

**CHALFONT-NEW BRITAIN TOWNSHIP
JOINT SEWAGE AUTHORITY
BUCKS COUNTY, PENNSYLVANIA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

YEAR ENDED MAY 31, 2023

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Independent Auditors' Report

Board of Directors
Chalfont-New Britain Township Joint Sewage Authority

Opinion

We have audited the accompanying financial statements of the business-type activities of Chalfont-New Britain Township Joint Sewage Authority, Bucks County, Pennsylvania (Authority) as of and for the year ended May 31, 2023, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of May 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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

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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions.

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

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

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

Required Supplementary Information

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


Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying financial information listed as supplemental schedules-operating expenses and general and administrative expenses, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Report on Summarized Comparative Information

We have previously audited the Authority's May 31, 2022 financial statements, and our report dated October 4, 2022, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Bee, Bergvall and Company, P.C.
Certified Public Accountants

Warrington, PA
September 12, 2023

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Management's Discussion and Analysis

May 31, 2023

This Management Discussion and Analysis (MD&A) is a brief overview of the financial condition of the Chalfont-New Britain Township Joint Sewage Authority (The Authority) as of May 31, 2023. We have attempted to provide this information in a format easily read and understood by the general public.

The annual Financial Report is comprised of two components: the MD&A and the Financial Statements, including the Auditors' Report and notes. The Authority's audited Financial Statements for Fiscal Year ended May 31, 2023 (FY 2023) are attached.

The Financial Statements are prepared in conformity with the U.S. Generally Accepted Accounting Principles (GAAP), with the exception of the Statement of Revenues and Expenses Compared to Budget, which is prepared on a cash basis as opposed to an accrual basis. The Authority operates on a cash basis throughout the year converting to an accrual basis for the purpose of the annual financial audit and subsequent reporting, except as noted above.

In this MD&A, Revenues and Expenses for FY 2023, compared to those for fiscal year ended May 31, 2022 (FY 2022), are reported on the accrual basis, as in the Financial Statements. Revenues and Expenses for FY 2023 compared to budget for FY 2023 are reported on the cash basis.

The following are general accounting terms used throughout this document:

Accrual Basis: A method of accounting that recognizes revenue when earned, rather than when collected and expenses when incurred, rather than when paid.

Assets: Items of value owned by the Authority.

Capital Assets: Items owned by the Authority that are considered a major purchase and play an important role in the operations of the wastewater treatment facilities. They are reported at the cost of the capitalized item less accumulated depreciation.

Current Assets: Items owned by the Authority that can reasonably be expected to be converted into cash or used in operations within a year.

Depreciation: An allowance made for wear and tear on an asset over its estimated useful life.

Liabilities: Debts or obligations owed by the Authority payable in money, goods, or services.

Net Position: Accumulated undistributed earnings of an entity retained for future needs.

Restricted Assets: Cash or items owned by the Authority whose use is restricted for a specific purpose.

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Management's Discussion and Analysis

May 31, 2023

This MD&A is a part of, and to be used in conjunction with, the Chalfont-New Britain Township Joint Sewage Authority Financial Statements as of May 31, 2023. Questions concerning any information contained in this report or requests for additional information should be addressed to the Executive Director, Chalfont-New Britain Township Joint Sewage Authority, 1645 Upper State Road, Doylestown, Pennsylvania 18901-2624.

STATEMENTS OF NET POSITION

The Statements of Net Position provides information on all of the Authority's assets and liabilities, with the difference between the two being reported as Net Position. Changes in Net Position throughout the years are an indicator of the health of the Authority's financial position.

The following table summarizes the financial position of the Authority as of May 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets	\$ 9,198,075	\$ 8,377,782
Current Restricted Assets	168,898	124,209
Capital Assets	<u>40,195,998</u>	<u>39,137,800</u>
Total Assets	<u>\$ 49,562,971</u>	<u>\$ 47,639,791</u>
Liabilities		
Payable from Current Assets	\$ 1,455,253	\$ 1,352,703
Payable from Restricted Assets	168,898	124,209
Long Term Liabilities	<u>4,780,354</u>	<u>3,177,969</u>
Total Liabilities	<u>6,404,505</u>	<u>4,654,881</u>
Net Position		
Net Investment in Capital Assets	34,695,813	35,267,870
Unrestricted	<u>8,462,653</u>	<u>7,717,040</u>
Total Net Position	<u>\$ 43,158,466</u>	<u>\$ 42,984,910</u>

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Management's Discussion and Analysis

May 31, 2023

STATEMENTS OF NET POSITION (Continued)

Total Assets of the Authority, as of May 31, 2023, were about \$49.5 million, an increase of about \$1.9 million from FY 2022. Of the Total Assets, about \$9.2 million (19% of the total) are in Current Assets. Current Assets increased about 10% from FY 2022. Current Assets are general funds and investments at Univest Bank, and in Term or CD programs with the Pennsylvania Local Government Investment Trust (PLGIT). Capital Assets of about \$40.2 million increased slightly from FY 2022. Approximately \$169 thousand of assets were in Current Restricted Assets. Current Restricted Assets are escrow accounts held by the Authority on behalf of developers to ensure the proper construction of sewer systems in new residential and commercial developments.

