

BOROUGH OF CORNWALL, PENNSYLVANIA

**PRIMARY GOVERNMENT BASIC
FINANCIAL STATEMENTS**

DECEMBER 31, 2021

**BOROUGH OF CORNWALL, PENNSYLVANIA
FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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**BOROUGH OF CORNWALL, PENNSYLVANIA
FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Members of Borough Council
BOROUGH OF CORNWALL, PENNSYLVANIA
Cornwall, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the BOROUGH OF CORNWALL, PENNSYLVANIA, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's primary government financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Cornwall, Pennsylvania, as of December 31, 2021, and the respective changes in financial position – cash basis for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the pension and budgetary comparison information on pages 24 through 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting 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.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Cornwall, Pennsylvania's financial statements. The supplementary combining statements of special revenue and capital project funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary combining statements of special revenue and capital project funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements of special revenue and capital project funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Stanilla, Siegel and Maser LLC

Lebanon, Pennsylvania

February 15, 2022

BOROUGH OF CORNWALL, PENNSYLVANIA
STATEMENT OF NET POSITION - CASH BASIS
December 31, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<i>ASSETS</i>			
Cash and Cash Equivalents	\$ 2,126,469	\$ 3,867,618	\$ 5,994,087
Cash, Restricted for Escrow	<u>49,103</u>	<u></u>	<u>49,103</u>
Total Assets	<u>\$ 2,175,572</u>	<u>\$ 3,867,618</u>	<u>\$ 6,043,190</u>
<i>LIABILITIES</i>			
Payroll Liabilities	\$ 5,669	\$ -0-	\$ 5,669
Developer Escrow	<u>49,103</u>	<u></u>	<u>49,103</u>
Total Liabilities	<u>\$ 54,772</u>	<u>\$ -0-</u>	<u>\$ 54,772</u>
<i>NET POSITION</i>			
Restricted - Public Safety	\$ 48,255		\$ 48,255
Restricted - Liquid Fuels	31,438		31,438
Restricted - Community Programs	276		276
Unrestricted	<u>2,040,831</u>	<u>3,867,618</u>	<u>5,908,449</u>
Total Net Position	<u>\$ 2,120,800</u>	<u>\$ 3,867,618</u>	<u>\$ 5,988,418</u>

See Accompanying Notes to Primary Government Financial Statements

BOROUGH OF CORNWALL, PENNSYLVANIA
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended December 31, 2021

<u>Functions/Programs</u>	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 349,550	\$ 61,279	108,126	\$ -0-	\$ (180,145)		\$ (180,145)
Public Safety	1,027,229	233,185	41,570		(752,474)		(752,474)
Public Works	657,118	208	412,137		(244,773)		(244,773)
Culture and Recreation	16,075	26,250	6,526		16,701		16,701
Debt Service	248,605				(248,605)		(248,605)
Employer Paid Benefits and Taxes	503,572		86,352		(417,220)		(417,220)
Miscellaneous	11,406				(11,406)		(11,406)
Total Governmental Activities	\$ 2,813,555	\$ 320,922	\$ 654,711	\$ -0-	\$ (1,837,922)		\$ (1,837,922)
Business-Type Activities:							
Water	\$ 808,990	\$ 884,737				\$ 75,747	\$ 75,747
Sewer	754,476	839,753				85,277	85,277
Total Business-Type Activities	\$ 1,563,466	\$ 1,724,490	\$ -0-	\$ -0-	\$ -0-	\$ 161,024	\$ 161,024
Total Primary Government	\$ 4,377,021	\$ 2,045,412	\$ 654,711	\$ -0-	\$ (1,837,922)	\$ 161,024	\$ (1,676,898)
General Revenues:							
Taxes:							
Property Taxes					\$ 1,060,532	\$ -0-	\$ 1,060,532
Earned Income Taxes					700,310		700,310
Real Estate Transfer Taxes					210,336		210,336
Local Services Taxes					54,133		54,133
Investment Earnings					739	1,787	2,526
Refund of Prior Year Revenue					5,953		5,953
Sale of Assets					9,000		9,000
Miscellaneous Income					15,239		15,239
Total General Revenues					\$ 2,056,242	\$ 1,787	\$ 2,058,029
Change in Net Position					\$ 218,320	\$ 162,811	\$ 381,131
Net Position - Beginning					1,902,480	3,704,807	5,607,287
Net Position - Ending					\$ 2,120,800	\$ 3,867,618	\$ 5,988,418

See Accompanying Notes To Primary Government Financial Statements

BOROUGH OF CORNWALL, PENNSYLVANIA
STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
December 31, 2020

	<u>General</u>	<u>Capital Reserve Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,354,681	\$ 459,335	\$ 312,453	\$ 2,126,469
Cash, Restricted for Escrow	<u>49,103</u>			<u>49,103</u>
Total Assets	<u>\$ 1,403,784</u>	<u>\$ 459,335</u>	<u>\$ 312,453</u>	<u>\$ 2,175,572</u>
LIABILITIES				
Payroll Liabilities	\$ 5,669	\$ -0-	\$ -0-	\$ 5,669
Developer Escrow	<u>49,103</u>			<u>49,103</u>
Total Liabilities	<u>\$ 54,772</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 54,772</u>
FUND BALANCES				
Restricted	\$ -0-	\$ -0-	\$ 79,969	\$ 79,969
Committed			118,653	118,653
Assigned		459,335	113,831	573,166
Unassigned	<u>1,349,012</u>			<u>1,349,012</u>
Total Fund Balance	<u>\$ 1,349,012</u>	<u>\$ 459,335</u>	<u>\$ 312,453</u>	<u>\$ 2,120,800</u>
Total Liabilities and Fund Balance	<u>\$ 1,403,784</u>	<u>\$ 459,335</u>	<u>\$ 312,453</u>	<u>\$ 2,175,572</u>

See Accompanying Notes To Primary Government Financial Statements

BOROUGH OF CORNWALL, PENNSYLVANIA
STATEMENTS OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE - CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	<u>General</u>	<u>Capital Reserve Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
REVENUES COLLECTED				
Taxes	\$ 2,025,311	\$ -0-	\$ -0-	\$ 2,025,311
Licenses and Permits	108,511			108,511
Fines and Forfeits	9,490			9,490
Intergovernmental	358,498		174,104	532,602
Charges for Services	294,672		26,250	320,922
Investment Earnings	489	112	138	739
Miscellaneous	11,443		7,904	19,347
Total Revenues Collected	<u>\$ 2,808,414</u>	<u>\$ 112</u>	<u>\$ 208,396</u>	<u>\$ 3,016,922</u>
EXPENDITURES PAID				
General Government	\$ 349,550	\$ -0-	\$ -0-	\$ 349,550
Public Safety	817,671		9,558	827,229
Public Works - Highways	419,576		237,542	657,118
Culture - Recreation	9,763		6,312	16,075
Debt Service	194,462		54,143	248,605
Employer Paid Benefits and Taxes	503,572			503,572
Miscellaneous	11,406			11,406
Total Expenditures Paid	<u>\$ 2,306,000</u>	<u>\$ -0-</u>	<u>\$ 307,555</u>	<u>\$ 2,613,555</u>
Excess (Deficiency) of Revenues Collected Over Expenditures Paid	<u>\$ 502,414</u>	<u>\$ 112</u>	<u>\$ (99,159)</u>	<u>\$ 403,367</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	\$ -0-	\$ 350,000	\$ 60,000	\$ 410,000
Sale of Assets			9,000	9,000
Loan to Fire Company		(200,000)		(200,000)
Refund of Prior Year Expense	5,953			5,953
Operating Transfers Out	(440,000)		30,000	(410,000)
Total Other Financing Sources (Uses)	<u>\$ (434,047)</u>	<u>\$ 150,000</u>	<u>\$ 99,000</u>	<u>\$ (185,047)</u>
Excess (Deficiency) of Revenues Collected and Other Financing Sources Over Expenditures Paid and Other Financing Uses	<u>68,367</u>	<u>150,112</u>	<u>(159)</u>	<u>218,320</u>
Fund Balance - January 1, 2021	<u>\$ 1,280,645</u>	<u>\$ 309,223</u>	<u>\$ 312,612</u>	<u>\$ 1,902,480</u>
Fund Balance - December 31, 2021	<u>\$ 1,349,012</u>	<u>\$ 459,335</u>	<u>\$ 312,453</u>	<u>\$ 2,120,800</u>

