municipalities of Hazleton City, Hazle Township, West Hazleton Borough, and a small portion of Sugarloaf Township, and the Authority also accepts hauled waste from outside independent contractors. The Authority operates under the direction of a nine-member Board of Directors representing Hazleton City (six members), Hazle Township (one member), and West Hazleton Borough (two members).

The Governmental Accounting Standards Board (GASB) established the criteria for determining the activities, organizations, and functions of government to be included in the financial statements of the reporting entity. The Authority reports related organizations under the guidance of Statement No. 14 of the Governmental Accounting Standards Board. Statement No. 14 defines the primary government, and establishes the criteria for which potential component units are included in the reporting entity. The criteria used in determining whether such organizations should be included in the Authority's financial reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the Authority reviews the applicability of the following criteria.

The Authority is financially accountable for:

1. Organizations that make up the legal Authority entity.

2. Legally separate organizations of Authority officials appoint a voting majority of the organization's governing body and the Authority is able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

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

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

c. Organizations that are Fiscally Dependent on the Authority – Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes, or set rates or charges, or issue bonded debt without approval by the Authority.

   The Authority is not a component unit for financial statements purposes. The Authority has determined that it has no potential component unit which should be evaluated.

B. Basis of Presentation

The accounting policies of the Greater Hazleton Joint Sewer Authority conform to generally accepted accounting principles for local government units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles.

The Authority does not provide other general government types of services or programs. The Authority's operations, capital expenditures and debt payments are funded almost entirely through rates, fees and other charges for these services. As such, the Authority is considered to be, and therefore presents its financial report as, a stand-alone enterprise fund. Accordingly, there are no government-wide financial statements that are typically presented when an entity is to provide other general governmental types of services or programs.

The Authority's financial statements consist of three parts: Management's Discussion and Analysis (MD&A), the basic financial statements and the related notes to the financial statements, and supplementary information. The MD&A serves as an introduction to the basic financial statements and provides analysis and overview of the Authority's financial activities.

As a stand-alone enterprise fund, the Authority's basic financial statements consist of *Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows.* These statements, together with the *Management's Discussion and Analysis,* provides both short-term and long-term financial information and implications for the Authority's financial position.

C. Fund Accounting

The Authority is operated as a proprietary fund. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as another financing sources. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than an expense.

Trust and Agency Fund – Pension – the plan's financial statements are prepared using the accrual basis of accounting. 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.

D. Measurement Focus

The proprietary fund type is accounted for on a cost of service measurement focus. All assets and liabilities (current and non-current) associated with the activity of the fund are included on its balance sheet. The proprietary fund operating statements present increases and decreases in total net position.

E. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

The Authority utilizes the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recognized in the accounting period in which the liability is incurred.

F. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessments of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

G. Capital Assets

Capital assets are stated at cost. Significant additions, renewals, or betterments which extend the useful life of the assets are capitalized. Expenditures for normal maintenance and repairs are charged to operating expenses. Capital assets are defined by the Authority as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Sewer Treatment Plant, Pumps, and Transmission Mains	20 to 50 Years
Storage Buildings	20 Years
Vehicles	5 Years
Equipment	8 to 20 Years
Office Equipment	3 to 5 Years

The Authority reviews the carrying value of capital assets for impairment whenever events or changes in circumstances indicate that the carrying value of such capital assets may be impaired. There have been no impairments during fiscal years ended July 31, 2023 or 2022.

H. Budget and Budgetary Accounting
Since the Authority operates under the Pennsylvania Municipality Authorities Act; it is not required to legally adopt budgets. However, the Authority employs an operating budget for use as a management control device and to comply with the requirements of the trust indentures securing its Sewer Revenue Bonds.

I. Interest Capitalized
The Authority follows the policy of capitalizing interest as a component of the cost of property and equipment constructed for its own use. For the years ended July 31, 2023 and 2022, the Authority did not capitalize any interest costs.

J. Cash Equivalents
The Authority considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

K. Use of Estimates
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates affecting the financial statements were:

Management's estimate of the useful lives of the capital assets is based on historical useful lives of similar assets as well as an analysis of individual assets.

Management's estimate of the allowance for doubtful accounts is based on historical collection rates, the aging of the accounts, and an analysis of individual accounts.

Management's estimate of the net pension liability and related expenses is based upon estimates and assumptions about the probability of events far into the future, including future employment, employee mortality, and investment income and the related discount rate.

Management's estimate of the other postemployment benefit liability is based upon estimates and assumptions about the probability of events far into the future, including future employment, employee mortality, and investment income and the related discount rate.

L. Net Position
Net investment in capital assets consists of capital assets, net of accumulated depreciation and 1) reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets and 2) increased by the unspent portion of the proceeds of the related bonds, mortgages, notes or other borrowings.

Restricted for capital assets consists of net position restricted for the acquisition and construction of capital assets other than those classified as “restricted for bond covenants”.

Restricted for bond covenants consist of net position restricted by the terms of the Authority’s bonded debt.

Unrestricted net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets”.

M. Net Position Flow Assumption

Occasionally, the Authority will fund outlays for a particular purpose from both restricted (e.g. Net Investment in Capital Assets) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority’s policy to considered restricted – net position to be depleted before unrestricted – net position.

N. Operating Revenues and Expenses and Revenue Recognition

Proprietary fund operating revenues result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating revenues and expenses generally result from providing services in connection with the Authority’s principal ongoing operations which is the collection and treatment of residential, commercial, and industrial sewage. The Authority also recognizes as operating revenue other miscellaneous cash receipts not arising from investing or financing activities. Operating expenses for the Authority include the cost of collecting, pumping, and treating sewage, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are classified as nonoperating revenues and expenses. Nonoperating revenues result from nonexchange transactions or ancillary activities.

Generally, the Authority recognizes revenue as wastewater treatment and transmission services are provided to its customers, which happens as the services are delivered and the performance obligation is satisfied (“point of sale”). The Authority typically does not have long-term contracts with customers. Accordingly, the Authority’s revenues are recognized ratably according to the period in which the services are provided.

O. Unbilled Revenue

The Authority provides continuous service to its customers and renders billings on cycle dates on a quarterly basis. As a result, revenues earned for service provided, but not billed, are accrued on a pro-rata basis at the end of the fiscal year.

P. Long-Term Obligations

Long-term Obligations are carried at cost, net of any applicable premiums and discounts. Original issue bond premiums and discounts are amortized over the life of the bonds utilizing the effective interest method of amortization. The balance of unamortized premiums and discounts is presented as a net increase or decrease to bonds payable. Costs associated with issuance are expensed during the period the obligations are issued.

Q. Advertising
The Authority expenses all advertising costs as they are incurred. Total advertising costs for the years ended July 31, 2023 and 2022 were $4,612 and $3,727, respectively.

R. COVID-19 Economic Impact
The COVID-19 pandemic has developed rapidly with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. The Authority has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for employees and securing supply of materials that are essential to the production process. At this stage, the impact on the Authority has not been significant and results of operations have been positive.

S. Subsequent Events
In preparing these financial statements, management of Greater Hazleton Joint Sewer Authority has evaluated events and transactions subsequent to July 31, 2023 through November 1, 2023, the date these financial statements were available to be issued. Management has identified the following subsequent event.

In August, the Authority was awarded two loans from PennVest to finance its Locust Street CSO project. The first loan was awarded in the amount of $6,116,000 at 1% interest over 20 years, and the second, $611,000 at 1% for a term of 20 years.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and Cash Equivalents
A summary of cash and cash equivalents is as follows:

	July 31, 2023 Proprietary Fund	December 31, 2022 Pension Trust	July 31, 2022 Proprietary Fund	December 31, 2021 Pension Trust
Operating Checking Accounts	$ 4,198,566	$ -	$ 4,009,114	$ -
Pennsylvania Treasury's INVEST Program for Local Governments	8,783,725	-	3,976,412	-
Money Market Accounts	1,526,124	168,650	5,944,754	170,530
Petty Cash and Cash on Hand	200	-	200	-
TOTAL CASH AND CASH EQUIVALENTS	$ 14,508,615	$ 168,650	$ 13,930,480	$ 170,530

These amounts have been reported in the financial statements as follows:

	July 31, 2023 Proprietary Fund	December 31, 2022 Pension Trust	July 31, 2022 Proprietary Fund	December 31, 2021 Pension Trust
Current Assets:				
Cash and Cash Equivalents	$ 13,000,191	$ 168,650	$ 12,517,271	$ 170,530
Restricted Assets:				
Cash and Cash Equivalents	1,508,424	-	1,413,209	-
TOTAL	$ 14,508,615	$ 168,650	$ 13,930,480	$ 170,530

Custodial Credit Risk – Bank Deposits – July 31, 2023

Custodial credit risk is the risk that in the event of a bank failure, the Authority's bank deposits may not be returned to it. The Authority does not have a formal deposit policy for custodial credit risk. As of July 31, 2023, $14,008,415 of the Authority's proprietary fund cash balance of $14,508,615 was exposed to custodial credit risk as follows:

Uninsured and collateral held by the pledging bank's trust department not in the Authority's name in accordance with Pennsylvania Act 72 of 1971	$ 5,442,785
Uninsured and uncollateralized	$ 8,565,630

Custodial Credit Risk – Bank Deposits – July 31, 2022

Custodial credit risk is the risk that in the event of a bank failure, the Authority's bank deposits may not be returned to it. The Authority does not have a formal deposit policy for custodial credit risk. As of July 31, 2022, $13,430,280 of the Authority's proprietary fund cash balance of $13,930,480 was exposed to custodial credit risk as follows:

Uninsured and collateral held by the pledging bank's trust department not in the Authority's name in accordance with Pennsylvania Act 72 of 1971	$ 9,453,868
Uninsured and uncollateralized	$ 3,976,412

Restricted Assets – Trustee Accounts – Sewer Revenue Bonds

Certain proceeds of the Authority's Sewer Revenue Bonds, and certain resources set aside for their repayment, are classified as Restricted Assets on the Statement of Net Position because they are maintained in separate bank accounts by a trustee, and their use is limited by applicable bond covenants. The "Clearing Fund" account is used to report resources set aside to pay or reimburse the Authority for certain administrative and operating expenses. The "Construction Fund" account is used to report resources set aside to pay costs of acquisition or construction relating to capital projects financed by the bonds. The "Debt Service Fund" account is used to report resources set aside to pay scheduled interest and principal due on the bonds. The "Debt Service Reserve Fund" account is used to report resources set aside to make up potential future deficiencies in the "Debt Service Fund" account. The "Bond Redemption and

Improvement Fund" account is used to report resources set aside to meet unexpected contingencies or to pay extraordinary repairs and completion of project costs.