Total Liabilities of the Authority as of May 31, 2023, were approximately \$6.4 million, a 38% increase from FY 2022. Long Term Liabilities of about \$4.8 million (75% of the total) increased about 50% from FY 2022, and are related to the Series 2022A and 2022AA, Construction Loans for facility construction projects. See Note 10 of the Financial Statements for further description of Construction Loan activities. Of the Total Liabilities, about \$1.5 million (23%) were Current, Payable from Current Assets. Approximately \$169 thousand (<3%) were Payable from Restricted Assets, which are the developer escrow accounts held by the Authority. Long Term Liabilities also include employee-related Compensated Absences of approximately \$112 thousand.

Total Net Position of the Authority, as of May 31, 2023 is approximately \$43.2 million with \$34.7 million (80%) as Net Investment in Capital Assets, and approximately \$8.5 million (20%) in Unrestricted Assets. Total Net Position increased <1% from FY 2022.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses and Changes in Net Position summarizes the net position of the Authority as of May 31, 2023 and provides a comparison to FY 2022.

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Management's Discussion and Analysis

May 31, 2023

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(Continued)

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Sewer Rentals	\$ 3,028,940	\$ 2,927,054
Operating Payment	1,463,331	1,349,478
Miscellaneous	<u>20,675</u>	<u>15,371</u>
Total Operating Revenues	<u>4,512,946</u>	<u>4,291,903</u>
 Operating Expenses		
Facility Operating Expenses	3,636,341	3,061,562
General & Administrative Expenses	1,093,849	1,047,768
Compensated Absences	(14,729)	6,674
Depreciation Expense on Assets		
Reimbursed Previously by BCWSA	<u>767,829</u>	<u>766,203</u>
Total Operating Expenses	<u>5,483,290</u>	<u>4,882,207</u>
 Operating Income (Loss)	(970,344)	(590,304)
 Net Non-Operating Revenue (Expense)		
Interest income	225,229	13,096
Reimbursement for capital purchases	58,586	4,063
Tap in fees	923,870	15,130
Gain (loss) on replacement of fixed assets	-	3,300
Interest expense	<u>(65,785)</u>	<u>(82,791)</u>
Net Non-Operating Revenue (Expense)	1,141,900	(47,202)
 Income (Loss) Before Contributions	171,556	(687,722)
Capital Contributions	<u>2,000</u>	<u>268,759</u>
 Change in Net Position	173,556	(418,963)
Net Position Beginning of Year	<u>42,984,910</u>	<u>43,403,873</u>
Net Position End of Year	<u>\$ 43,158,466</u>	<u>\$ 42,984,910</u>

Operating Revenues for FY 2023, reported on the accrual basis, were about \$4.5 million, a 5% increase from FY 2022. Approximately \$3.0 million (67%) of the Operating Revenues came from Authority Sewer Rentals, which increased by about 3% over FY 2022. Operating Payments from the Bucks County Water and Sewer Authority (BCWSA) accounted for about \$1.46 million (32%) of the Total Revenues. BCWSA Operating Payments are based on a contractually fixed percentage of the treatment plant operating costs, plus or minus any applicable flow surcharges, and matched the budgeted amount for FY 2023. Miscellaneous income accounted for approximately \$20 thousand.

Operating Expenses for FY 2023, inclusive of depreciation and reported on the accrual basis, totaled approximately \$5.5 million, about a 12% increase over FY 2022. Facility Operating Expenses of approximately \$3.6 million increased about 19% over FY 2022. Schedule A and Schedule B of the Financial Statements lists the Facility Operating Expenses, and General and Administrative Expenses respectively.

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Management's Discussion and Analysis

May 31, 2023

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(Continued)

These Schedules also include Depreciation as attributed to the Authority's cost of the Capital Assets. Depreciation Expense on Assets previously reimbursed by BCWSA, listed separately here and shown in the amount of about \$767 thousand is related to the BCWSA's cost share of the Capital Assets.

Compensated Absences, as a Long Term Liability, increased in FY 2023 by approximately \$15 thousand, and is reflected as an Operating Expense.

Non-Operating Revenue for FY 2023, reported on the accrual basis, totaled about \$1.2 million, which included Tapping Fees for new customer connections of approximately \$924 thousand, and capital project reimbursements received from the BCWSA in the amount of \$58 thousand. Interest Income increased significantly to about \$225 thousand.

Non-Operating Expenses for FY 2023, reported on the accrual basis, totaled approximately \$66 thousand, which were related to interest costs on the Construction Loan.