See Accompanying Notes To Primary Government Financial Statements

BOROUGH OF CORNWALL, PENNSYLVANIA
STATEMENTS OF NET POSITION - CASH BASIS
PROPRIETARY FUNDS
December 31, 2021

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<i>ASSETS</i>			
Cash and Cash Equivalents	\$ 1,961,297	\$ 1,906,321	\$ 3,867,618
Due from Other Fund	<u>1,197</u>	<u>3,178</u>	<u>4,375</u>
Total Assets	<u>\$ 1,962,494</u>	<u>\$ 1,909,499</u>	<u>\$ 3,871,993</u>
<i>LIABILITIES</i>			
Due to Other Fund	<u>\$ 3,178</u>	<u>\$ 1,197</u>	<u>\$ 4,375</u>
<i>NET POSITION</i>			
Unrestricted	<u>\$ 1,959,316</u>	<u>\$ 1,908,302</u>	<u>\$ 3,867,618</u>
Total Liabilities and Net Position	<u>\$ 1,962,494</u>	<u>\$ 1,909,499</u>	<u>\$ 3,871,993</u>

See Accompanying Notes to Primary Government Financial Statements

BOROUGH OF CORNWALL, PENNSYLVANIA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - CASH BASIS
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
OPERATING REVENUES			
User Charges	\$ 829,283	\$ 770,780	\$ 1,600,063
Tapping Fees	4,900	102,225	107,125
Reimbursements		11,732	11,732
Miscellaneous Income	<u>5,570</u>	<u>-0-</u>	<u>5,570</u>
Total Operating Revenue	<u>\$ 839,753</u>	<u>\$ 884,737</u>	<u>\$ 1,724,490</u>
OPERATING EXPENSES			
Salaries and Wages	\$ 101,822	\$ 101,121	\$ 202,943
Employer Paid Benefits and Taxes	48,560	48,596	97,156
General Operating Expenses	121,678	158,289	279,967
General Administrative Expenses	6,877	10,127	17,004
Maintenance and Repairs	17,719	98,071	115,790
Professional Fees	6,099	3,737	9,836
Water Purchase		389,049	389,049
Sewer Usage Charge	<u>451,721</u>	<u>-</u>	<u>451,721</u>
Total Operating Expenses	<u>\$ 754,476</u>	<u>\$ 808,990</u>	<u>\$ 1,563,466</u>
Operating Income	<u>\$ 85,277</u>	<u>\$ 75,747</u>	<u>\$ 161,024</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	\$ 900	\$ 887	\$ 1,787
Operating Transfers In/(Out)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Non-Operating Revenues (Expenses)	<u>\$ 900</u>	<u>\$ 887</u>	<u>\$ 1,787</u>
CHANGE IN NET POSITION	<u>\$ 86,177</u>	<u>\$ 76,634</u>	<u>\$ 162,811</u>
NET POSITION - BEGINNING OF YEAR	<u>1,873,139</u>	<u>1,831,668</u>	<u>3,704,807</u>
NET POSITION - END OF YEAR	<u><u>\$ 1,959,316</u></u>	<u><u>\$ 1,908,302</u></u>	<u><u>\$ 3,867,618</u></u>

See Accompanying Notes to Primary Government Financial Statements

BOROUGH OF CORNWALL, PENNSYLVANIA
STATEMENT OF NET POSITION
PENSION TRUST FUNDS
December 31, 2020

	<u>Police Pension Fund</u>	<u>Non-Uniform Pension Fund</u>
<i>ASSETS</i>		
Cash and Cash Equivalents	\$ 82,899	\$ 50,238
Investments	2,860,939	2,000,008
Contributions Receivable		
Prepaid Pension Payments	<u>3,830</u>	<u>10,386</u>
Total Assets	<u>\$ 2,947,668</u>	<u>\$ 2,060,632</u>
<i>LIABILITIES</i>		
Due to Others	<u>\$ -0-</u>	<u>\$ -0-</u>
Total Liabilities	<u>\$ -0-</u>	<u>\$ -0-</u>
<i>NET POSITION</i>		
Restricted for pension benefits	<u>\$ 2,947,668</u>	<u>\$ 2,060,632</u>

BOROUGH OF CORNWALL, PENNSYLVANIA
STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS
For the Year Ended December 31, 2021

	Police Pension Fund	Non-Uniform Pension Fund
Additions		
Contributions:		
Cornwall Borough Contributions	\$ 10,241	\$ 59,115
Employee	3,284	-0-
Commonwealth of PA	38,378	47,973
	<u>\$ 51,903</u>	<u>\$ 107,088</u>
Investment Income:		
Net Appreciation in Fair Value of Investments	\$ 356,040	\$ 235,349
Investment Expense	<u>(19,999)</u>	<u>(13,287)</u>
Net Investment Income	<u>\$ 336,041</u>	<u>\$ 222,062</u>
Total Net Additions	<u>\$ 387,944</u>	<u>\$ 329,150</u>
Deductions		
Benefits Paid	\$ 26,812	\$ 124,630
DROP Distribution	253,018	
Administrative Expense	<u>8,700</u>	<u>8,900</u>
Total Deductions	<u>\$ 288,530</u>	<u>\$ 133,530</u>
Change in Net Position	<u>\$ 99,414</u>	<u>\$ 195,620</u>
Net Position - Restricted for Pension Benefits		
Beginning of Year	<u>\$ 2,848,254</u>	<u>\$ 1,865,012</u>
End of Year	<u><u>\$ 2,947,668</u></u>	<u><u>\$ 2,060,632</u></u>

See Accompanying Notes To Primary Government Financial Statements

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES

Organization and Reporting Entity

The Borough of Cornwall is located in Lebanon County, Pennsylvania. The Borough is a municipal corporation and is governed by an elected Borough council and a mayor. The daily operations and management of the Borough are performed by the administrative staff of the Borough, headed by the Borough Manager, who is appointed by the Borough Council. Services provided by the Borough include public safety, public works, public health and welfare, community planning, and culture and recreation.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the Borough are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Borough.

As required by generally accepted accounting principles, these financial statements are to present the Borough of Cornwall (the primary government) and organizations for which the primary government is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are financially dependent on the Borough in that the Borough approved the budget, the issuance of debt, or the levying of taxes.