Pennsylvania Treasury's INVEST Program for Local Governments:
The Authority has an account with the Pennsylvania Treasury's INVEST Program for Local Governments ("INVEST"), an external investment pool. Although not registered with the Securities and Exchange Commission, the program permits the Pennsylvania State Treasurer to service as an investment manager and invest the funds of the Authority with the objective of safety of principal, liquidity, and high yield consistent with sound investment strategy. The Authority is permitted to purchase and redeem shares at $1.00 per share; they in turn are pooled with other local government shares to acquire and sell certain investment securities. Dividends are paid monthly.

Since INVEST is not a bank, the related deposits are not insured by FDIC and are not collateralized on an individual or pooled basis under PA Act 72 of 1971.

The Fund is subject to an annual audit. A copy of the audit and more information concerning the program can be obtained from:

Treasury Department
Commonwealth of Pennsylvania
Invest Program
Room 123 - Finance Building
Harrisburg, PA 17120
(866) 300-4603

Investments
To the extent available, investments are recorded at fair value based on quoted market prices in active markets at the date of valuation. Additional information regarding the fair value measurement of investments is disclosed in Note 4. Because of the inherent uncertainty in the use of estimates, values that are based on estimates may differ from the values that would have been used had a ready market existed for the investments. The net increase (decrease) in the fair value of investments is recognized as a component of investment income.

	December 31, 2022		December 31, 2021	
Pension Trust Fund:	Cost	Fair Value	Cost	Fair Value
Common Stocks	$ 924,729	$ 1,135,545	$ 1,114,844	$ 1,728,443
Mutual Funds	1,087,222	1,009,323	1,039,509	1,120,004
Exchange Traded Funds and Closed-End Funds	999,369	891,375	686,397	688,102
Corporate Bonds	18,584	18,649	33,534	34,729
U.S. Government Securities	40,152	39,349	45,990	48,354
TOTAL PENSION TRUST FUND	$ 3,070,056	$ 3,094,241	$ 2,920,274	$ 3,619,632

Net appreciation in the fair value of investments includes both realized and unrealized gains and losses on investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year includes the net appreciation (depreciation) of these investments reported in the prior year.

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes. In addition to the investments authorized for governmental funds, Fiduciary Fund investments may also be made in corporate stocks and bonds, real estate and other investments consistent with sound business practices.

The deposits and investments of the Pension Trust Fund are administered by trustees and are held separately from those of other Authority funds. The investments are captioned as "Investments" in the Statement of Fiduciary Net Position – Pension Trust Fund.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or deposit. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of July 31, 2023 the Authority's investment balances exposed to interest rate risk was as follows:

		Investment Maturities (in Years)			
Investment Type	Market Value	Less Than 1	1 - 5	6 - 10	More Than 10
Pension Trust Fund:					
U.S. Government Securities	39,349	7,865	31,484	-	-
Corporate Bonds	18,649	9,897	8,752	-	-
Total	57,998	17,762	40,236	-	-

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt investment is measured by Nationally Recognized Statistical Rating Agencies (NRSRA) such as Moody's Investors Services (Moody's). The Authority does not have a formal investment policy that addresses credit risk.

A summary of the credit risk of the fixed income investments (other than US Government and US government guaranteed) are as follows:

Pension Trust Fund - December 31, 2022

Rating	Amount
Moody's AAA	$ 3,926
Moody's A1	4,919
Moody's A2	4,978
Moody's A3	4,826
Investments Exempt from Rating	3,075,592
Total Pension Trust Fund Investments	$ 3,094,241

Custodial Credit Risk of Investments

Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, that Authority will not be able to recover that value of investment or collateral securities that are in the possession of an outside party. The Authority does not have a formal investment policy that addresses custodial credit risk. The Authority's investment broker maintains private insurance coverage over and above SPIC coverage, with a cap of $1 billion for all claims with no per-client limit for securities.

Investments in external investment pools or in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Securities underlying reverse repurchase agreements are not exposed to custodial credit risk because they are held by the buyer-lender. The term securities as used in this paragraph includes securities underlying repurchase agreements and investment securities.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of an investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The Authority does not have a formal investment policy that addresses concentration of credit risk.

The following table summarizes the percentage of each investment type held by the Authority:

Pension Trust Fund - December 31, 2022	Amount	% of Total
U.S. Government Securities:		
U.S. Treasury Notes	$ 39,349	1.27%
Total U.S. Government Securities	39,349	1.27%
Exchange Traded Funds and Closed-End Funds	891,375	28.81%
Mutual Funds	1,009,323	32.62%
Stocks	1,135,545	36.70%
Corporate Bonds	18,649	0.60%
TOTAL PENSION FUND INVESTMENTS	$ 3,094,241	100.00%

Investments in any one issuer (other than U.S. Government Securities) that represent 5% or more of total Pension Fund investments are as follows:

Pension Trust Fund			
Oakmark International Fund	Mutual Fund	$ 254,778	8.23%
Tweedy Browne International Value Fund	Mutual Fund	176,301	5.70%

Obligations of or guaranteed by the U.S. Government do not require disclosure of concentration of credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Authority does not have a formal investment policy that addresses foreign currency risk, however, the Authority held no investments that were exposed to foreign currency risk as of July 31, 2023.

3. FAIR VALUE MEASUREMENTS

To the extent available, the Authority's investments are recorded at fair value at July 31, 2023. GASB Statement No. 72, Fair Value Measurement and Application, defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest, and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1-Investments whose values are based on quoted prices (unadjusted for identical assets in active markets that a government can access at the measurement date.

Level 2-Investments with inputs-other than quoted prices included in Level 1-that are observable for an asset, either directly or indirectly.

Level 3-Investments classified as Level 3 have unobservable inputs for an asset and may require a degree of professional judgment.

The following table summarizes the Authority's investments within the fair value hierarchy as of July 31, 2023:

Pension Trust Fund - December 31, 2022

	Value	Level 1
Investment by Fair Value Level		
Debt Securities:		
U.S. Government Securities:		
U.S. Treasury Notes	$ 39,349	$ 39,349
Corporate Bonds	18,649	18,649
Total Debt Securities	57,998	57,998
Other Securities:		
Exchange Traded Funds and Closed End Funds	891,375	891,375
Mutual Funds	1,009,323	1,009,323
Common Stocks	1,135,545	1,135,545
Total Investments by Fair Value Level	$ 3,094,241	$ 3,094,241

The following table summarizes the Authority's investments within the fair value hierarchy as of July 31, 2022:

Pension Trust Fund - December 31, 2021

	Value	Level 1
Investment by Fair Value Level		
Debt Securities:		
U.S. Government Securities:		
U.S. Treasury Notes	$ 48,354	$ 48,354
Corporate Bonds	34,729	34,729
Total Debt Securities	83,083	83,083
Other Securities:		
Exchange Traded Funds and Closed End Funds	688,102	688,102
Mutual Funds	1,120,004	1,120,004
Common Stocks	1,728,443	1,728,443
Total Investments by Fair Value Level	$ 3,619,632	$ 3,619,632

4. RESTRICTED ASSETS – TRUSTEE ACCOUNTS – SEWER REVENUE BONDS

A summary of restricted assets at July 31, 2023 and 2022 is as follows:

	2023	2022
Series of 2018:		
Debt Service Reserve Fund Account	$ 865	$ 726
Series of 2020:		
Clearing Fund	60,465	41,047
Debt Service Reserve Fund Account	1,404,245	1,355,998
Total Series of 2020	1,464,710	1,397,045
Series of 2021:		
Clearing Fund	27,649	768
Debt Service Fund Account	15,200	14,670
Total Series of 2021	42,849	15,438
Total Series of 2018, 2020, and 2021	$ 1,508,424	$ 1,413,209

	2023	2022
Restricted Assets:		
Cash and Cash Equivalents	$ 1,508,424	$ 1,413,209
Total Restricted Assets	$ 1,508,424	$ 1,413,209

5. ACCOUNTS RECEIVABLE, NET

A summary of the Authority's accounts receivable balances at July 31, 2023 and 2022 is as follows:

	2023	2022
Accounts Receivable	$ 1,982,655	$ 2,081,804
Less: Allowance for Uncollectable Accounts	(300,000)	(300,000)
ACCOUNTS RECEIVABLE, NET	$ 1,682,655	$ 1,781,804

The Authority has a variety of methods available to collect its outstanding receivables, including water shut-offs, municipal liens, and sheriff sales. At July 31, 2023 the Authority has approximately one hundred sixty-five (165) liens outstanding. During fiscal year 2023, the Authority was paid for and satisfied approximately thirty (30) liens.