Income (Loss) Before Contributions is the Operating Income plus net Non-Operating Revenue and was \$171,556 for FYE 2023.

Capital Contributions, in the amount of \$2 thousand, are non-cash contributions of capital assets (assets paid for by a third-party then turned over to the Authority). Typically, they are new sewer systems constructed in residential and commercial developments that are subsequently dedicated to the Authority.

Net Position End of Year, for FY 2023, in the amount of \$43,158,466, is calculated as Income (Loss) Before Contributions plus the Capital Contributions plus the Net Position Beginning of Year. [$\$171,556 + \$2,000 + \$42,984,910 = \$43,158,466$]. This figure is considered the true net worth of the Authority. The Net Position increased slightly (<1%) over FY 2022.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows for FY 2023 explains the sources and uses of cash throughout the fiscal year, on a cash basis. Significant changes in Cash Flows, from FY 2022, were primarily related to issuance and retirement of debt, as shown in Note 10. Net Cash from Operating Activities decreased slightly from FY 2022 to about \$930 thousand. Other significant changes in FY 2023 Cash Flows from FY 2022 include Tapping Fee receipts, Capital Project expenses, and changes in issuance and retirement debt for capital project loan activities.

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Management's Discussion and Analysis

May 31, 2023

NOTES TO FINANCIAL STATEMENTS

The Notes to Financial Statements specify significant information about the business of the Authority.

CAPITAL ASSETS

The Capital Assets of the Authority at the end of FY 2023 are about \$40.2 million (net of depreciation), an increase of about 3% from FY 2022, primarily due to the addition of Construction-in-Progress assets. The schedule below summarizes the Capital Assets. More detailed information can be found on page 22 of the Financial Statements (NOTE 4).

	Beginning Balance <u>6/1/2022</u>	Net Additions/ Deletions	Ending Balance <u>5/31/2023</u>
Non-Depreciable Assets			
Land	\$ 764,500	\$ -	\$ 764,500
Construction in progress	219,913	2,578,486	2,798,399
Other Capital Assets			
Plant	42,140,002	-	42,140,002
Equipment	2,176,264	69,590	2,245,854
Sanitary Sewers	7,815,830	184,028	7,999,858
Contributed Sewers	16,088,932	2,000	16,090,932
Accumulated depreciation on capital assets	<u>(30,067,641)</u>	<u>(1,775,906)</u>	<u>(31,843,547)</u>
Totals	<u>\$ 39,137,800</u>	<u>\$ 1,058,198</u>	<u>\$ 40,195,998</u>

DEBT

At the end of FY 2023, the Authority had total long-term debt of about \$5.5 million. The following is a summary of the Authority's outstanding long-term debt as of May 31, 2023:

Year of Issue	Amount of Original Issue	Average Interest Rate	Final Maturity	Balance 6/1/2022	Additions	Principal Payments	Balance 5/31/2023
2022 A	\$ 3,056,000	1.79% - 2.09%	2030	\$ 80,490	\$ 2,446,626	\$ -	\$ 2,527,116
2022 AA	3,925,000	1.59%	2026	3,789,440	-	(816,371)	2,973,069
				<u>\$ 3,869,930</u>	<u>\$ 2,446,626</u>	<u>\$ (816,371)</u>	<u>\$ 5,500,185</u>

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Management's Discussion and Analysis

May 31, 2023

FINANCIAL OUTLOOK

The Financial Outlook for FY 2023-24 should again remain relatively stable. There are no significant changes anticipated for both operational Revenues and Expenses. Customer base is expected to increase gradually, due to recent increasing development activity. Sewer usage rates were again increased by 5% in FY 2022. Additional rate increases are planned and will be implemented as needed.

Inflation will continue to affect operational expenses. The FY 2013 project to bring natural gas to the site significantly reduced the treatment facility's fuel costs. The project to replace the Ultraviolet System, completed in FY 2012, has proven to significantly reduce electricity consumption. More recent construction projects have also implemented features designed to further reduce electric usage, including installing variable speed motors with automated and computerized controls, and installing more efficient lighting throughout the plant facility. New multi-year agreements for both electricity and natural gas generation, are in place, and will hold those costs steady for several years. A collective bargaining agreement, negotiated in FY 2019 and in effect through FY 2024, should keep employee-related expenses reasonably stable.

Phase II of the treatment plant expansion and upgrade project was completed in FY 2015. The 15% increase in permitted flow capacity created by the Phase II project was approved for use in early FY 2015. This additional capacity is sufficient to provide for residential and commercial development activity for the near future.