Basis of Accounting

The Borough of Cornwall prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles, generally accepted in the United States of America. Under the cash basis of accounting, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

The Pension Plan's financial statements in the Fiduciary Funds are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due, in accordance with Act 205, as amended by Act 189. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (continued)

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, cash receipts/revenues, and cash disbursements/expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The General Fund is the primary operating fund of the Borough and is always classified as a major fund. It is used to account for all activities except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to disbursements for specified purposes other than debt service or capital projects. None of the special revenue funds are reported as major funds. Non-major special revenue funds are the Police Equipment Fund, Police Treasury Fund, Motor License Fund, DARE Fund, DTF Fund, and Recreation Fund.

Capital Project Funds are used to account for financial resources to be used for capital outlays. None of the capital project funds are reported as major funds. Non-major capital project funds are the Capital Projects Fund, Capital Reserve Fund, and Highway Equipment Fund.

Enterprise Funds

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Township reports the Water Fund and the Sewer Fund as major proprietary funds. These funds account for the water and sewer service operations of the Township.

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (continued):

Fiduciary Fund

Trust and Agency Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Borough programs. The reporting focus is on net assets and changes in net assets.

The Borough's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally segregated for the specific purpose.

Net Position

Net position of the government-wide funds are categorized as restricted or unrestricted. The restricted category represents the balance of assets restricted by requirements externally imposed constraints or by legislation.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term governmental securities.

Investments

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Capital Assets

Capital assets purchased are recorded as expenditures in the respective fund at the time of purchase. The Borough has not maintained a record of its capital assets.

Operating Revenues and Expenses

Operating revenues and expenses in the Proprietary Funds are those that result from providing services and producing and delivering goods and/or services.

Pension Expenses

Investment expenses consist of investment management, custodial fees, and other significant investment related costs. Administrative expenses consist of consulting, actuarial, legal, and accounting services, along with any other significant Plan related costs. The above expenses are allowable pension Plan expenditures in accordance with Act 205 and may be funded with Plan assets.

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (continued):

Government-wide Net Position

Government wide net position are divided into three components:

- Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets. The Borough does not maintain a record of its capital assets
- Restricted - consist of net position that is restricted by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted - all other net position is reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. The Borough has no nonspendable amounts at December 31, 2019.
- Restricted - Amounts that can be spent only for specific purposes because of enabling legislation, the Borough code, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed - Amounts that can be used only for specific purposes determined by a formal action by Borough Council ordinance or resolution.
- Assigned - Amounts that are designated by the Borough Council for a particular purpose.
- Unassigned - All amounts not included in other spendable classifications.

Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the Borough's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Borough's policy is to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications - committed and then assigned fund balances before using unassigned fund balances.

Risk Management

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

Interfund Activity

Interfund activity is reported as reimbursements or transfers. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. Intercompany balances are present when there is a time lag in the reimbursement and/or transfer.

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (continued):

Budgetary Data

The Borough follows these procedures in establishing the budgetary data reflected in the financial statements.

- In the fall of each year, the Borough Manager submits to the Borough Council a proposed operating Budget for the subsequent year. The operating budget includes proposed expenditures, and the means of financing them.
- Public Hearings are conducted to obtain citizen comments on the proposed budget. Prior to December 31 the budget is legally adopted by the passage of an ordinance by Borough Council

The Borough prepares it's Budget on the cash basis of accounting.

The legal level of budgetary control is at the fund level. The Borough does not make budget transfers between expenditure accounts. The carryover fund balance from the prior year and the current year excess of revenues collected over expenditures paid are available for appropriation without formal budget revision.

Real Estate Taxes

The total taxable assessed real estate valuation for the year ended December 31, 2021, is \$476,244,301. The Borough's property tax is levied March 1.

The Borough is permitted by the Borough Code of the Commonwealth of Pennsylvania to levy taxes up to 30 mills of assessed valuation for general governmental services other than payment of principle and interest on debt and other special purposes. For 2021, Borough real estate taxes were levied at the rate of 2.25 mills (\$2.25 of tax on each \$1,000 of assessed value).

A 2% discount is allowed on taxes paid by April 30. Taxes are payable at a face value during May and June, and a 10% penalty is added to taxes paid after June 30.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Since these financial statements are prepared on the cash basis, no significant estimates have been used.

Subsequent Event Review

The Borough has evaluated subsequent events through February 15, 2022 the date the financial statements were available to be issued.

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Finance Related Legal and Contractual Provisions

The Borough has no material violations of finance related legal and contractual provisions.

Deficit Fund Balance or Retained Earnings of Individual Funds

There are no deficits in fund balances or net assets.

Excess of Expenditures Over Appropriations in Individual Funds

There were no funds with legally adopted budgets that had an excess of expenditures over appropriations for the year ended December 31, 2021.

NOTE 3 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk

The Borough is authorized by statute to invest in government securities and insured accounts or their equivalents. The Borough has no formal policy that addresses custodial risk. There were no deposit or investment transactions during the year that were in violation of either state statutes or Borough policy. The Borough deposits cash in local financial institutions. At the year-end, the Borough's carrying amount of deposits was \$1,833,945, excluding \$450 petty cash, and the bank balance was \$1,871,859. Bank balances up to \$250,000 are covered by federal depository insurance. The Borough had \$1,562,764 in excess of FDIC coverage at December 31, 2021. Depositories pledge assets to secure deposits in excess of FDIC coverage in accordance with Act 72.

Cash equivalents of the Borough consist of funds deposited in the Pennsylvania Local Government Investment Trust (PLGIT). These funds are invested in federal securities. Book and bank balances at December 31, 2021, were \$3,791,899. The cash equivalents are not categorized by level of credit risk as they are pooled funds and securities are not used as evidence of investment. Market values of the above instruments are at cost.

The Borough places no limit on the amounts invested in any one depository.

NOTE 4 - INVESTMENTS

The Borough code provides for the deposit of governmental funds into certain authorized investment types including U.S. Treasury bills, U.S. Treasury notes, other short term U.S. and Pennsylvania government obligations or their agencies or instrumentalities and insured or collateralized time deposits and certificates of deposits. The Borough has no investments other than those held by its Pension Plans.

The Government Accounting Standards Board in Statement No. 3 (GASB 3), as amended by GASB No. 40, requires state and local governments to disclose certain risks associated with the plan's deposits and investments. GASB 53 requires investment derivative instruments be reported at fair value and disclosed according to GASB 40 requirements.

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 – INVESTMENTS (continued)

Method Used to Value Pension Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Investment Policy Summary

The Pension Plan's investment policy in regard to the allocation of invested assets is established and may be amended by Borough Council. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The Plan's formal Investment Policy Statement which is revised periodically provides more comprehensive details on investment strategy and authorized investments.

The Plan's investment policy for both Plans establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>
Domestic Equity	47.0%
International Equity	8.0%
Fixed Income	37.0%
Real Estate	5.0%
Cash and Cash Equivalents	3.0%
Total Net Blended Return Excluding 2.5% for Inflation	4.21%
Long Term Expected Rate of Return Including Inflation	6.71%

The long-term expected rate of return on the Plan's investments was determined using an asset allocation study conducted by the Plan's investment management consultant in December 2020 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best-estimates or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2020 are listed in the table above.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of a Plan's 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 Plan does have a formal investment policy that addresses concentration of credit risk. As of December 31, 2020, no investment in any one organization represented five percent (5%) or more of the Plan's fiduciary net position.