6. PREPAID EXPENSES

A summary of prepaid expenses at July 31, 2023 and 2022 is as follows:

	2023	2022
Prepaid Insurance	$ 141,153	$ 133,184
Prepaid Legal Expense	4,800	4,800
TOTAL PREPAID EXPENSES	$ 145,953	$ 137,984

7. CAPITAL ASSETS

Capital asset activity consists of the following for the year ended July 31, 2023:

CAPITAL ASSETS NOT BEING DEPRECIATED:	August 1, 2022 Beginning Balance	Increases	Decreases	July 31, 2023 Ending Balance
Land	$ 208,165	$ -	$ -	$ 208,165
Construction in Progress	1,616,432	731,912	1,971,160	377,184
Deposits on Equipment	-	44,840	-	44,840
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	1,824,597	776,752	1,971,160	630,189
CAPITAL ASSETS BEING DEPRECIATED:				
Sewer Treatment Plant, Pumps and Transmission Mains	103,854,614	1,498,382	-	105,352,996
Storage Buildings	98,232	-	-	98,232
Vehicles	1,126,578	194,623	-	1,321,201
Collection Systems	1,432,294	472,778	-	1,905,072
Equipment	1,690,395	485,294	-	2,175,689
Office Equipment	205,284	-	-	205,284
TOTAL CAPITAL ASSETS BEING DEPRECIATED	108,407,397	2,651,077	-	111,058,474
LESS ACCUMULATED DEPRECIATION FOR:				
Sewer Treatment Plant, Pumps, and Transmission Mains	30,938,023	2,812,423	-	33,750,446
Storage Buildings	98,232	-	-	98,232
Vehicles	707,725	168,803	-	876,528
Collection Systems	229,498	37,783	-	267,281
Equipment	1,189,938	138,733	-	1,328,671
Office Equipment	190,438	5,276	-	195,714
TOTAL ACCUMULATED DEPRECIATION	33,353,854	3,163,018	-	36,516,872
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	75,053,543	(511,941)	-	74,541,602
TOTAL CAPITAL ASSETS, NET	$ 76,878,140	$ 264,811	$ 1,971,160	$ 75,171,791

Capital asset activity consists of the following for the year ended July 31, 2022:

CAPITAL ASSETS NOT BEING DEPRECIATED:	August 1, 2021 Beginning Balance	Increases	Decreases	July 31, 2022 Ending Balance
Land	$ 208,165	$ -	$ -	$ 208,165
Construction in Progress	1,720,521	317,840	421,929	1,616,432
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	1,928,686	317,840	421,929	1,824,597
CAPITAL ASSETS BEING DEPRECIATED:				
Sewer Treatment Plant, Pumps and Transmission Mains	103,608,091	246,523	-	103,854,614
Storage Buildings	98,232	-	-	98,232
Vehicles	988,630	229,126	91,178	1,126,578
Collection Systems	1,256,887	175,407	-	1,432,294
Equipment	1,388,672	301,723	-	1,690,395
Office Equipment	205,284	-	-	205,284
TOTAL CAPITAL ASSETS BEING DEPRECIATED	107,545,796	952,779	91,178	108,407,397
LESS ACCUMULATED DEPRECIATION FOR:				
Sewer Treatment Plant, Pumps, and Transmission Mains	28,122,880	2,815,143	-	30,938,023
Storage Buildings	98,232	-	-	98,232
Vehicles	667,705	131,198	91,178	707,725
Collection Systems	204,069	25,429	-	229,498
Equipment	1,053,750	136,188	-	1,189,938
Office Equipment	184,655	5,783	-	190,438
TOTAL ACCUMULATED DEPRECIATION	30,331,291	3,113,741	91,178	33,353,854
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	77,214,505	(2,160,962)	-	75,053,543
TOTAL CAPITAL ASSETS, NET	$ 79,143,191	$ (1,843,122)	$ 421,929	$ 76,878,140

8. ACCRUED PAYROLL AND COMPENSATED ABSENCES

A summary of accrued payroll and compensated absences at July 31, 2023 and 2022 is as follows:

	2023	2022
Accrued Payroll	$ 51,547	$ 43,142
Accrued Compensated Absences	271,702	245,966
TOTAL ACCRUED PAYROLL AND COMPENSATED ABSENCES	$ 323,249	$ 289,108

These amounts have been reported in the Statements of Net Position as follows:

	2023	2022
Current Liabilities - Accrued Payroll and Compensated Absences	$ 249,940	$ 231,934
Long-Term Portion Noncurrent Liabilities - Compensated Absences	73,309	57,174
TOTAL ACCRUED PAYROLL AND COMPENSATED ABSENCES	$ 323,249	$ 289,108

Employees of the Authority are entitled to paid vacation, personal, and sick days depending on length of service, job classification and other factors. Vacation and personal days not used at the end of the calendar year can be carried forward.

A summary of the Authority's changes in its compensated absences for the years ended July 31, 2023 and 2022 is as follows:

	August 1, 2022 Beginning Balance	Net Additions	July 31, 2023 Ending Balance	Amounts Due Within One Year
Compensated Absences	$ 245,966	$ 25,736	$ 271,702	$ 198,393

	August 1, 2021 Beginning Balance	Net Additions	July 31, 2022 Ending Balance	Amounts Due Within One Year
Compensated Absences	$ 237,104	$ 8,862	$ 245,966	$ 188,792

9. LONG TERM DEBT

A. Sewer Revenue Bond, Series of 2018

On March 1, 2018 the Authority issued its Sewer Revenue Bond, Series of 2018 (the "Bond"), in the principal amount of $2,895,000. The net proceeds of the Bond were for permanent financing, in part, for certain capital additions more commonly known as the "Incinerator Project".

The sources and uses of the funds relative to the issuance of the Bond, exclusive of accrued interest, were as follows:

Source of Funds:	
Par Amount of Series 2018 Bond	$ 2,895,000
TOTAL SOURCES OF FUNDS	$ 2,895,000
Uses of Funds:	
Deposit to Construction Fund	$ 2,832,804
Costs of Issuance	62,196
TOTAL USES OF FUNDS	$ 2,895,000

The Bond was dated March 1, 2018 and accrues interest from that date thereof until maturity or, if redeemable and called for redemption, until the redemption date. The Bond bears interest at a fixed rate of 3.73%.

Redemption Provisions
The Bond is subject to optional redemption as follows:

Optional Redemption:

The Bond is subject to a one-time redemption prior to maturity, at the option of the Authority, upon payment of that specific principal amount so determined for redemption by the Authority not to exceed $1,447,500, such principal amount to be redeemed together with accrued interest thereon to the regular payment date determined by the Authority for redemption and without any premium or penalty. After such one-time partial prepayment, the remaining principal balance shall be re-amortized, in order to achieve equal monthly installments, through maturity. Other than the one-time partial redemption, the remaining principal balance shall not be subject to redemption prior to March 1, 2023. On March 1, 2023 or on any scheduled payment date thereafter, the Bond may be redeemed, in whole, but not in part, upon payment of the outstanding principal amount of this bond together with accrued interest thereon to the regular payment date determined by the Authority for redemption and without any premium or penalty.

The following table sets forth, for each respective year ending July 31, the amounts required to be made available in such year for the repayment of principal and interest.

Fiscal Year Ending July 31,	Principal Amount	Total Interest
2024	$ 129,413	$ 90,934
2025	134,324	86,024
2026	139,421	80,927
2027	144,711	75,637
2028	150,202	70,146
2029 - 2033	840,948	260,789
2034 - 2038	957,812	88,838
TOTAL	$ 2,496,831	$ 753,295

B. PennVest Loan #27906

On May 1, 2018 the Authority issued a promissory note with PennVest in the total principal amount of $2,425,000, the proceeds of which were used to partially fund the Authority's incinerator installation, ash handling system, and sludge dewatering projects. The note bears interest at a fixed rate of 1.00%. The following table sets forth, for each respective year ending July 31, the amounts required to be made available in such year for the repayment of principal and interest.

Fiscal Year Ending July 31,	Maturing Principal	Total Interest
2024	$ 117,633	$ 16,196
2025	118,815	15,014
2026	120,009	13,821
2027	121,214	12,615
2028	122,432	11,397
2029 - 2033	630,858	38,289
2034 - 2038	442,464	7,665
TOTAL	$ 1,673,425	$ 114,997

Although the incinerator installation project was fully completed at the end of July 31, 2021, the Authority is compiling additional submissions to PennVest for contractor payments and engineering costs subsequent to the startup of the incinerator. Accordingly, the Authority may have further borrowings against the loan.

C. Sewer Revenue Bonds, Series of 2020

On May 15, 2020 the Authority issued its Sewer Revenue Bonds, Series of 2020 (the “2020 Bonds”), in the principal amount of $12,135,000. The net proceeds of the 2020 Bonds were used to refund the Authority’s Sewer Revenue Bonds, Series of 2012. The sources and uses of the funds relative to the issuance of the 2020 Bonds were as follows:

SOURCES		
Purchase price for the Bonds		$ 13,495,210
Par Amount	12,135,000	
Plus Net Original Issue Premium (OIP)	1,420,885	
Less Underwriter's Discount	(60,675)	
Funds Under the Indenture		
Existing Clearing Fund	1,097,442	
Existing Debt Service Reserve Fund	1,463,240	2,560,682
TOTAL SOURCES		$ 16,055,892
USES		
Deposit to Debt Service Fund		$ 14,536,653
(1) Bond Proceeds	13,330,271	
(2) Existing Clearing Fund	1,097,442	
(3) Existing Debt Service Reserve Fund	108,940	
Deposit to Debt Service reserve Fund		1,354,300
Municipal Bond Insurance Policy Premium		34,017
Pay Costs of Issuance		124,367
Balance Deposited into the Debt Service Fund		6,555
TOTAL USES		$ 16,055,892

The 2020 Bonds were issued as fully registered bonds in denominations of $5,000 and multiple intervals thereof. The 2020 Bonds were dated May 15, 2020 and accrue interest from that date thereof until maturity or, if redeemable and called for redemption, until the redemption date.