Construction of Phase III of the treatment plant expansion and upgrade project was completed in FY 2019. Final total cost of Phase III was about \$7.1 million. These projects were funded by a combination of existing reserve funds, the Series 2016 Construction Loan, and BCWSA capital project contributions. The project to replace the Biosolids Dryer at the Treatment Plant was completed in FY 2020 with a total cost of about \$2.5 million. The Authority is currently engaged in the construction of a capital project to replace and relocate Sewage Pumping Station #4, with an estimated cost of \$3.6 million. This project is anticipated to be completed about mid-year FY 2024. The Authority has also begun design of an additional treatment plant upgrade project that is intended to further improve treatment plant effectiveness during peak flow and load periods. The estimated cost of this project is about \$10 million. It is anticipated that it will be completed in FY 2025.

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Statements of Net Position

May 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 3,328,935	\$ 7,652,493
Restricted cash escrows	168,898	124,209
Investments	5,200,379	200,000
Accounts receivable	512,466	525,289
Interest receivable	156,295	-
Capital Assets (net of accumulated depreciation)		
Land	764,500	764,500
Construction in progress	2,798,399	219,913
Plant and equipment	21,673,818	23,074,098
Sanitary sewers	5,182,914	5,099,168
Contributed sewers	<u>9,776,367</u>	<u>9,980,121</u>
Net Capital Assets	<u>40,195,998</u>	<u>39,137,800</u>
 Total Assets	 <u>\$ 49,562,971</u>	 <u>\$ 47,639,791</u>
 LIABILITIES		
Current maturities	\$ 831,960	\$ 818,820
Accounts payable and accrued expenses	243,972	176,862
Escrows payable	168,898	124,209
Unearned revenue	379,321	357,021
Long-Term Debt		
Construction loan, net of current maturities	4,668,225	3,051,110
Compensated absences	<u>112,129</u>	<u>126,859</u>
Total Liabilities	<u>6,404,505</u>	<u>4,654,881</u>
 NET POSITION		
Net Investment in Capital Assets	34,695,813	35,267,870
Unrestricted	<u>8,462,653</u>	<u>7,717,040</u>
Total Net Position	<u>43,158,466</u>	<u>42,984,910</u>
 Total Liabilities and Net Position	 <u>\$ 49,562,971</u>	 <u>\$ 47,639,791</u>

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

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Statements of Revenues, Expenses, and Changes in Net Position

For the Years Ended May 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Sewer rents	\$ 3,028,940	\$ 2,927,054
Operating payment	1,463,331	1,349,478
Miscellaneous	<u>20,675</u>	<u>15,371</u>
Total Operating Revenues	<u>4,512,946</u>	<u>4,291,903</u>
OPERATING EXPENSES		
Operating expenses - Schedule A	3,636,341	3,061,562
General and administrative expenses - Schedule B	1,093,849	1,047,768
Compensated absences	(14,729)	6,674
Depreciation expense on assets reimbursed previously by BCWSA	<u>767,829</u>	<u>766,203</u>
Total Operating Expenses	<u>5,483,290</u>	<u>4,882,207</u>
Net Operating Income (Loss)	<u>(970,344)</u>	<u>(590,304)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	225,229	13,096
Reimbursement for capital purchases	58,586	4,063
Tapping fees	923,870	15,130
Gain on replacement of capital assets	-	3,300
Interest expense	(65,785)	(82,791)
Loan expense	<u>-</u>	<u>(50,216)</u>
Net Non-Operating Revenue (Expense)	<u>1,141,900</u>	<u>(97,418)</u>
Income (Loss) Before Contributions	171,556	(687,722)
Capital Contributions	<u>2,000</u>	<u>268,759</u>
Change in Net Position	173,556	(418,963)
Net Position Beginning of Year	<u>42,984,910</u>	<u>43,403,873</u>
Net Position End of Year	<u>\$ 43,158,466</u>	<u>\$ 42,984,910</u>