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 – INVESTMENTS (continued)

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.80 percent for the Police Pension Plan and 11.91 percent for the Non-Uniformed Pension Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits and Investments

The Plan's deposits and investments are governed by Title 20 of the Pennsylvania Consolidated Statutes, Chapter 73 Municipalities Investments, Section 7302.

Deposits

The Plan does not have a formal deposit policy that addresses custodial credit risk or foreign currency risk, however, the Plan held no deposits that were exposed to custodial credit risk or foreign currency risk as of December 31, 2021.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy that addresses credit risk states that in cases where the yield spread adequately compensates for additional risk, fixed income investments with B ratings can be purchased to achieve the high yield performance. The credit risk of a debt instrument as measured by a Nationally Recognized Statistical Rating Organization (NRSRO). (Morningstar for bond mutual funds or Moody's for bonds and mortgages) is as follows:

<u>Investment Type</u>	<u>Quality</u>	<u>Police Plan Fair Value</u>	<u>Non-Uniformed Plan Fair Value</u>
Bond Mutual Funds	BBB	\$ 172,903	\$ 120,873
Bond Mutual Funds	BB	\$ 375,228	\$ 262,313
Bond Mutual Funds	B	\$ 259,894	\$ 181,671
Bond Mutual Funds	Not Rated	\$ 259,207	\$ 181,206
Money Market Fund	Not Rated	\$ 82,899	\$ 50,238
Total		<u>\$1,150,129</u>	<u>\$ 796,301</u>

Custodial Credit Risk

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Plan does not have a formal investment policy that addresses custodial credit risk, however, the Plan held no investments that were exposed to custodial credit risk at December 31, 2021.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan does not have a formal investment policy that addresses foreign currency risk; however, the Plan held no investments that were exposed to foreign currency risk as of December 31, 2021.

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment or a deposit. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. The Plan 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 December 31, 2021, the Plan's investment balance exposed to interest rate risk was as follows:

Investment Maturities (in Years)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>	<u>More Than 10</u>
Non-Uniform Plan:					
Bond Mutual Funds	\$ 746,063	\$ -0-	\$ 181,671	\$ 383,186	\$ 181,206
Police Plan:					
Bond Mutual Funds	<u>1,067,232</u>	<u>-0-</u>	<u>259,894</u>	<u>548,131</u>	<u>\$ 259,207</u>
Total	<u>\$1,813,295</u>	<u>\$ -0-</u>	<u>\$ 441,565</u>	<u>\$ 931,317</u>	<u>\$ 440,413</u>

NOTE 5 - PENSION PLANS

The Borough maintains two single-employer defined benefit pension plans covering substantially all employees. The Borough Council is responsible for management of plan assets for both the Non-Uniform and Police Pension Plans. The Borough has delegated the authority to manage certain plan assets to Univest Municipal Pension Services who prepares a year-end financial statement of the pension plans, a copy of which is kept on file in the Borough office. Refer to the plan document for a detailed description of plan benefits.

Non-Uniform Pension Plan

The Non-Uniform Pension Plan is a single-employer defined benefit pension plan, governed in accordance with Act 69 of the General Assembly of the Commonwealth of Pennsylvania. The plan is controlled by the provisions of Ordinance 1996-4, as amended. The Plan covers full-time non-uniformed employees of the Borough. The Plan provides retirement, survivor, and disability benefits to plan members and their beneficiaries. Refer to the Plan document for a detailed description of plan benefits.

Police Pension Plan

The Police Pension Plan is a single-employer defined benefit retirement plan, governed in accordance with provisions pursuant to Act 12 of the General Assembly of the Commonwealth of Pennsylvania. The Plan covers full-time police officers and is controlled by the provisions of a joinder agreement. The Plan provides retirement, survivor, and disability benefits to plan members and their beneficiaries. Refer to the Plan document for a detailed description of plan benefits.

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 - PENSION PLANS (continued)

As of December 31, 2021, the most recent information available as of report date, membership consisted of:

	<u>NON-UNIFORM PENSION PLAN</u>	<u>POLICE PENSION PLAN</u>
Inactive Plan Members Currently Receiving Benefits	9	2
Inactive Plan Members Entitled to but not yet Receiving Benefits	4	1
Active Plan Members	<u>9</u>	<u>5</u>
Total	<u>22</u>	<u>8</u>

Contributions and Funding Policy

Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for Pennsylvania municipal pension plans. Under Act 205 provisions, a municipal budget must provide for the full payment of the minimum municipal obligation (MMO) to each employee pension fund of the municipality. Act 189 of 1990 amended Act 205 and redefined the calculation used to determining the MMO to employee pension funds. The MMO is now defined as the total financial requirements to the pension fund, less funding adjustments and estimated member contributions.

As a condition of participation in the non-uniform pension plan, non-uniform employees are not required to contribute to the plan. This contribution is governed by the Plan's ordinances. In accordance with Act 205, as amended, the Borough was required to contribute \$59,115 to the Plan for the year 2021.

As a condition of participation in the Police Pension Plan, full-time officers are required to contribute 1% of their compensation into the plan. This contribution is governed by the Plan's ordinances and collective bargaining agreement. In accordance with Act 205, as amended, the Borough was required to contribute \$10,241 to the Plan for the year 2021.

Net Pension Liability

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

	<u>NON-UNIFORM PENSION PLAN</u>	<u>POLICE PENSION PLAN</u>
Total Pension Liability	\$ 2,314,105	\$ 2,649,255
Plan Fiduciary Net Position	\$ 2,060,632	\$ 2,947,668
Net Pension Liability	\$ 253,473	\$ (298,413)
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	89.0%	111.3%

Update procedures were used to roll forward to the plan's fiscal year ending December 31, 2021. The total pension liability was determined as part of an actuarial valuation at January 1, 2021 and rolled forward to December 31, 2021.

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 - PENSION PLANS (continued)

Actuarial Assumptions

An actuarial valuation of the total pension liability is performed biennially. This report was based upon the Plan's actuarial assumptions, asset valuation method, and cost method as described below:

Non-Uniformed Pension Plan

Actuarial Valuation Date	January 1, 2021
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar
Remaining Amortization Period	16 years
Asset Valuation Method	Market Valuation
Inflation	2.25%
Salary Increases	5.00%
Investment Rate of Return	7.00% (Net of pension plan investment expense including inflation)
Retirement Age	62

Police Pension Plan

Actuarial Valuation Date	January 1, 2021
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar
Remaining Amortization Period	N/A
Asset Valuation Method	Market Value
Inflation	2.25%
Salary Increases	5.50%
Investment Rate of Return	7.00% (Net of pension plan investment expense including inflation)
Retirement Age	55

Mortality rates were based on the PUBS-2010 Mortality Table projected 5 years past the valuation date using scale MP-2020.

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 - PENSION PLANS (continued)

Discount Rate

The discount rate to measure the total pension liability was 7.00% for both Plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based upon the Plan's current target investment allocation and the associated long-term expected investment return for its asset classes, the Plans' long-term returns may be less than its actuarial discount rate assumption use to determine its pension liability. This may result in future increased total and net pension liability. The actuary recommends that the governing body explore the costs of lowering the actuarial assumed investment rate of return going forward to be more consistent with the plans' anticipated investment returns.

Net Pension Liability Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The tables below present the net pension liabilities calculated using the discount rates of 7.00% for both Plans as well as what the net pension liabilities would be if they were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rates.