The 2020 Bonds are issued by the Authority on a parity basis pursuant to and secured by the Indenture and are secured by a pledge of, lien upon, and security interest created from the Authority, as debtor, under the Indenture to the Trustee, as secured party, in and to all receipts and revenues from the sewer system, as such phrase is defined and applied under the Indenture. In addition, the 2020 Bonds are secured by moneys held in the funds created under the Indenture, including the Debt Service Reserve Fund.

Redemption Provisions
The 2020 Bonds are subject to optional redemption as follows:

Optional Redemption:

The 2020 Bonds stated to mature on and after May 15, 2029, are subject to redemption prior to maturity, at the option of the Authority, as a whole on May 15, 2028, or on any date thereafter, upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption. In the event that less than all bonds of any particular maturity are to be redeemed, the bonds of such maturity to be redeemed shall be drawn by lot by the Trustee. Any such redemption shall be upon payment of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption.

If less than all bonds of any particular maturity are to be redeemed, the bonds of such maturity to be redeemed shall be drawn by lot by the Trustee or DTC, as applicable.

In the event any bonds are in a denomination greater than $5,000, a portion of such bonds may be redeemed, but portions of bonds shall be redeemed only in the principal amount of $5,000 or any whole multiple thereof. For purposes of redemption, a bond shall be treated as representing that number of bonds that is obtained by dividing the principal amount thereof by $5,000, each $5,000 portion of such bond being subject to redemption. In the case of partial redemption of a bond, payment of the redemption price shall be made only upon surrender of such bond in exchange for a bond or bonds of authorized denomination in aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

The stated interest rates and maturities of the 2020 Bonds outstanding as of July 31, 2023 are as follows:

Principal Amount	Interest Rate	Maturity
$ 970,000	4.000%	5/15/2024
1,020,000	4.000%	5/15/2025
1,050,000	4.000%	5/15/2026
1,090,000	4.000%	5/15/2027
2,330,000	4.000%	5/15/2028 - 5/15/2029
2,500,000	3.000%	5/15/2030 - 5/15/2031
1,985,000	2.000%	5/15/2032 - 5/15/2033

The following table sets forth, for each respective year ending July 31, the amounts required to be made available in such year for the payment on principal (including mandatory redemption) and interest on the 2020 Bonds.

Fiscal Year Ending July 31,	Principal Amount	Total Interest
2024	$ 970,000	$ 373,100
2025	1,020,000	334,300
2026	1,050,000	293,500
2027	1,090,000	251,500
2028	1,145,000	207,900
2029 - 2033	5,670,000	407,900
TOTAL	$ 10,945,000	$ 1,868,200

D. Sewer Revenue Bonds, Series of 2021

On October 27, 2021 the Authority issued its Sewer Revenue Bonds, Series of 2021 (the “2021 Bonds”), in the principal amount of $16,995,000. The net proceeds of these bonds were used to refund the Authority’s Pennvest Loan #27769 and Pennvest Loan #58103. The sources and uses of the funds relative to the issuance of the 2021 Bonds were as follows

SOURCES	
Par Amount	$ 16,995,000
Plus Net Original Issue Premium (OIP)	2,713,833
TOTAL SOURCES	$ 19,708,833
USES	
Payoff Pennvest Loan #27769, plus accrued interest	$ 19,109,534
Payoff Pennvest Loan #58103, plus accrued interest	289,501
Underwriter's Discount	84,975
Municipal Bond Insurance Policy Premium	31,400
Debt Service Reserve Fund Surety	21,888
Other Costs of Issuance	156,884
Deposit to Debt Service Fund	14,651
TOTAL USES	$ 19,708,833

The bonds were issued as fully registered bonds in denominations of $5,000 and multiple intervals thereof. The 2021 bonds were dated May 15, 2022 and accrue interest from that date thereof until maturity or, if redeemable and called for redemption, until the redemption date.

The Bonds are issued by the Authority on a parity basis pursuant to and secured by the Indenture. The Bonds are secured by a pledge of, lien upon, and security interest created from the Authority, as debtor, under the Indenture to the Trustee, as secured party, in and to all Receipts and Revenues from the Sewer System, as such phrase is defined and applied under the Indenture. In addition, the Bonds are secured by moneys held in the funds created under the Indenture, including the Debt Service Reserve Fund.

The stated interest rates and maturities of the 2021 Bonds outstanding as of July 31, 2023 are as follows:

Principal Amount	Interest Rate	Maturity
$ 1,430,000	4.000%	5/15/2024
1,485,000	4.000%	5/15/2025
1,545,000	4.000%	5/15/2026
1,610,000	4.000%	5/15/2027
1,670,000	4.000%	5/15/2028
1,740,000	4.000%	5/15/2029
1,770,000	4.000%	5/15/2030
1,840,000	4.000%	5/15/2031
1,395,000	4.000%	5/15/2032

The following table sets forth, for each respective year ending July 31, the amount required to be made available in such year for the payment on principal (including mandatory redemption) and interest on the 2021 Bonds.

Fiscal Year Ending July 31,	Principal Amount	Total Interest
2024	$ 1,430,000	$ 579,400
2025	1,485,000	522,200
2026	1,545,000	462,800
2027	1,610,000	411,000
2028	1,670,000	336,600
2029 - 2032	6,745,000	655,200
TOTAL	$ 14,485,000	$ 2,967,200

E. Total Estimated Annual Debt Service Requirements

A summary of the total estimated future debt service requirements for all bonds and notes outstanding as of July 31, 2023 is as follows:

Fiscal Year Ending July 31,	Maturing Principal	Total Interest
2024	2,647,046	1,059,630
2025	2,758,139	957,538
2026	2,854,430	851,048
2027	2,965,925	750,752
2028	3,087,634	626,043
2029 - 2033	13,886,806	1,362,178
2034 - 2038	1,400,276	96,503
TOTAL	$ 29,600,256	$ 5,703,692

F. Bond and Loan Balance Activity

Bond and loan balance activity for the year ended July 31, 2023 was as follows:

	August 1, 2022 Beginning Balance	Additions	Reductions	July 31, 2023 Ending Balance	Amounts Due Within One Year
Bonds and Loans Payable:					
Sewer Revenue Bonds - Series of 2021	$ 15,875,000	$ -	$ 1,390,000	$ 14,485,000	$ 1,430,000
Sewer Revenue Bonds - Series of 2020	11,880,000	-	935,000	10,945,000	970,000
Sewer Revenue Bonds - Series of 2018	2,621,513	-	124,682	2,496,831	129,413
PennVest Loan #27906	1,789,888	-	116,463	1,673,425	117,633
	32,166,401	-	2,566,145	29,600,256	2,647,046
Unamortized Bond Premiums:					
OIP Series of 2021	2,405,345	-	417,689	1,987,656	-
OIP Series of 2020	1,139,083	-	219,595	919,488	-
	3,544,428	-	637,284	2,907,144	-
TOTAL BONDS AND LOANS PAYABLE, NET	$ 35,710,829	$ -	$ 3,203,429	$ 32,507,400	$ 2,647,046

Bond and loan balance activity for the year ended July 31, 2022 was as follows:

	August 1, 2021 Beginning Balance	Additions	Reductions	July 31, 2022 Ending Balance	Amounts Due Within One Year
Bonds and Loans Payable:					
Sewer Revenue Bonds - Series of 2021	$ -	$ 16,995,000	$ 1,120,000	$ 15,875,000	$ 1,390,000
Sewer Revenue Bonds - Series of 2020	12,135,000	-	255,000	11,880,000	935,000
Sewer Revenue Bonds - Series of 2018	2,741,638	-	120,125	2,621,513	124,682
PennVest Loan #27906	1,905,193	-	115,305	1,789,888	116,463
PennVest Loan #27769	19,468,002	-	19,468,002	-	-
PennVest Loan #58103	297,508	-	297,508	-	-
	36,547,341	16,995,000	21,375,940	32,166,401	2,566,145
Unamortized Bond Premiums:					
OIP Series of 2021	-	2,713,833	308,488	2,405,345	-
OIP Series of 2020	1,420,885	-	281,802	1,139,083	-
	1,420,885	2,713,833	590,290	3,544,428	-
TOTAL BONDS AND LOANS PAYABLE, NET	$ 37,968,226	$ 19,708,833	$ 21,966,230	$ 35,710,829	$ 2,566,145

G. Net Long-Term Debt

A summary of the Authority's Long-Term Debt outstanding as of July 31, 2023 and 2022 is as follows:

	2023	2022
Sewer Revenue Bonds, Series of 2021	$ 14,485,000	$ 15,875,000
Plus:		
Net Original Issue Premium	1,987,656	2,405,345
Net Carrying Amount - Sewer Revenue Bonds, Series of 2021	16,472,656	18,280,345
Sewer Revenue Bonds, Series of 2020	10,945,000	11,880,000
Plus:		
Net Original Issue Premium	919,488	1,139,083
Net Carrying Amount - Sewer Revenue Bonds, Series of 2020	11,864,488	13,019,083
Sewer Revenue Bonds, Series 2018	2,496,831	2,621,513
PennVest Loan #27906	1,673,425	1,789,888
Total Debt Outstanding	32,507,400	35,710,829
Less: Amount Due in One Year	2,647,046	2,566,145
TOTAL LONG-TERM DEBT, NET	$ 29,860,354	$ 33,144,684

10. OTHER POST EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS

A. General Information about the Authority's Plan

1. Plan Description

The Authority's Other Post-Employment Benefits (OPEB) Other than Pensions offered to employees and retirees is a single-employer defined benefit plan for benefits other than pension which is controlled by the provisions of a collective bargaining agreement between the Authority and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, on behalf of Local Union 8567-13 for Clerical Employees as well as Maintenance Employees effective May 15, 2017 to May 14, 2022.