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

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Statements of Cash Flows

For the Years Ended May 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from customers	\$ 4,548,069	\$ 4,295,454
Cash paid to suppliers	(2,086,266)	(1,589,724)
Cash paid to employees	(1,527,359)	(1,412,322)
Net cash provided by (used in) operating activities	<u>934,444</u>	<u>1,293,408</u>
Cash flows from capital and related financing activities:		
Capital expenditures	(2,873,483)	(342,560)
Issuance of debt	2,446,626	3,955,274
Retirement of debt	(816,371)	(4,720,958)
Capital project reimbursements	58,586	4,063
Tapping fees	923,870	15,130
Interest paid	(65,785)	(82,791)
Net cash provided by (used in) capital and related financing activities	<u>(326,557)</u>	<u>(1,171,842)</u>
Cash flows from investing activities:		
Sales of investments	200,000	354,000
Purchases of investments	(5,200,379)	(200,000)
Escrow deposits	70,804	28,672
Escrow disbursements	(26,115)	(104,015)
Interest received	68,934	13,096
Net cash provided by (used in) investing activities	<u>(4,886,756)</u>	<u>91,753</u>
Net increase (decrease) in cash and cash equivalents	(4,278,869)	213,319
Cash and cash equivalents, at beginning of year	<u>7,776,702</u>	<u>7,563,383</u>
Cash and cash equivalents, at end of year	<u>\$ 3,497,833</u>	<u>\$ 7,776,702</u>
 Cash and cash equivalents	 \$ 3,328,935	 \$ 7,652,493
Restricted Escrow	<u>168,898</u>	<u>124,209</u>
Total cash and cash equivalents	<u>\$ 3,497,833</u>	<u>\$ 7,776,702</u>
 Reconciliation of Net Income (Loss) to Net Cash Provided by (Used In) Operating Activities		
Operating income (loss)	\$ (970,344)	\$ (590,304)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	1,817,285	1,788,326
(Increase) decrease in accounts receivable	12,823	(38,897)
Increase (decrease) in accounts payable and accrued expenses	67,110	85,161
Increase (decrease) in unearned revenue	22,300	42,448
Increase (decrease) in compensated absences	(14,730)	6,674
Total adjustments	<u>1,904,788</u>	<u>1,883,712</u>
Net cash provided by (used in) operating activities	<u>\$ 934,444</u>	<u>\$ 1,293,408</u>
Noncash investing, capital, and financing activities:		
The Authority recognized contributed sewer lines in the amount of \$2,000		

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

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Notes to Financial Statements

May 31, 2023

NOTE 1. Summary of Significant Accounting Policies

Reporting Entity: The Authority is a municipal corporation existing and operating under the Municipal Authorities Act of the Commonwealth of Pennsylvania. The accompanying financial statements present the primary government. In evaluating the Authority (the primary government) as a reporting entity, all potential component units that may or may not fall within the financial accountability of the Authority have been addressed. Financial accountability is present if the Authority appoints a voting majority of a component unit's governing body and has the ability to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Authority. Based on the aforementioned criteria, there were no entities which were considered for inclusion in the reporting entity.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenditures are recognized when incurred.

Revenue Recognition: The Authority distinguishes between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's ongoing operation. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Cash and Cash Equivalents: The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with maturities within three months or less from the fiscal year end.

Restricted Assets: The Authority acts in a custodial capacity with respect to monies deposited with it by developers and others. These monies are held by the Authority and used to pay fees incurred on behalf of a specific project. Any unused deposits are returned to the developer upon completion of the project. None of the monies received from or expended on behalf of the developers are recorded in the revenues or expenses of the Authority. At May 31, 2023, \$168,898 represents the balance of these monies held in escrow.

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Notes to Financial Statements

May 31, 2023

NOTE 1. Summary of Significant Accounting Policies (Continued)

Capital Assets: Capital assets, which include property, plant, equipment, and sewer system 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects when constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Plant	15-40 years
Equipment	5-40 years
Sanitary sewers	40-80 years
Contributed sewers	40-80 years

Depreciation is shown in operating expense, general and operating expense and depreciation expense on assets reimbursed previously by BCWSA. BCWSA reimburses the Authority a percentage for capital outlay.

Contributions in Aid of Construction: Sewer systems and equipment, which are constructed and installed by developers in new housing developments within the Township, are generally dedicated to the Authority upon completion of each section of the development. Upon dedication, the estimated cost to construct such property is recorded by the Authority as an increase to property, plant and equipment and as an increase to contributions in aid of construction.

Net Position: Net position includes the various net earnings from operating and nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three components: net investment in capital assets; restricted for capital activity and debt services; and unrestricted net position. Net investment in capital assets consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted assets include developer deposits held by the Authority to be used to pay costs of certain engineering, legal, and inspection work required by the Authority. Unrestricted are amounts that do not meet the definitions above and are available for the Authority operations.

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Notes to Financial Statements

May 31, 2023

NOTE 1. Summary of Significant Accounting Policies (Continued)

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Authority does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Authority does not have any items that qualify for reporting in this category.

Unearned Revenue: Unearned revenues represent amounts received in advance.

Compensated Absences: Employees of the Authority are entitled to accrue unused sick leave and vacation time, from one calendar year to the next, up to a maximum of 600 hours of sick time and 40 hours of vacation time. At retirement an employee may receive up to 5% of their individual salary as a cash payout.

Vacation pay is granted to employees depending on length of service and other factors. Employees are encouraged to take all of their vacation time in the year earned. Long-term vacation and sick pay obligation for the year ended May 31, 2023 is \$112,129.

Comparative Information: The financial statements include certain prior year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting policies generally accepted in the United States of America, because the management discussion and analysis is presented for two years only. Accordingly, such prior year information should be read in conjunction with the Authority's financial statements for the year ended May 31, 2022, from which the comparative information was derived.