NON-UNIFORM PENSION PLAN

	<u>1% Decrease</u> <u>6.00%</u>	<u>Current Discount</u> <u>Rate 7.00%</u>	<u>1% Increase</u> <u>8.00%</u>
Net Pension Liability	\$457,576	\$253,473	\$77,680

POLICE PENSION PLAN

	<u>1% Decrease</u> <u>6.00%</u>	<u>Current Discount</u> <u>Rate 7.00%</u>	<u>1% Increase</u> <u>8.00%</u>
Net Pension Liability	\$ 554	(\$298,413)	(\$549,500)

Act 44 Deferred Option Retirement Program (DROP)

An active member who has met the eligibility requirements for normal retirement may elect to participate in the DROP for a period of up to 60 months. The monthly pension shall be calculated as of the date of participation in the DROP. The DROP plan account balance is distributed to the member in a lump sum at the termination of DROP.

As of December 31, 2021, there was one DROP participant in the Police Pension Plan. The balance of the amount held by the Plan pursuant to the DROP was \$262,128.

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 - PENSION PLANS (continued)

Changes in Borough's Net Pension Liability

Changes in the Borough's net pension liability for the year ended December 31, 2021, the most recent information available as of report date, were as follows:

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<u>NON-UNIFORM PENSION PLAN</u>			
Balances at 12/31/2020	\$2,085,700	\$1,865,012	\$220,688
Changes for the year:			
Service Cost	40,415	-0-	40,415
Interest	155,467	-0-	155,467
Changes in Benefit Terms	-0-	-0-	-0-
Differences Between Expected and Actual Experience	(30,424)	-0-	(30,424)
Changes of Assumptions	187,577	-0-	187,577
Contributions - Employer	-0-	59,115	(59,115)
Contributions - State Aid	-0-	47,973	(47,973)
Contributions - Member	-0-	-0-	-0-
Net Investment Income	-0-	222,062	(222,062)
Benefit Payments	(124,630)	(124,630)	-0-
Administrative Expense	-0-	(8,900)	8,900
Net Changes	228,405	195,620	32,785
Balances a 12/31/2021	<u>\$2,314,105</u>	<u>\$2,060,632</u>	<u>\$253,473</u>

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<u>POLICE PENSION PLAN</u>			
Balances at 12/31/2020	\$2,530,336	\$2,848,254	\$(317,918)
Changes for the year:			
Service Cost	48,949	-0-	48,949
Interest	182,469	-0-	182,469
Changes in Benefit Terms	-0-	-0-	-0-
Differences Between Expected and Actual Experience	(76,657)	-0-	(76,657)
Changes of Assumptions	243,988	-0-	243,988
Contributions - Employer	-0-	10,241	(10,241)
Contributions - State Aid	-0-	38,378	(38,378)
Contributions - Member	-0-	3,284	(3,284)
Net Investment Income	-0-	336,041	(336,041)
Benefit Payments	(279,830)	(279,830)	-0-
Administrative Expense	-0-	(8,700)	8,700
Other Changes	-0-	-0-	-0-
Net Changes	118,919	99,414	19,505
Balances at 12/31/2021	<u>\$2,649,255</u>	<u>\$2,947,668</u>	<u>\$(298,413)</u>

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 - PENSION PLANS (continued)

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Cornwall Borough Non-Uniform Pension Plan and Cornwall Borough Police Pension Plan financial reports.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

The Borough of Cornwall prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles, generally accepted in the United States of America. As a result, the Borough did not include entries for pension expense, deferred outflows of resources, or deferred inflows of resources in its financial statements for the year ended December 31, 2021. On the accrual basis of accounting, it would have recognized pension expense of \$55,511 for the Non-uniformed Plan and (\$29,137) for the Police Pension Plan, and at December 31, 2021, the most recent information available as of report date, the Borough would have reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>NON-UNIFORM PENSION PLAN</u>		
Differences between Expected and Actual Experience	\$ -0-	\$ (14,738)
Changes in Assumptions	157,027	-0-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-0-	(149,818)
Total	<u>\$ 157,027</u>	<u>\$ (164,556)</u>
<u>POLICE PENSION PLAN</u>		
Differences between Expected and Actual Experience	\$ -0-	\$ (200,085)
Changes in Assumptions	208,512	-0-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-0-	(227,906)
Total	<u>\$ 208,512</u>	<u>\$ (427,991)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:

	<u>NON-UNIFORM PENSION PLAN</u>	<u>POLICE PENSION PLAN</u>
Year Ended December 31:		
2022	\$ 3,404	\$ (55,041)
2023	(39,318)	(118,218)
2024	(7,525)	(59,130)
2025	6,732	(4,211)
2026	25,595	17,121
Thereafter	3,583	-0-

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 6 – DEBT

To pay settlement amounts as a result of an EIT judgement that was finalized in 2016 the Borough entered into an agreement with Jonestown Bank & Trust for the issuance of a General Obligation Note Series 2017. The Borough borrowed \$1,740,000 at an interest rate of 1.90% through May 2022, at which time the rate will be variable equal to 60% of the Prime Rate, but not more than 3.75% per annum. Principal and interest payments are due semi-annually on June 1 and December 1 beginning June 1, 2017, through December 1, 2026. The outstanding balance at December 31, 2021, was \$893,000. The full faith, credit, and taxing power of the Borough are pledged as security for the note.

In April 2017 the Borough signed a capital lease agreement with Municipal Capital Finance for a new dump truck. The dump truck was delivered in January 2018 and the down payment of \$28,673 was made at that time. The total lease is \$127,656, and payments of \$34,713 were due annually through April 2021. The lease has been fully paid.

In August 2019 the Borough signed a capital lease agreement with F.N.B. Equipment Finance for a new tractor, at which time a down payment of \$28,103 was made. The total lease is \$147,348, and payments of \$27,519 are due annually through 2024.

In February 2020, the Borough signed a capital lease agreement for \$102,387 with Santander Bank, N.A. for a dump truck with an initial payment of \$19,430. Payments of \$19,430 plus implied interest are due annually through 2024.

Debt service requirements for the next five years and thereafter are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 219,356	\$ 29,838	\$ 249,194
2023	226,192	22,566	248,758
2024	234,059	15,034	249,093
2025	194,000	8,371	202,371
2026	155,000	2,906	157,906
Thereafter	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	<u>\$1,028,607</u>	<u>\$ 78,715</u>	<u>\$1,107,322</u>

The following is a summary of debt transactions for the Borough for the year ended December 31, 2021:

	<u>Long Term</u>
Debt at January 1, 2021	\$ 1,274,710
Proceeds of Debt Issuance	-0-
Principal Retired	<u>(246,103)</u>
Debt at December 31, 2021	<u>\$ 1,028,607</u>

NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 – FUND BALANCE REPORTING

At December 31, 2021, fund balances are made up of the following:

Restricted - Motor License	\$ 31,438
- Police Equipment	43,598
- Police Treasury	1,940
- DARE/Community Needs	276
- DTF	2,717
	<u>\$ 79,969</u>
 Committed - Recreation	 <u>\$ 118,653</u>
 Assigned - Capital Needs	 \$ 560,960
- DARE/Community Needs	12,206
	<u>\$ 573,166</u>

NOTE 8 – FIRE COMPANY ADVANCE

In 2021, the Borough advanced the Community Fire Company of Cornwall Borough (Fire Company), \$200,000 in anticipation of the Fire Company obtaining a Pennsylvania Emergency Management Agency (PEMA) loan to purchase a fire truck. Within 30 days of receipt of the PEMA loan proceeds, the Fire Company will repay the Borough at 0.00% interest. The Borough has agreed to make an annual contribution to the Fire Company in the amount of the debt service payments of the PEMA loan.