2. Employees Covered by the Plan

The following employees and retirees were covered by the plan:

	As of 8/1/2021
Fully Eligible Active Employees	6
Other Active Employees Not Fully Eligible	26
Retirees and Beneficiaries Currently Receiving Benefits	7
TOTAL COVERED EMPLOYEES	39

3. Plan Provisions

The OPEB plan provides the following benefits:

a. Normal Retirement Eligibility - Minimum of age 62. A retiree must reach Normal Retirement in order to be eligible for retiree health benefits.

b. Early Retirement Eligibility - Minimum of age 55 with 10 years of services. Individuals that retire early are eligible for life insurance only.

c. Medical Benefits - Medical, prescription drug, and dental coverage same as active until eligible for Medicare. Upon Medicare eligibility, the Authority will reimburse the retiree 100% of the premium for a Medicare Supplement Plan.

d. Retiree Contribution - Prior to Medicare eligibility, the retiree is responsible for paying 50% of the premium. Retiree is not required to contribute toward the cost of a Medicare Supplement plan.

e. Spousal Coverage - For Non-Management retirees, only until the retiree becomes eligible for Medicare, and provided the retiree contributes 50% of the premium for spousal coverage. For Management retirees, Non-Medicare coverage provided the retiree contributes 50% of the premium. Once Medicare eligible, the spouse is covered in full. For both Non-Management and Management retirees that become eligible for Medicare prior to their spouse, the spouse may continue in non-Medicare coverage for a maximum of 3 years by paying 100% of the cost of COBRA.

f. Dependent Child Coverage - Yes, until the age of 26 or the retiree becomes eligible for Medicare, whichever occurs first.

g. Survivor Benefits - None.

h. Life Insurance - $15,000 benefit.

4. Contributions

   The Authority is not currently making contributions to a qualified trust.

B. Investments

1. Investment Policy - The Authority does not have a GASB qualified trust, and therefore, there are no investments.

2. Rate of Return - There are no investments.

C. Actuarial Present Value of Projected Benefits as of the Valuation Date

Based on the actuarial calculations performed August 1, 2021, the actuarial present value of projected benefits is $4,231,359.

D. OPEB Liability

1. Net OPEB Liability
   The components of the Net OPEB liability of the Authority at July 31, 2023 and 2022 were as follows:

	2023	2022
Total OPEB Liability (TOL)	$ 2,503,158	$ 2,476,084
Plan Fiduciary Net Position	-	-
Net OPEB Liability (NOL)	$ 2,503,158	$ 2,476,084
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%

2. Actuarial Assumptions
   An actuarial valuation of the total OPEB liability is performed biennially. The total OPEB liability was determined as part of an actuarial valuation at August 1, 2021. Updated procedures were used to roll forward to the Authority's fiscal year ending July 31, 2023. This report is based upon the following actuarial assumptions, asset valuation method, and cost method:

   a. Actuarial Methods
      1. Liabilities- All plan benefits are valued using the entry age normal cost valuation method as a level percent of pay.

b. Actuarial Assumptions

1. Economic Assumptions
    a. Investment Return- There are no invested assets.

    b. Salary Increases- 4.0% compounded annually.

    c. Discount Rate- 4.21%.

2. Healthcare Cost Trend Rate
    a. Non Medicare medical and prescription drug costs are assumed to increase by 7.0% in year 1 reduced by 0.25% per year thereafter to an ultimate level of 4% per year.

    b. Medicare supplement costs are assumed to increase by 5% from years 2022 through 2029, 5.25% from 2030 through 2052, 5.00% from 2053 through 2060, 4.75% from 2061 through 2067, 4.50% from 2068 through 2071, 4.25% from 2072 through 2074, and 4.00% from 2075 and thereafter.

    c. Dental costs are assumed to increase by 2% per year.

3. Demographic Assumptions
    a. Mortality- 2010 PUB-G projected to 2026 using Scale MP-2020.

    b. Termination - None assumed.

    c. Disability - None assumed.

    d. Retirement is assumed to occur at normal retirement age of 62.

    e. Participation - 100% of eligible retirees are assumed to participate.

    f. Marital Status - 50% of future retirees are assumed to have a spouse participating in coverage. Female spouses are assumed to be 3 years younger than male spouses.

    g. Children - It is assumed that by the age of normal retirement (age 62), there will be no children in coverage.

3. Long-Term Expected Rate of Return
Since there are no invested assets, there is no long-term expected rate of return.

4. Discount Rate
The discount rate is 4.21% and is based on the S&P 20 year AA municipal bond rate.

5. Net OPEB Liability Sensitivity- Discount Rate

The following is a sensitivity analysis of the net OPEB liability to changes in the discount rate. The table below presents the net OPEB liability calculated using the discount rate of 4.21% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate:

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
Net OPEB Liability	$ 2,892,430	$ 2,503,158	$ 2,183,950

6. Net OPEB Liability Sensitivity- Healthcare Trend

The following is a sensitivity analysis of the net OPEB liability to changes in the healthcare trend rate. The table below presents the net OPEB liability calculated using the current trend rate as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1 percent higher and 1 percent lower than expected:

	1% Decrease	Current Trend Rates	1% Increase
Net OPEB Liability	$ 2,122,964	$ 2,503,158	$ 2,986,500

7. Changes in Net OPEB Liability

The following table shows the changes in net OPEB liability recognized for the year ended July 31, 2023:

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at July 31, 2022	$ 2,476,084	$ -	$ 2,476,084
Changes for the Year:			
Service Cost	138,076	-	138,076
Interest	98,957	-	98,957
Changes in Assumptions and Cost Method	(134,925)	-	(134,925)
Contributions - Employer	-	75,034	(75,034)
Benefit Payments*	(75,034)	(75,034)	-
Net Changes	27,074	-	27,074
Balances at July 31, 2023	$ 2,503,158	$ -	$ 2,503,158

The following table shows the changes in net OPEB liability recognized for the year ended July 31,2022:

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at July 31, 2021	$ 3,099,918	$ -	$ 3,099,918
Changes for the Year:			
Service Cost	132,765	-	132,765
Interest	92,862	-	92,862
Differences Between Expected and Actual Experience	(431,714)	-	(431,714)
Changes in Assumptions and Cost Method	(347,622)	-	(347,622)
Contributions - Employer	-	70,125	(70,125)
Benefit Payments*	(70,125)	(70,125)	-
Net Changes	(623,834)	-	(623,834)
Balances at July 31, 2022	$ 2,476,084	$ -	$ 2,476,084

*Payments are actuarially determined expected benefit payments, which may vary from actual benefit payments due to implied subsidy and experience that is different than expected.

E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to Pensions

The annual OPEB expense recognized can be calculated two different ways. First it is the change in the amounts reported on 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 plus employer contributions, as follows:

		Measurement Year Ended July 31, 2023
Change in OPEB Liability:		
July 31, 2023	2,503,158	
July 31, 2022	2,476,084	$ 27,074
Change in Deferred Outflows of Resources:		
July 31, 2023	(80,247)	(80,247)
Change in Deferred Inflows of Resources:		
July 31, 2023	100,967	100,967
Contributions - Authority		75,034
NET OPEB EXPENSE		$ 122,828

			Measurement Year Ended July 31, 2022
Change in OPEB Liability:			
July 31, 2022	2,476,084		
July 31, 2021	3,099,918	$	(623,834)
Change in Deferred Outflows of Resources:			
July 31, 2022	105,919		105,919
Change in Deferred Inflows of Resources:			
July 31, 2022	571,478		571,478
Contributions - Authority			70,125
NET OPEB EXPENSE		$	123,688

Alternatively, annual OPEB expense can be calculated by its individual components, as follows:

	July 31, 2023	July 31, 2022
Service Cost	$ 138,076	$ 132,765
Interest on Total OPEB Liability	98,957	92,862
Difference Between Expected and Actual Experience	-	(80,103)
Changes in Assumptions and Cost Method	(114,205)	(21,836)
NET OPEB EXPENSE	$ 122,828	$ 123,688

F. Deferred Outflows and Deferred Inflows of Resources

At July 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience*	$ -	$ 577,194
Changes in Assumptions**	80,247	400,937
TOTAL DEFERRED AMOUNTS	$ 80,247	$ 978,131

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

Year Ended July 31:	
2024	114,205
2025	114,205
2026	114,205
2027	114,205
2028	114,205
Thereafter	326,859

*The majority of the difference is due to lower than expected projected increases in Non-Medicare medical and prescription drug premiums, Medicare Supplement reimbursement and dental costs, in addition to the fact that a number of active participants are eligible for and expected to retire did not retire.

**The discount rate changed from 3.84% used for the calculations for the measurement date July 31, 2022 to 4.21% used for the calculations for the measurement date July 31, 2023. The assumed rates of mortality changed from RP-2014 at 2006 projected fully generational using Scale MP-2017 to 2010 PUB-G projected to 2026 using Scale MP-2020.

11. EMPLOYEES RETIREMENT PLAN

A. General Information about the Pension Plan

1. Plan Description

The Greater Hazleton Joint Sewer Authority Employees' Pension Plan (the "Plan") is a single-employer defined benefit pension plan controlled by the plan document. The Plan is governed by the Authority which may amend plan provisions, and which is responsible for the management of plan assets. The Authority has delegated the authority to manage certain plan assets to Morgan Stanley.

The Authority filed actuarial valuation report Form 203c with the Public Employee Retirement Commission. The report dated January 1, 2023, was the most recent certified by the Authority's chief administrative officer. This report indicated the Authority maintains a pension plan to provide pension or retirement benefits for Non-Uniformed employees.

2. Employees Covered by The Plan
As of January 1, 2023 and 2022, the following employees were covered by the benefit terms:

	Actuarial Valuation Date	
	1/1/23	1/1/22
Active Employees	26	30
Retirees and Beneficiaries Currently Receiving Benefits	12	11
TOTAL COVERED EMPLOYEES	38	41

3. Benefit Provisions
As of January 1, 2023, the Plan provides for the following retirement and other benefits:

a. Eligibility - All employees who have completed 1,000 hours of service within 12 months and not employed within 5 years of Normal Retirement Date. Effective May 15, 2017, participation in the Plan will be frozen. No new employees will enter the Plan after May 15, 2017.

b. Retirement Dates:
   1. Normal Retirement Date - First day of month following the member's sixty-second (62^{nd}) birthday.