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Notes to Financial Statements

May 31, 2023

NOTE 1. Summary of Significant Accounting Policies (Continued)

Subsequent Events: The Authority has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of this report, which is the date the statements were available for release. No subsequent events have been recognized or disclosed.

New Accounting Pronouncements: Governmental Accounting Standards Board has issued statements that will become effective in future years, including Statement Nos. 94 (Public-Private and Public-Public Partnerships), 96 (Information Technology Arrangements), 99 (Omnibus 2022), 100 (Accounting Changes and Error Corrections). Management has not yet determined the impact of these statements on the financial statements.

NOTE 2. Budgets and Budgetary Accounting

Annual budgets are adopted on a cash basis of accounting, which is not consistent with Generally Accepted Accounting Principles (GAAP). The budget and all transactions are presented in accordance with the Authority's method (cash basis) in the Statement of Revenues and Expenses Compared to Budget to provide a meaningful comparison of actual results with the budget. The major differences between the cash basis of accounting and GAAP are that revenues are recorded when received in cash as opposed to when susceptible to accrual. Expenditures are recorded when paid as opposed to when the liability is incurred, except for interest on general long-term obligations, which is recorded when due. Debt principal payments and capitalized fixed assets are recorded on the balance sheet instead of in expenditures.

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

1. During April a preliminary budget is adopted.
2. In June or July the final budget is adopted.
3. All budget revisions require the approval of the Authority.
4. Budgetary control is maintained at the account level.
5. The budget is adopted on the cash basis of accounting. All appropriations lapse at year end.

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Notes to Financial Statements

May 31, 2023

NOTE 3. Cash and Investments

With the exception of Pension Trust Funds, state law allows the Authority to invest in obligations of the United States of America, the Commonwealth of Pennsylvania, or any agency or instrumentality of either, which are secured by the full faith and credit of such entity. The law also allows for the Authority to invest in certificates of deposit of banks, savings and loans, and savings banks both within and outside the Commonwealth of Pennsylvania, provided such amounts are insured by the Federal Deposit Insurance Corporation (FDIC) or other like insurance, and that deposits in excess of such insurance are collateralized by the depository. The state also imposes limitations with respect to the amount of investment in certificates of deposit to the extent that such deposits may not exceed 20% of a bank's total capital surplus or 20% of a savings and loans or savings bank's assets, net of its liabilities. The Authority may also invest in shares of registered investment companies, provided that investments of the Authority are authorized investments, as noted above.

Investments for the Authority are reported at fair value.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's policy is to require their banking institution to provide a letter stating that they follow the Commonwealth of Pennsylvania Act 72, where all funds in excess of federal depository insurance limits held by the bank are collateralized in public funds secured on a pooled basis. At year-end, the bank balance was \$3,341,068, including restricted cash escrows. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$920,988 was invested in externally pooled investments that are not subject to credit risk. Any balances exceeding these amounts are exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Authority's name.

Investment Pool - The Township has carrying deposits in external investment pools held with PLGIT Bank. These deposits, excluding term deposits, are considered cash equivalents because of their short maturity dates and are included in the carrying amount of deposits disclosed above. These deposits are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The investment in the pool is the same as the value of the pool shares and is reported at amortized cost, which approximates fair value. Pool amounts are invested directly in a portfolio of securities, which are held by a third-party custodian. All investments in an external investment pool that is not SEC registered are subject to oversight by the Commonwealth of Pennsylvania. The Township can withdraw funds from the external investment pool without limitation or fees upon adequate notice. The investment pool was rated AAAM by Standard & Poor's and has average maturities of less than 30 days. The Investment Pool operates in accordance with appropriate state laws and regulations.

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Notes to Financial Statements

May 31, 2023

NOTE 3. Cash and Investments (Continued)

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of a failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The risks of default are eliminated due to the constraints imposed upon allowable investment instruments through state limitations as discussed above.

Interest Rate Risk. This is the risk that changes in interest rates will adversely affect the fair market value of an investment. 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.

Credit Risk. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the investment of governmental funds as described above. The Authority does not have a formal investment policy for credit risk. The government's investments in the external investment pool were rated AAAM by Standard & Poor's.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The concentration of credit risk in investments of external investment pools is not required to be disclosed.