NOTE 9 – DESIGNATED NET ASSETS

Borough Council has designated funds received from tapping fees be placed into capital improvement accounts. The Council has also designated funds be set aside for sinkhole repair and future vehicle needs. These funds are reported as unrestricted net position on the Statement of Net Position. As of December 31, 2021, designated unrestricted net position consists of the following:

	<u>Water Fund</u>	<u>Sewer Fund</u>
Unrestricted, designated:		
Sinkhole repairs	\$ 15,000	\$ 15,000
Meter replacement	90,000	90,000
Valves and hydrants	45,000	-0-
Waterline ROW cleaning	5,000	5,000
Main Repair / Replacement	650,000	30,000
Chlorination System	120,000	
N. Cornwall (Dairy Road)	-0-	500,000
Update Act 537 Plan	-0-	20,000
Future EDU purchases	-0-	150,000
Total Unrestricted, designated	<u>\$ 925,000</u>	<u>\$ 810,000</u>
Unrestricted, other	<u>984,457</u>	<u>1,149,316</u>
 Total unrestricted net position	 <u>\$ 1,909,457</u>	 <u>\$ 1,959,316</u>

BOROUGH OF CORNWALL, PENNSYLVANIA
NOTES TO PRIMARY GOVERNMENT FINANCIAL STATEMENTS
December 31, 2021

NOTE 10 - INTERMUNICIPAL AGREEMENT

The Borough entered into a joint municipal agreement for law enforcement services with the Township of West Cornwall (W. Cornwall) and contracts continue service through December 31, 2021, with an option to renew through December 31, 2022. The Borough agrees to provide law enforcement services to W. Cornwall and W. Cornwall agrees to pay specific incremental amounts to the Borough for these services. For the year ended December 31, 2021, the Borough received \$176,493.

The Borough entered into a joint municipal agreement for law enforcement services with the Borough of Mt. Gretna, through December 31, 2022. The Borough agrees to provide law enforcement services to the Borough of Mount Gretna. The Borough of Mount Gretna agrees to pay specific incremental amounts to the Borough for these services. For the year ended December 31, 2021, the Borough received \$39,109.

In October 1990, the Authority entered into a 20-year agreement with the City of Lebanon in which the City provides all water for the Authority's system at the City of Lebanon rate for the then-current year. The agreement provides for two-year extensions after the first twenty years with either party giving two years notice if they wish to terminate.

In January 1990, the Authority entered into an agreement with the City of Lebanon Authority to obtain capacity at the city wastewater treatment plant to process the Borough's wastewater. Capacity at the plant has been secured for 20 years, after which the City can claim unused capacity with 30 days written notice. The charge for this service shall be in accordance with the City's rates and can change to reflect the cost of operation.

The Authority entered into an agreement dated December 1990 (amended 1992 and 1999) with North Cornwall Township Authority providing for the Cornwall Borough sewer system to discharge sewage into the North Cornwall sewer system, providing for the North Cornwall Township to purchase a joint interest in a portion of the Cornwall sewer line and providing sewer capacity for the parties in the Cornwall sewer line and the North Cornwall Township sewer system. The agreement provides for the shared maintenance of the jointly used sewer lines and facilities. The agreement will remain in effect for an indefinite period unless Cornwall flows exceed certain capacity set forth in the agreement. The charge for the service is to be paid on a quarterly basis to North Cornwall Township Authority and can change to reflect the cost of operations.

NOTE 11 – ECONOMIC DEPENDENCY

The City of Lebanon Authority provides the water for the system and the treatment of the Borough of Cornwall's wastewater as discussed in Note 10.

NOTE 12 – REIMBURSEMENT AGREEMENT

The Authority entered into an agreement June 2009 with a developer/customer in which the Authority will receive \$2,700 annually for 15 years in exchange for including certain developments on the high-pressure water system supplied by the Authority. Reimbursement began January 2010 and continue through January 2023.

REQUIRED SUPPLEMENTARY INFORMATION

BOROUGH OF CORNWALL, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
NON-UNIFORM PENSION PLAN
SCHEDULES OF CHANGES IN PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	\$ 43,512	\$ 43,461	\$ 45,634	\$ 44,233	\$ 46,445	\$ 54,533	\$ 57,260	\$ 40,415
Interest	113,340	122,266	128,590	129,672	135,614	143,697	149,894	155,467
Changes of Benefit Terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Differences between Expected and Actual Experience	-0-	(23,709)	-0-	(70,422)	-0-	21,642	-0-	(30,424)
Changes of Assumptions	-0-	54,880	-0-	6,718	-0-	-0-	-0-	187,577
Benefit Payments, Including Refunds of Member Contributions	(63,266)	(74,663)	(92,493)	(96,896)	(96,896)	(111,123)	(125,550)	(124,630)
Net Change in Total Pension Liability	\$ 93,586	\$ 122,235	\$ 81,731	\$ 13,305	\$ 85,163	\$ 108,749	\$ 81,604	\$ 228,405
Total Pension Liability - Beginning	1,499,327	1,592,913	1,715,148	1,796,879	1,810,184	1,895,347	2,004,096	2,085,700
Total Pension Liability - Ending	\$ 1,592,913	\$ 1,715,148	\$ 1,796,879	\$ 1,810,184	\$ 1,895,347	\$ 2,004,096	\$ 2,085,700	\$ 2,314,105
Plan Fiduciary Net Position								
Contributions - Employer	\$ 5,942	\$ 15,177	\$ 5,284	\$ 7,812	\$ 42,747	\$ 43,674	\$ 57,771	\$ 59,115
Contributions - State Aid	67,693	63,070	64,545	54,758	60,828	69,302	54,162	47,973
Contributions - Member	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Net Investment Income	62,456	(19,874)	77,703	175,840	(101,776)	263,694	211,213	222,062
Benefit Payments, Including Refunds of Member Contributions	(63,266)	(74,663)	(92,493)	(96,896)	(96,896)	(111,123)	(125,550)	(124,630)
Administrative Expense	(4,000)	(7,700)	(5,000)	(8,300)	(5,000)	(8,800)	(5,300)	(8,900)
Net Change in Plan Fiduciary Net Position	\$ 68,825	\$ (23,990)	\$ 50,039	\$ 133,214	\$ (100,097)	\$ 256,747	\$ 192,296	\$ 195,620
Plan Net Position - Beginning	1,287,978	1,356,803	1,332,813	1,382,852	1,516,066	1,415,969	1,672,716	1,865,012
Plan Net Position - Ending	\$ 1,356,803	\$ 1,332,813	\$ 1,382,852	\$ 1,516,066	\$ 1,415,969	\$ 1,672,716	\$ 1,865,012	\$ 2,060,632
Plan's Net Pension Liability	\$ 236,110	\$ 382,335	\$ 414,027	\$ 294,118	\$ 479,378	\$ 331,380	\$ 220,688	\$ 253,473
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.2%	77.7%	77.0%	83.8%	74.7%	83.5%	89.4%	89.0%
Covered Employee Payroll	\$ 450,358	\$ 497,808	\$ 459,930	\$ 383,438	\$ 415,000	\$ 495,976	\$ 552,484	\$ 507,538
Plan's Net Position Liability as a Percentage of Covered Employee Payroll	52.4%	76.8%	90.0%	76.7%	115.5%	66.8%	39.9%	49.9%

Notes to Schedule:

Assumption Changes - In 2015, the mortality assumption was changed from the Blue Collar RP-2000 Table to the Blue Collar RP-2000 Table projected to 2015 using Scale AA. In 2017, the mortality assumption was changed from the Blue Collar RP-2000 Table projected to 2015 to the Blue Collar RP-2000 Table projected to 2017 using Scale AA. In 2021, the interest rate assumption was lowered from 7.75% to 7.00% per annum, the salary scale assumption was lowered from 5.5% to 5.25% and the mortality assumption was changed from the BC RP-2000 Table projected to 2017 using Scale AA to the Pubs-2010 projected 5 years past 2021 valuation date using MP-2020.