   2. Early Retirement Date - Attainment of member's fifty-fifth (55^{th}) birthday and completion of ten (10) years of credited service.

   3. Postponed Retirement Date - A member may continue to work past his Normal Retirement Date in accordance with the Age Discrimination Act.

   4. Disability Retirement Date - Qualified for Social Security Disability or demonstrates to the Committee that the member has a permanent and total disability.

c. Retirement Benefits:
   1. Normal Retirement Benefit - Shall be determined for each year of service in accordance with the following table:

For Participants Whose Date of Determination is On or After	Hours of Service Within Calendar Year		
	1000-1399	1400-1799	1800 or More
5/15/1987	$ 8.00	$ 12.00	$ 15.00
5/15/1993	10.50	16.00	20.00
5/15/1994	11.00	17.00	21.25
5/15/1995	11.50	17.50	21.50
5/15/1996	12.03	18.04	22.55
5/15/1997	12.59	18.88	23.60
5/15/1998	13.15	19.72	24.65
5/15/1999	13.87	20.80	26.00
5/15/2000	14.93	22.40	28.00
5/15/2001	16.53	24.80	31.00
5/15/2002	17.60	26.40	33.00
5/15/2003	18.67	28.00	35.00
5/15/2006	21.33	32.00	40.00
5/15/2011	24.00	36.00	45.00
5/15/2014	26.67	40.00	50.00
5/15/2017	29.33	44.00	55.00
5/15/2022	29.86	44.80	56.00
5/15/2023	32.53	48.40	61.00

2. Early Retirement Benefit
   a. Early Deferred Benefit – Shall be equal to the employee’s accrued benefit as of their date of early retirement payable at age 62.

   b. Early Immediate Benefit – Shall be equal to the equivalent actuarial value of the employee’s early deferred benefit.

3. Postponed Retirement Benefit - Benefits shall increase in the normal manner as affected by continuing employment beyond age 62.

4. Disability Retirement Benefit - Shall be equal to the equivalent actuarial value of the employee’s accrued benefit as of the date of disability.

d. Vested Benefits:
   1. Accrued Benefit – Normal retirement benefit earned to date of termination of employment.

2. Vested Benefit – Determined by multiplying the Accrued Benefit by the applicable percentage, as follows:

Years of Credited Service at Date of Determination	Vesting Percent
Less than 5	None
5 but less than 6	50%
6 but less than 7	60%
7 but less than 8	70%
8 but less than 9	80%
9 but less than 10	90%
10 or more	100%

e. Death Benefits:
   1. Pre-Retirement – Equal to the present value of the member's accrued benefit at date of death.

   2. Post-Retirement – None, unless the member chooses a Life with 10 Year Certain or Joint & Survivor Option.

f. Retirement Benefit Payments:
   1. Normal Retirement Benefit – Payable in equal monthly installments during the employee's lifetime.

   2. Qualified Joint & Survivor Options – Equivalent actuarial value of the Normal Retirement Benefit.
      a. 100% Survivor – Spouse receives the same monthly benefit the member was receiving.

      b. 50% Survivor – Spouse receives 50% of the monthly benefit the member was receiving.

   3. Ten Years Certain and Life Option – The equivalent actuarial value of the Normal Retirement Benefit. Payable in monthly installments during the employee's lifetime. If the employee dies before receiving 120 monthly payments, the balance of the 120 payments will be made to the member's beneficiary(ies).

g. Plan Anniversary Date - January 1

h. Administrative Committee - Committee has general responsibility for the administration and interpretation of the Plan. The Committee shall consist of at least three (3) persons appointed by the Board of Directors and three (3) employee representatives.

i. Investment Committee - Committee reviews the investment performance and methods of the Trustee and any other funding agencies. With approval of the Board of Directors, it may appoint and remove or change the Trustee and any such funding agency. The Committee shall consist of at least three (3) persons appointed by the Board of Directors and three (3) employee representatives.

j. Plan Document:

A.	Effective Date of Plan	5/15/75
B.	Amendment #1	5/15/75
C.	Amendment #2 Rewrite	5/15/78
D.	Amendment #3	5/15/81
E.	Amendment #4	5/15/84
F.	Amendment #5	5/15/93
G.	Amendment #6	2/10/97
H.	Amendment #7	5/15/02
I.	Amendment #8	2/19/03
J.	Amendment #9	9/6/06
K.	Amendment #10	8/21/12
L.	Amendment #11	1/30/14
M.	Amendment #12	5/15/17
N.	Amendment #13	9/13/21
O.	Amendment #14	5/15/22
P.	Amendment #15	5/15/23

4. <u>Contributions</u>

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 not required to contribute to the Plan. Any funding requirements established by the MMO must be paid by the Authority 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.

B. Summary of Significant Accounting Policies

1. 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.

2. Valuation of Investments
The Plan's assets are valued at fair market value.

C. Investments

1. Investment Policy
The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee. 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
Equities	33%	Governmental Securities	1%
Corporate Fixed	0%	Mutual Funds, ETFs & CEFs	60%
		Cash	6%

The asset classes that are currently displayed are based on the actual market value asset allocation.

2. Rate of Return
For the year ended July 31, 2023, the annual money-weighed rate of return on pension plan investments, net of pension plan investment expense, was 6.85%. The money-weighed rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Deferred Retirement Option Program (DROP)

The Plan does not provide a Deferred Retirement Option Program.

E. Pension Liability

1. Net Pension Liability

The components of the net pension liability of the Authority as of July 31, 2023 were as follows:

Total Pension Liability (TOL)	$ 4,575,544
Plan Fiduciary Net Position	3,738,638
Net Pension Liability (NOL)	$ 836,906
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.7%

2. 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, 2023. Update procedures were used to roll forward to the Plan's fiscal year ending July 31, 2023. This report is based upon the following actuarial assumptions, asset valuation method, and cost method:

a. Actuarial Methods
   1. Liabilities- All plan benefits are valued using the Entry Age Normal Cost Valuation method.

b. Actuarial Assumptions
   1. Economic Assumptions
      a. Investment Return- 6.5% per annum, net of investment expenses.

   2. Demographic Assumptions
      a. Mortality- RP-2000 Mortality Table projected to 2017 using Scale AA.
         i. Pre-Retirement Mortality: PubG-2010 Employee Mortality projected 5 years past the valuation date using Scale MP-2021.
         ii. Post-Retirement Mortality: PubG-2010 Healthy Retiree Mortality projected 5 years past the valuation date using Scale MP-2021.
         iii. Beneficiaries Mortality: PubG-2010 Contingent Survivor Mortality projected 5 years past the valuation date using Scale MP-2021.
         iv. Disabled Mortality: PubG-2010 Disabled Mortality projected 5 years past the valuation date using Scale MP-2021.

      b. Termination- None assumed.

      c. Disability- None assumed.

      d. Retirement Age- Normal retirement age or age on valuation date if greater.

      e. Form of Annuity- Straight life.

3. 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 2.45%), 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 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 July 31, 2023 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Asset Class	Long-Term Expected Real Rate of Return
Equities	5.89%	Governmental Securities	-0.45%
Corporate Fixed	1.67%	Mutual Funds ETFs & CEFs	5.89%
		Cash	-0.45%

The Long-Term Expected Real Rates of Return are based on the 2022 Horizon Survey.

4. Discount Rate

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Authority rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

5. 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 pension liability calculated using the discount rate of 6.5% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.5%) or 1 percentage point higher (7.5%) than the current rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability	$ 1,314,230	$ 836,906	$ 431,489

6. Changes in Net Pension Liability

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

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balances at July 31, 2022	$ 4,006,688	$ 3,426,678	$ 580,010
Changes for the Year:			
Service Cost	68,720	-	68,720
Interest	260,522	-	260,522
Changes in Benefit Terms	237,789	-	237,789
Differences Between Expected and Actual Experience	136,565	-	136,565
Contributions - Employer*	-	223,000	(223,000)
Net Investment Income	-	237,350	(237,350)
Benefit Payments	(134,740)	(134,740)	-
Administrative Expense	-	(13,650)	13,650
Net Changes	568,856	311,960	256,896
Balance at July 31, 2023	$ 4,575,544	$ 3,738,638	$ 836,906

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balances at July 31, 2021	$ 3,789,355	$ 3,858,179	$ (68,824)
Changes for the Year:			
Service Cost	78,829	-	78,829
Interest	249,400	-	249,400
Changes in Benefit Terms	48,372	-	48,372
Contributions - Employer*	-	223,000	(223,000)
Net Investment Income (Loss)	-	(478,883)	478,883
Benefit Payments	(159,268)	(159,268)	-
Administrative Expense	-	(16,350)	16,350
Net Changes	217,333	(431,501)	648,834
Balance at July 31, 2022	$ 4,006,688	$ 3,426,678	$ 580,010

*Employer contributions as of fiscal year end July 31, 2023 and 2022.

7. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

The annual pension expense recognized can be calculated two different ways. First it is the change in the amounts reported on 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 plus employer contributions, as follows:

		Measurement Year Ended July 31, 2023
Change in Net Pension Liability:		
July 31, 2023	836,906	
July 31, 2022	580,010	$ 256,896
Change in Deferred Outflows of Resources:		
July 31, 2023	(589,959)	
July 31, 2022	(741,588)	151,629
Change in Deferred Inflows of Resources:		
July 31, 2023	-	
July 31, 2022	126,195	(126,195)
Contributions - Authority*		223,000
Contributions - 457(b) Match		46,741
Acturial Fees		4,500
NET PENSION EXPENSE		$ 556,571

*Contributions as of fiscal year ended July 31, 2023.