Fair Value Measurements - The Authority categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs that include quoted prices for similar assets in active markets and inputs that are observable for the asset, either directly, or indirectly, for substantially the full term of the financial instrument. Fair values of these instruments are estimated using pricing models, quoted pricing models, quoted prices of securities with similar characteristics, or discounted cash flows; Level 3 inputs are significant unobservable inputs, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The Authority's pooled investments are considered a recurring fair value measurements of Level 2. At year-end, the Authority's pooled cash and investment balances were as follows:

<u>Investments</u>	<u>Maturity Dates</u>	<u>Amount</u>	<u><1 year</u>	<u>1-5 years</u>
External Pooled Investments	2023	\$ 920,988	\$ 920,988	\$ -
Term Deposits	2023	5,200,379	5,200,379	-
Total		<u>\$ 6,121,367</u>	<u>\$ 6,121,367</u>	<u>\$ -</u>

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Notes to Financial Statements

May 31, 2023

NOTE 4. Capital Assets

Capital asset activity for the year ended May 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 764,500	\$ -	\$ -	\$ 764,500
Construction in progress	219,913	2,578,486	-	2,798,399
Total capital assets, not being depreciated	<u>984,413</u>	<u>2,578,486</u>	<u>-</u>	<u>3,562,899</u>
Capital assets, being depreciated:				
Plant	42,140,002	-	-	42,140,002
Equipment	2,176,264	110,969	(41,379)	2,245,854
Sanitary sewers	7,815,830	184,028	-	7,999,858
Contributed sewers	16,088,932	2,000	-	16,090,932
Total capital assets, being depreciated	<u>68,221,028</u>	<u>296,997</u>	<u>(41,379)</u>	<u>68,476,646</u>
Less accumulated depreciation for:				
Plant	19,620,434	1,423,594	-	21,044,028
Equipment	1,621,734	87,655	(41,379)	1,668,010
Sanitary sewers	2,716,662	100,282	-	2,816,944
Contributed sewers	6,108,811	205,754	-	6,314,565
Total accumulated depreciation	<u>30,067,641</u>	<u>1,817,285</u>	<u>(41,379)</u>	<u>31,843,547</u>
Total capital assets, being depreciated, net	<u>38,153,387</u>	<u>(1,520,288)</u>	<u>-</u>	<u>36,633,099</u>
All capital assets, net	<u>\$ 39,137,800</u>	<u>\$ 1,058,198</u>	<u>\$ -</u>	<u>\$ 40,195,998</u>

NOTE 5. Deferred Compensation Plan/Payable

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Authority employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Participants' rights under the plan are equal to the fair market value of the deferred account for each participant.

There are no assets accumulated in the plan that meet the criteria for recognition in accordance with Governmental Accounting Standards.

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Notes to Financial Statements

May 31, 2023

NOTE 6. Money Purchase Pension Plan

The Authority sponsors a money purchase plan under which substantially all employees are covered. Following are details of the plan. There are no assets accumulated in the trust that meet the criteria for recognition in accordance with Governmental Accounting Standards.

Chalfont-New Britain Township Joint Sewage Authority Pension Trust

Plan Description

The Authority sponsors a money purchase plan to provide pension benefits for employees of the Authority. The plan covers all full-time employees and requires 1,000 hours of service for eligibility.

As required by the plan document, the employer contributes 8.0% of eligible compensation and covered employees contribute 2.5% of their salary to the pension trust. Employees are allowed to voluntarily contribute an additional 7.5% of eligible compensation.

The Pension Trust provides retirement benefits, as well as, death and disability benefits. All benefits vest after 7 years of credited service. Married employees who retire at or after age 60 with 10 years of credited service are entitled to a 50% joint and survivor annuity. Members who are not married are entitled to a life annuity. Members may elect not to take the annuities and choose to take one of the following forms of payment: (1) a single lump sum payment, (2) the purchase of a different form of annuity, or (3) equal installments over a period of not more than the member's or the beneficiary's life expectancy at the time of distribution.

If an employee terminates employment before 7 years of credited service for reasons other than death, disability, or retirement, he or she is entitled to only the "vested percentage" of the account balance; therefore, the accumulated employee contributions plus related investment earnings are refunded to the employee upon termination. If an employee dies before 7 years of credited service, the beneficiary will be entitled to 100% of the members account balance.

The Authority's total covered payroll for the year ended May 31, 2023 was \$1,431,852 on the cash basis of accounting, which is the basis used to calculate the pension contributions. The Authority has made the necessary contribution of \$114,548 (8.0% of covered payroll).

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Notes to Financial Statements

May 31, 2023

NOTE 7. Post-Retirement Benefits

In accordance with the Union Labor Contract the Authority implemented a single employer defined benefit plan. Plan benefits may be amended through Union Labor Contracts. The plan does not issue a stand-alone financial report.

The Authority provides a health care bridge for certain employees by continuing to pay the same premium costs provided to regular full-time active employees for those employees who retire with 25 years of continuous active service, for a period not to exceed 3 years should such employee retire before he is eligible for Medicare. This period shall be a bridge between early retirement eligibility and Medicare eligibility.

The coverage will be funded on a pay-as-you-go basis. The expense for post retiree health care costs for the year ended May 31, 2023 was \$0. There were no retirees receiving this benefit. There are no employee contributions required.

The Authority has elected to use the alternative measurement method to value the liability. The financial statements do not reflect the long-term liability of \$2,679 due to the immateriality of the amount.

NOTE 8. Agreements with Other Municipalities

The Authority has agreements with other municipalities for the transportation and treatment of sanitary wastes.