Benefit Changes - None

*This schedule will be presented on a prospective basis.

**BOROUGH OF CORNWALL, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION PLAN**

SCHEDULES OF CHANGES IN PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	\$ 52,645	\$ 49,093	\$ 51,793	\$ 36,866	\$ 38,894	\$ 39,437	\$ 41,606	\$ 48,949
Interest	123,962	129,257	143,288	140,689	154,607	165,914	181,996	182,469
Changes of Benefit Terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Differences between Expected and Actual Experience	-0-	(133,273)	-0-	(217,788)	-0-	(48,155)	-0-	(76,657)
Changes of Assumptions	-0-	29,093	-0-	4,105	-0-	-0-	-0-	243,988
Benefit Payments, Including Refunds of Member Contributions	(1,103)	-0-	-0-	-0-	-0-	-0-	-0-	(279,830)
Net Change in Total Pension Liability	\$ 175,504	\$ 74,170	\$ 195,081	\$ (36,128)	\$ 193,501	\$ 157,196	\$ 223,602	\$ 118,919
Total Pension Liability - Beginning	1,547,410	1,722,914	1,797,084	1,992,165	1,956,037	2,149,538	2,306,734	2,530,336
Total Pension Liability - Ending	\$ 1,722,914	\$ 1,797,084	\$ 1,992,165	\$ 1,956,037	\$ 2,149,538	\$ 2,306,734	\$ 2,530,336	\$ 2,649,255
Plan Fiduciary Net Position								
Contributions - Employer	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 8,511	\$ 10,241
Contributions - State Aid	25,251	23,188	31,697	23,243	18,807	17,746	39,391	38,378
Contributions - Member	4,304	4,287	4,573	2,949	3,034	3,042	3,082	3,284
Net Investment Income	82,853	(26,906)	106,937	253,185	(145,060)	388,724	331,090	336,041
Benefit Payments, Including Refunds of Member Contributions	(1,103)	-0-	-0-	-0-	-0-	-0-	-0-	(279,830)
Administrative Expense	(4,000)	(9,800)	(5,000)	(8,100)	(5,000)	(10,350)	(5,300)	(8,700)
Net Change in Plan Fiduciary Net Position	\$ 107,305	\$ (9,231)	\$ 138,207	\$ 271,277	\$ (128,219)	\$ 399,162	\$ 376,774	\$ 99,414
Plan Net Position - Beginning	1,692,978	1,800,283	1,791,052	1,929,260	2,200,537	2,072,318	2,471,480	2,848,254
Plan Net Position - Ending	\$ 1,800,283	\$ 1,791,052	\$ 1,929,259	\$ 2,200,537	\$ 2,072,318	\$ 2,471,480	\$ 2,848,254	\$ 2,947,668
Plan's Net Pension Liability	\$ (77,369)	\$ 6,032	\$ 62,906	\$ (244,500)	\$ 77,220	\$ (164,746)	\$ (317,918)	\$ (298,413)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	104.5%	99.7%	96.8%	112.5%	96.4%	107.1%	112.6%	111.3%
Covered Employee Payroll	\$ 513,536	\$ 91,716	\$ 464,950	\$ 376,418	\$ 311,190	\$ 299,146	\$ 311,000	\$ 316,940
Plan's Net Position Liability as a Percentage of Covered Employee Payroll	-15.1%	1.2%	13.5%	65.0%	24.8%	-55.1%	-102.2%	-94.2%

Notes to Schedule:

Assumption Changes - In 2015, the mortality assumption was changed from the Blue Collar RP-2000 Table to the Blue Collar RP-2000 Table projected to 2015 using Scale AA. In 2017, the mortality assumption was changed from the Blue Collar RP-2000 Table projected to 2015 to the Blue Collar RP-2000 Table projected to 2017 using Scale AA. In 2021, the interest rate assumption was lowered from 7.75% to 7.00% per annum, the salary scale assumption was lowered from 5.5% to 5.25% and the mortality assumption was changed from the BC RP-2000 Table projected to 2017 using Scale AA to the PubsS-2010 projected 5 years past 2021 valuation date using MP-2020.

Benefit Changes - In 2015, a DROP was added with a 5 year participation period.

*This schedule will be presented on a prospective basis.

BOROUGH OF CORNWALL, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS
Last 10 Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020	2021
<u>NON-UNIFORM PENSION PLAN</u>								
Actuarially determined contribution	\$ 73,635	\$ 78,247	\$ 69,829	\$ 62,570	\$ 103,575	\$ 112,976	\$ 111,933	\$ 107,088
Contributions made	73,635	78,247	69,829	62,570	103,575	112,976	111,933	107,088
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered-employee payroll	\$ 450,358	\$ 97,808	\$ 459,930	\$ 383,438	\$ 415,000	\$ 495,976	\$ 552,484	\$ 507,538
Contributions as a percentage of covered-employee payroll	16.35%	15.72%	15.18%	16.32%	24.96%	22.78%	20.26%	21.10%
<u>POLICE PENSION PLAN</u>								
Actuarially determined contribution	\$ 25,251	\$ 23,188	\$ 31,697	\$ 23,243	\$ 18,807	\$ 17,746	\$ 47,902	\$ 48,619
Contributions made	25,251	23,188	31,697	23,243	18,807	17,746	47,902	48,619
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered-employee payroll	\$ 513,536	\$ 491,716	\$ 464,950	\$ 376,418	\$ 311,190	\$ 299,146	\$ 311,000	\$ 316,940
Contributions as a percentage of covered-employee payroll	4.92%	4.72%	6.81%	6.17%	6.04%	5.93%	15.40%	15.34%

*This schedule will be presented on a prospective basis.