		Measurement Year Ended July 31, 2022
Change in Net Pension Liability:		
July 31, 2022	580,010	
July 31, 2021	(68,824)	$ 648,834
Change in Deferred Outflows of Resources:		
July 31, 2022	(741,588)	
July 31, 2021	(460,709)	(280,879)
Change in Deferred Inflows of Resources:		
July 31, 2022	126,195	
July 31, 2021	442,739	(316,544)
Contributions - Authority*		223,000
Contributions - 457(b) Match		15,923
NET PENSION EXPENSE		$ 290,334

*Contributions as of fiscal year ended July 31, 2022.

Alternatively, annual pension expense can be calculated by its individual components, as follows:

	July 31, 2023	July 31, 2022
Service Cost	$ 68,720	$ 78,829
Interest on Total Pension Liability	260,522	249,400
Changes in Benefit Terms	237,789	48,372
Differences Between Expected and Actual Experience	(3,328)	(25,976)
Changes of Assumptions	67,088	67,088
Projected Earnings on Pension Plan Investments	(221,535)	(248,698)
Differences Between Projected and Actual Earnings on Investments	82,424	89,046
Administrative Expense	13,650	16,350
Total Pension Plan Expense	505,330	274,411
Contributions - 457(b) Match	46,741	15,923
Actuarial Fees	4,500	-
NET PENSION EXPENSE	$ 556,571	$ 290,334

8. Deferred Outflows and Deferred Inflows of Resources

At July 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 13,698	$ -
Changes in Assumptions	326,533	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	249,728	-
TOTAL DEFERRED AMOUNTS	$ 589,959	$ -

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

Year Ended July 31:		
2024	$	124,871
2025		113,153
2026		206,313
2027		60,796
2028		74,168
Thereafter		10,658

12. RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Authority has property, general liability, workers' compensation, and employee health coverage. Claims have not exceeded coverage in any of the past three fiscal years.

13. SIGNIFICANT CONCENTRATIONS AND CONSTRAINTS

Concentrations and constraints may limit the Authority's ability to acquire resources or control spending. A concentration is a lack of sufficient diversity related to an aspect of a significant revenue source or expense. A constraint is a limitation imposed on a government by an external party, or by formal action of the government's highest level of decision-making authority. At July 31, 2023, the Authority did not identify any significant concentrations requiring disclosure; and, the Authority identified the following constraint:

As noted subsequently in Note 14B, the capacity of the Authority's treatment plant is operationally limited according to its engineered capacity and the regulatory limits imposed on it by the state. In the event of significant increased demand for the Authority's services, the Authority may not be able to accommodate additional customers seeking to tap into the system. Accordingly, the Authority is in the process of responding to this risk by reserving current capacity and undertaking projects to expand future capacity.

14. COMMITMENTS AND CONTINGENCIES

A. Construction Contracts

The Authority has entered into various substantial construction contracts related to capital projects and major improvements to the Authority's treatment facilities, several of which are incomplete as of July 31, 2023. Details concerning the nature and amount of the contracts can be obtained from the Authority.

B. Reservations of Capacity Agreements

The Authority's treatment plant capacity is operationally limited to processing for a certain number of what is commonly known as Equivalent Dwelling Units (EDUs). The Authority has a limited number of EDUs available for tap on to its collection system. The number of EDUs available is regulated and set by the Pennsylvania Department of Environmental Protection (PA DEP). Expansion of the treatment plant to increase the number of EDUs would require regulatory approval and oversite by the PA DEP.

Given the Authority's limited ability to increase capacity as noted above; the Authority is authorized by the provisions of the Municipality Authorities Act of 1945, as amended, to charge a Reservation of Capacity Fee (ROCF) provided the ROCF is based on debt and fixed operating expenses, but which fee may not exceed 60% of the average sanitary sewer bill for residential customers within the sewer service area for the same billing period.

On September 22, 2022; the Authority entered into a ROCF Agreement (the "Agreement") with a developer for the reservation of 280 EDUs for a term of five years in the amount of $309.60 per EDU per year. The total being $433,440 to reserve the EDUs for the time period requested. Payment for the entire term was due at signing, and the Authority received the payment from the developer. The ROCF cannot be applied to or credited towards future fees imposed upon the developer by the Authority.

Pursuant to the terms of the Agreement, the ROCF shall be earned for the time period the Agreement is effective, rounded to the end of the current month and refundable on a pro-rata basis for any whole calendar months remaining in a given one-year period after the date in which the developer has informed the Authority in writing of its intent to terminate the Agreement. Accordingly, the Authority has recognized a deferred inflow of resources on its Statement of Net Position in connection with the ROCF Agreement. The Authority will recognize the associated revenue as it is earned on a pro-rata basis according to the Agreement. In its fiscal year ended July 31, 2023; the Authority recognized $72,200 of revenue. Deferred inflows to be recognized in future fiscal years are as follows:

Year Ending July 31:	
2024	$ 86,688
2025	86,688
2026	86,688
2027	86,688
2028	14,448
TOTAL DEFERRED AMOUNTS RELATED TO RESERVATION OF CAPACITY FEES	$ 361,200

C. Union Agreements

The Authority has entered into employment agreements with the unions representing certain groups of its employee workforce. The agreements provide for certain compensation, benefits, and other working conditions, all as more fully detailed in those agreements. It should be noted that these benefits include certain post-employment benefits for retirees as previously described. Details regarding the nature of the agreements can be obtained from the Authority.

D. State Assisted Grant Programs

The Authority participates in state assisted grant programs. These programs are subject to financial and program compliance audits by the grantors or their representatives. The Authority is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Although the amount, if any, of the expenditures which may be disallowed cannot be determined as of the date of the financial statements, it is the opinion of Authority management that any such amounts would be immaterial and would not have a material adverse effect on the Authority's financial position.

E. Operating Regulations, Permits and Licenses

The nature of the Authority's operations subjects it to various federal, state and local regulations, permits, and licenses related to plant operations and discharges from the Authority's treatment facilities. Details concerning these regulations, permits, and licenses can be obtained from the Authority.

15. EFFECTS OF NEW PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued the following statements with effective dates subsequent to July 31, 2023. The Authority has not evaluated the effects these statements will have on its financial statements.

Statement	Effective for Reporting Periods Beginning After	Authority's Fiscal Year End Effective Date
No. 100, *Accounting Changes and Error Corrections* — an amendment of GASB Statement No. 62	June 15, 2023	July 31, 2023
No. 101, *Compensated Absences*	December 15, 2023	July 31, 2024

GREATER HAZLETON JOINT SEWER AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION TRUST FUND
SCHEDULE OF CHANGES IN AUTHORITY'S NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCALYEARS*
JULY 31, 2023
(UNAUDITED)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service Cost	$ 68,720	$ 78,829	$ 77,421	$ 76,474	$ 76,474	$ 80,111	$ 72,828	$ 65,518	$ 45,445
Interest	260,522	249,400	208,641	226,587	220,445	208,185	186,290	176,073	159,303
Changes of Benefit Terms	237,789	48,372	-	-	-	151,206	-	-	114,930
Differences Between Expected and Actual Experience	136,565	-	(64,364)	-	(102,011)	-	(14,850)	-	(57,436)
Changes of Assumptions	-	-	494,609	-	-	-	9,060	-	62,290
Benefit Payments, Including Refunds of Member Contributions	(134,740)	(159,268)	(118,782)	(111,834)	(114,196)	(128,197)	(111,559)	(113,802)	(122,590)
Net Change in Total Pension Liability	568,856	217,333	597,525	191,227	80,712	311,305	141,769	127,789	201,942
Total Pension Liability - Beginning	4,006,688	3,789,355	3,191,830	3,000,603	2,919,891	2,608,586	2,466,817	2,339,028	2,137,086
Total Pension Liability - Ending	$ 4,575,544	$ 4,006,688	$ 3,789,355	$ 3,191,830	$ 3,000,603	$ 2,919,891	$ 2,608,586	$ 2,466,817	$ 2,339,028
Plan Fiduciary Net Position									
Contributions - Employer	$ 223,000	$ 223,000	$ 700,000	$ 223,000	$ 473,000	$ 473,000	$ 220,000	$ 177,500	$ 169,000
Net Investment Income (Loss)	237,350	(478,883)	644,483	125,579	53,657	110,394	142,262	(13,215)	28,675
Benefit Payments, Including Refunds of member Contributions	(134,740)	(159,268)	(118,782)	(111,834)	(114,196)	(128,197)	(111,559)	(113,802)	(122,590)
Administrative Expense	(13,650)	(16,350)	(37,477)	(40,814)	(27,047)	(30,151)	(10,705)	(21,533)	(24,130)
Net Change in Plan Fiduciary Net Position	311,960	(431,501)	1,188,224	195,931	385,414	425,046	239,998	28,950	50,955
Plan Net Position - Beginning	3,426,678	3,858,179	2,669,955	2,474,024	2,088,610	1,663,564	1,423,566	1,394,616	1,343,661
Plan Net Position - Ending	$ 3,738,638	$ 3,426,678	$ 3,858,179	$ 2,669,955	$ 2,474,024	$ 2,088,610	$ 1,663,564	$ 1,423,566	$ 1,394,616
Authority's Net Pension Liability (Asset)	$ 836,906	$ 580,010	$ (68,824)	$ 521,875	$ 526,579	$ 831,281	$ 945,022	$ 1,043,251	$ 944,412
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.7%	85.5%	101.8%	83.6%	82.5%	71.5%	63.8%	57.7%	59.6%
Covered Employee Payroll	$ 2,426,937	$ 2,310,296	$ 2,283,751	$ 2,195,915	$ 2,151,537	$ 2,068,786	$ 1,970,888	$ 1,886,036	$ 1,801,184
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	34.5%	25.1%	-3.0%	23.8%	24.5%	40.2%	47.9%	55.3%	52.4%

*Ultimately, this schedule will 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.