With Montgomery Township Municipal Sewer Authority, Hatfield Township Municipal Authority (HTMA), and Warrington Township connections are billed at the same rate as the connections in the Authority's service area.

In October 2012, negotiation of a new Operating Agreement between the Authority and the BCWSA was finalized that outlined new terms and conditions for capacity, treatment, and cost sharing of the Authority's treatment facility.

NOTE 9. Risk Management and Contingencies

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance.

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Notes to Financial Statements

May 31, 2023

NOTE 9. Risk Management and Contingencies (Continued)

In the normal course of business, there are various relatively minor claims and suits pending against the Authority, none of which materially affect the financial position of the Authority. At the present time, there are no unasserted claims or significant litigation matters pending.

NOTE 10. Debt

In 2022, the Authority obtained a \$3,056,000 (series 2022 A) loan to fund capital project costs. The loan will be drawn down as needed. The loan is to be repaid in monthly principal interest payment at a fixed interest rate of 1.79% through May 2027 and variable rate thereafter. Final maturity of the loan is May 2030.

In 2022, the Authority obtained a \$3,925,000 (series 2022 AA) loan to refund the series 2016 debt. The loan is to be repaid in monthly principal interest payment at a fixed interest rate of 1.59%. Final maturity of the loan is November 2026.

Long-term liability activity for the year ended May 31, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Construction loan 2022 A	\$ 80,490	\$ 2,446,626	\$ -	\$ 2,527,116	\$ -
Construction loan 2022 AA	3,789,440	-	(816,371)	2,973,069	831,960
Compensated absences	126,859	-	(14,730)	112,129	-
Business-type activities					
Long-Term Liabilities	<u>\$ 3,996,789</u>	<u>\$ 2,446,626</u>	<u>\$ (831,101)</u>	<u>\$ 5,612,314</u>	<u>\$ 831,960</u>

Debt service is funded primarily from charges for services. Future maturities as of May 31, 2023 are as follows:

Year Ending		
31-May	Principal	Interest
2024	\$ 831,960	\$ 41,733
2025	845,280	28,408
2026	858,820	14,870
2027	874,060	47,251
2028	2,087,616	45,235
Thereafter	2,449	-
	<u>\$ 5,500,185</u>	<u>\$ 177,497</u>

SUPPLEMENTAL INFORMATION

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Schedule A: Operating Expenses

For the Years Ended May 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Expenses		
Sanitary Sewers		
Salaries and wages	\$ 316,200	\$ 258,238
Education and training	1,118	336
Materials and supplies	45,116	24,872
Chemicals	2,261	9,352
Maintenance	49,483	48,202
Alarm system	4,756	2,490
Power-pump station	15,945	14,972
PA one call	742	1,003
Industrial pretreatment	-	-
Engineering	3,548	4,909
Legal	529	64
Miscellaneous customer service	1,768	2,363
Depreciation expense	<u>343,575</u>	<u>342,001</u>
Total Sanitary Sewers	<u>785,041</u>	<u>708,802</u>
Sewage Disposal		
Salaries and wages	887,339	846,550
Education and training	5,011	3,525
Materials and supplies	123,008	92,589
Polymer	7,966	3,855
Ferric chloride	43,982	44,086
Laboratory	16,616	12,716
Outside laboratory	24,087	13,079
Equipment maintenance/repair	474,616	169,011
Electrical repair	10,882	19,911
Ground maintenance	10,788	11,216
Fuel oil	29,639	-
Power	203,875	224,236
Natural gas	73,373	73,290
Engineering	8,373	6,828
Permits	7,852	5,278
Sludge disposal	165,314	137,218
Chemicals	57,605	15,719
Depreciation expense	<u>700,974</u>	<u>673,653</u>
Total Sewage Disposal	<u>2,851,300</u>	<u>2,352,760</u>
TOTAL OPERATING EXPENSES	<u>\$ 3,636,341</u>	<u>\$ 3,061,562</u>

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

Schedule B: General and Administrative Expenses

For the Years Ended May 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Administrative Expenses		
Salaries and wages	\$ 323,819	\$ 308,579
Insurance - plant/equipment	131,342	122,047
Insurance - medical	293,214	264,087
PA unemployment	5,433	4,613
Pension	114,548	110,315
Social security	114,865	106,448
Legal	16,948	18,798
Audit	14,050	12,750
Administrative	13,339	8,290
Engineering	6,333	6,260
Materials and supplies	10,027	8,864
Postage	15,577	12,536
Office equipment	18,970	16,805
Telephone	5,086	6,972
Maintenance	3,580	31,544
Education and training	1,811	2,391
Depreciation expense	<u>4,907</u>	<u>6,469</u>
Total Administrative Expenses	<u>\$ 1,093,849</u>	<u>\$ 1,047,768</u>