Source: Valuations performed by the Authority's actuary.

GREATER HAZLETON JOINT SEWER AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION TRUST FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
AND INVESTMENT RETURNS
LAST 10 FISCAL YEARS**
JULY 31, 2023
(UNAUDITED)

Schedule of Employer Contribtuions
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution	$ 143,314	$ 143,314	$ 201,705	$ 199,735	$ 195,238	$ 195,238	$ 177,335	$ 177,335	$ 146,835	$ 150,839	$ 123,723
Contributions in Relation to the Actuarially Determined Contribution	TBD*	223,000	223,000	700,000	473,000	473,000	220,000	177,500	169,000	169,000	153,500
Contribution Excess	TBD*	$ (79,686)	$ (21,295)	$ (500,265)	$ (277,762)	$ (277,762)	$ (42,665)	$ (165)	$ (22,165)	$ (18,161)	$ (29,777)

*Actuarially Determined Contribution as reported in this schedule is based on a calendar year and the contributions in relation to the calendar year 2023 cannot yet be determined.

Source: Valuations performed by the Authority's actuary.

Schedule of Investment Returns
Last 10 Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expenses	6.85%	-12.34%	21.90%	5.00%	2.38%	6.51%	12.55%	-0.93%	2.12%

**Ultimately, this schedule will 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.

Source: Valuations performed by the Authority's actuary.

GREATER HAZLETON JOINT SEWER AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS
SCHEDULE OF CHANGES IN AUTHORITY'S NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JULY 31, 2023 AND LAST 10 FISCAL YEARS*
(UNAUDITED)

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	$ 138,076	$ 132,765	$ 188,895	$ 181,630	$ 205,466	$ 197,563
Interest	98,957	92,862	91,248	85,246	93,606	85,899
Difference Between Expected and Actual Experience	-	(431,714)	-	(379,772)	-	-
Change in Assumptions and Cost Method	(134,925)	(347,622)	-	131,591	-	-
Benefit Payments	(75,034)	(70,125)	(65,849)	(82,317)	(49,104)	(59,340)
Net Change in Total OPEB Liability	27,074	(623,834)	214,294	(63,622)	249,968	224,122
Total OPEB Liability - Beginning	2,476,084	3,099,918	2,885,624	2,949,246	2,699,278	2,475,156
Total OPEB Liability - Ending	$ 2,503,158	$ 2,476,084	$ 3,099,918	$ 2,885,624	$ 2,949,246	$ 2,699,278
Plan Fiduciary Net Position						
Plan Net Position - Beginning	-	-	-	-	-	-
Plan Net Position - Ending	$ -	$ -	$ -	$ -	$ -	$ -
Authority's Net OPEB Liability	$ 2,503,158	$ 2,476,084	$ 3,099,918	$ 2,885,624	$ 2,949,246	$ 2,699,278
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered Employee Payroll	$ 2,426,937	$ 2,195,915	$ 2,283,751	$ 2,195,915	$ 2,151,537	$ 2,068,786
Net OPEB Liability as a Percentage of Covered Employee Payroll	103.1%	112.8%	135.7%	131.4%	137.1%	130.5%

*Note: 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.

Source: Valuation performed by the Authority's actuary.

GREATER HAZLETON JOINT SEWER AUTHORITY
SCHEDULES OF SEWER TREATMENT REVENUES
FOR THE YEARS ENDED JULY 31, 2023 AND 2022

	July 31, 2023				
	Hazleton	West Hazleton	Hazle Township	Sugarloaf Township	Total
Residential	$ 4,021,117	$ 727,138	$ 1,642,309	$ 52,245	$ 6,442,809
Non-Residential	645,744	134,295	208,688	7,306	996,033
Industrial	355,182	194,681	393,292	116,188	1,059,343
Schools	81,510	27,067	135,193	-	243,770
	5,103,553	1,083,181	2,379,482	175,739	8,741,955
Penalties	122,229	20,192	35,250	-	177,671
TOTAL	$ 5,225,782	$ 1,103,373	$ 2,414,732	$ 175,739	8,919,626
Outside Independent Haulers					2,117,977
Surcharge					320,493
TOTAL SEWER TREATMENT REVENUES					$ 11,358,096

	July 31, 2022				
	Hazleton	West Hazleton	Hazle Township	Sugarloaf Township	Total
Residential	$ 4,000,256	$ 728,379	$ 1,640,168	$ 47,891	$ 6,416,694
Non-Residential	650,605	133,843	197,668	5,996	988,112
Industrial	379,374	162,130	377,683	120,333	1,039,520
Schools	86,269	29,636	146,778	-	262,683
	5,116,504	1,053,988	2,362,297	174,220	8,707,009
Penalties	122,387	17,737	34,275	-	174,399
TOTAL	$ 5,238,891	$ 1,071,725	$ 2,396,572	$ 174,220	8,881,408
Outside Independent Haulers					1,954,477
Surcharge					282,319
TOTAL SEWER TREATMENT REVENUES					$ 11,118,204

GREATER HAZLETON JOINT SEWER AUTHORITY
SCHEDULES OF SEWER TRANSMISSION REVENUES
FOR THE YEARS ENDED JULY 31, 2023 AND 2022

	July 31, 2023		
	Hazleton	West Hazleton	Total
Residential	$ 1,324,853	$ 242,775	$ 1,567,628
Non-Residential	223,467	45,083	268,550
Industrial	117,328	64,896	182,224
Schools	27,082	8,995	36,077
	1,692,730	361,749	2,054,479
Penalties	41,865	6,999	48,864
TOTAL SEWER TRANSMISSION REVENUES	$ 1,734,595	$ 368,748	$ 2,103,343

	July 31, 2022		
	Hazleton	West Hazleton	Total
Residential	$ 1,318,386	$ 242,074	$ 1,560,460
Non-Residential	218,649	44,801	263,450
Industrial	125,417	54,077	179,494
Schools	28,668	9,849	38,517
	1,691,120	350,801	2,041,921
Penalties	42,189	6,134	48,323
TOTAL SEWER TRANSMISSION REVENUES	$ 1,733,309	$ 356,935	$ 2,090,244

GREATER HAZLETON JOINT SEWER AUTHORITY
SCHEDULES OF OPERATING EXPENSES
FOR THE YEARS ENDED JULY 31, 2023 AND 2022

	2023	2022
PLANT		
Salaries and Wages	$ 1,677,956	$ 1,586,964
Chemicals, Chlorine, and Other Supplies	988,722	985,020
Repairs and Maintenance	886,038	814,216
Electricity	879,774	662,706
Bio Solids Removal and Disposal	286,384	284,303
Payroll Taxes	135,466	130,286
Laboratory Supplies and Expense	131,902	74,253
Odor Control	95,803	86,277
General Supplies	36,339	51,196
Water	26,499	29,490
Small Tools and Parts	16,157	17,210
Grease and Oils	14,846	12,108
Industrial Pretreatment Expenses	11,057	670
Truck Expense	10,019	13,676
Employee Work Clothes	8,813	8,663
Natural Gas	6,839	65,222
Miscellaneous Expense	1,469	1,870
Oil	-	9,302
TOTAL PLANT	$ 5,214,083	$ 4,833,432
PUMPING STATION		
Salaries and Wages	$ 316,753	$ 310,527
Repairs and Maintenance	150,495	130,690
Electricity	119,616	76,826
Payroll Taxes	25,353	23,689
Water	10,568	12,561
Natural Gas	1,453	1,328
TOTAL PUMPING STATION	$ 624,238	$ 555,621
COLLECTION SYSTEM		
Maintenance and Repairs	$ 496,037	$ 301,802
Salaries and Wages	470,752	422,572
Insurance - Group	120,740	107,375
Truck Expense	64,619	62,818
Equipment Maintenance	58,469	89,990
General Supplies	38,828	22,254
Payroll Taxes	35,102	31,680
Engineering	24,977	19,761
Miscellaneous	23,300	21,177
PA One Call	1,969	1,259
TOTAL COLLECTION SYSTEM	$ 1,334,793	$ 1,080,688

GREATER HAZLETON JOINT SEWER AUTHORITY
SCHEDULES OF OPERATING EXPENSES
FOR THE YEARS ENDED JULY 31, 2023 AND 2022

	2023	2022
ADMINISTRATIVE		
Pension Plan Expense	$ 556,571	$ 290,334
Insurance - Group	463,424	444,816
Salaries and Wages	165,889	160,651
Insurance - General	133,853	103,904
Consulting and Engineering	133,190	113,468
Legal Expense	130,427	109,962
Other Post-Employment Benefits (OPEB)	122,828	123,688
Insurance - Workers' Compensation	76,916	76,352
Repairs and Maintenance	58,917	36,296
Billing and Collection Expense	36,083	25,889
Office Supplies and Expense	35,535	32,105
Auditing Expense	34,000	32,000
Conferences, Seminars and Travel	27,525	25,768
Postage	27,170	24,604
Board Member Fees	20,750	17,100
Telephone	12,745	12,337
Payroll Taxes	12,541	12,278
Insurance - Directors Life and Disability	10,021	12,369
Eye Glass Reimbursement	8,821	11,115
Utilities-Administration Building	7,714	7,265
Payroll Preparation	7,252	7,545
Trustee Fees	7,000	3,500
Dues and Subscriptions	5,465	5,450
Bond Premium	4,732	4,732
Advertising	4,612	3,727
Miscellaneous Expense	3,567	2,527
Postage and Freight	3,515	4,213
General Supplies	717	11,454
Bad Debt Recovery	-	(150,000)
TOTAL ADMINISTRATIVE	$ 2,111,780	$ 1,565,449