BOROUGH OF CORNWALL, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID - BUDGET TO ACTUAL
CASH BASIS - GENERAL FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Positive (Negative)</u>
REVENUES COLLECTED				
Taxes	\$ 1,773,000	\$ 1,773,000	\$ 2,025,311	\$ 252,311
Licenses and Permits	102,100	102,100	108,511	6,411
Fines and Forfeits	8,000	8,000	9,490	1,490
Intergovernmental	141,612	141,612	358,498	216,886
Charges for Services	233,902	233,902	294,672	60,770
Investment Earnings	2,000	2,000	489	(1,511)
Miscellaneous	50,000	50,000	11,443	(38,557)
Total Revenues Collected	<u>\$ 2,310,614</u>	<u>\$ 2,310,614</u>	<u>\$ 2,808,414</u>	<u>\$ 497,800</u>
EXPENDITURES PAID				
General Government	\$ 321,583	\$ 321,583	\$ 349,550	\$ (27,967)
Public Safety	842,042	842,042	817,671	24,371
Public Works - Highway	499,698	499,698	419,576	80,122
Culture - Recreation	6,000	6,000	9,763	(3,763)
Debt Service	194,000	194,000	194,462	(462)
Employer Paid Benefits and Taxes	511,707	511,707	503,572	8,135
Miscellaneous	6,000	6,000	11,406	(5,406)
Total Expenditures Paid	<u>\$ 2,381,030</u>	<u>\$ 2,381,030</u>	<u>\$ 2,306,000</u>	<u>\$ 75,030</u>
Excess (Deficiency) of Revenues Collected Over Expenditures Paid	<u>\$ (70,416)</u>	<u>\$ (70,416)</u>	<u>\$ 502,414</u>	<u>\$ 572,830</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers - In	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Refund of Prior Year Expenses	1,000	1,000	5,953	4,953
Operating Transfers - Out	(215,000)	(215,000)	(440,000)	(225,000)
Total Other Financing Sources (Uses)	<u>\$ (214,000)</u>	<u>\$ (214,000)</u>	<u>\$ (434,047)</u>	<u>\$ (220,047)</u>
Excess (Deficiency) of Revenues Collected and Other Financing Sources Over Expenditures Paid and Other Financing Uses	<u>\$ (284,416)</u>	<u>\$ (284,416)</u>	<u>\$ 68,367</u>	<u>\$ 352,783</u>

SUPPLEMENTARY INFORMATION

BOROUGH OF CORNWALL, PENNSYLVANIA
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
SPECIAL REVENUE FUNDS
December 31, 2021

	Motor License Fund	Police Equipment Fund	Police Treasury Fund	DARE Fund	DTF Fund	Recreation Fund	Total
<i>ASSETS</i>							
Cash and Cash Equivalents	\$ 33,938	\$ 43,598	\$ 1,940	\$ 12,482	\$ 2,717	\$ 116,153	\$ 210,828
Due from Motor License Fund						2,500	2,500
Total Assets	<u>\$ 33,938</u>	<u>\$ 43,598</u>	<u>\$ 1,940</u>	<u>\$ 12,482</u>	<u>\$ 2,717</u>	<u>\$ 118,653</u>	<u>\$ 213,328</u>
<i>LIABILITIES AND FUND BALANCE</i>							
<i>LIABILITIES</i>							
Due to Recreation Fund	\$ 2,500	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,500
Total Liabilities	<u>\$ 2,500</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,500</u>
<i>FUND BALANCE</i>							
Restricted	\$ 31,438	\$ 43,598	\$ 1,940	\$ 276	\$ 2,717	\$ -0-	\$ 79,969
Committed						118,653	118,653
Assigned				12,206			12,206
Total Fund Balance	<u>\$ 31,438</u>	<u>\$ 43,598</u>	<u>\$ 1,940</u>	<u>\$ 12,482</u>	<u>\$ 2,717</u>	<u>\$ 118,653</u>	<u>\$ 210,828</u>
Total Liabilities and Fund Balance	<u>\$ 33,938</u>	<u>\$ 43,598</u>	<u>\$ 1,940</u>	<u>\$ 12,482</u>	<u>\$ 2,717</u>	<u>\$ 118,653</u>	<u>\$ 213,328</u>

BOROUGH OF CORNWALL, PENNSYLVANIA
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - CASH BASIS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2021

	Motor License Fund	Police Equipment Fund	Police Treasury Fund	DARE Fund	DTF Fund	Recreation Fund	Total
REVENUES COLLECTED							
Intergovernmental Grants	\$ 174,104	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 174,104
Charges for Services						26,250	26,250
Interest	51	60		12	4		127
Miscellaneous	1,378			6,526			1,378
Donations							6,526
Total Revenues Collected	\$ 175,533	\$ 60	\$ -0-	\$ 6,538	\$ 4	\$ 26,250	\$ 208,385
EXPENDITURES PAID							
General Administrative	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Snow and Ice Removal	25,544						25,544
Public Works - Highway	211,998						211,998
Recreation		7,974	-0-	1,584	-0-	6,312	6,312
Public Safety							9,558
Donations				-0-			-0-
Total Expenditures Paid	\$ 237,542	\$ 7,974	\$ -0-	\$ 1,584	\$ -0-	\$ 6,312	\$ 253,412
Excess (Deficiency) of Revenues Collected Over Expenditures Paid	\$ (62,009)	\$ (7,914)	\$ -0-	\$ 4,954	\$ 4	\$ 19,938	\$ (45,027)
OTHER FINANCING SOURCES (USES)							
Sale of Assets	\$ -0-	\$ 9,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 9,000
Operating Transfers In/(Out)						30,000	30,000
Total Other Financing Sources(Uses)	\$ -0-	\$ 9,000	\$ -0-	\$ -0-	\$ -0-	\$ 30,000	\$ 39,000
Excess(Deficiency) of Revenues Collected and Other Financing Sources Over Expenditures Paid and Other Financing Uses	\$ (62,009)	\$ 1,086	\$ -0-	\$ 4,954	\$ 4	\$ 49,938	\$ (6,027)
Fund Balance - January 1, 2021	93,447	42,512	1,940	7,528	2,713	68,715	216,855
Fund Balance - December 31, 2021	\$ 31,438	\$ 43,598	\$ 1,940	\$ 12,482	\$ 2,717	\$ 118,653	\$ 210,828

BOROUGH OF CORNWALL, PENNSYLVANIA
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING FROM
CASH TRANSACTIONS - CAPITAL PROJECTS FUNDS
December 31, 2021

	Capital Projects Fund	Capital Reserve Fund	Highway Equipment Fund	Total
<i>ASSETS</i>				
Cash and Cash Equivalents	\$ 594	\$ 459,335	\$ 101,031	\$ 560,960
Total Assets	<u>\$ 594</u>	<u>\$ 459,335</u>	<u>\$ 101,031</u>	<u>\$ 560,960</u>
 <i>FUND BALANCE</i>				
Assigned	\$ 594	\$ 459,335	\$ 101,031	\$ 560,960
Total Fund Balance	<u>\$ 594</u>	<u>\$ 459,335</u>	<u>\$ 101,031</u>	<u>\$ 560,960</u>

BOROUGH OF CORNWALL, PENNSYLVANIA
SUPPLEMENTARY INFORMATION
COMBINING STATEMENTS OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCES - CASH BASIS
CAPITAL PROJECTS FUNDS
Year Ended December 31, 2021

	<u>Capital Projects Fund</u>	<u>Capital Reserve Fund</u>	<u>Highway Equipment Fund</u>	<u>Total</u>
REVENUES COLLECTED				
Interest	\$ -0-	\$ 112	\$ 11	\$ 123
Intergovernmental				-0-
Total Revenues Collected	<u>\$ -0-</u>	<u>\$ 112</u>	<u>\$ 11</u>	<u>\$ 123</u>
EXPENDITURES PAID				
Equipment Purchases	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Lease Payments			54,143	54,143
Miscellaneous				-0-
Total Expenditures Paid	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 54,143</u>	<u>\$ 54,143</u>
Excess (Deficiency) of Revenues Collected Over Expenditures Paid	<u>\$ -0-</u>	<u>\$ 112</u>	<u>\$ (54,132)</u>	<u>\$ (54,020)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	\$ -0-	\$ 350,000	\$ 60,000	\$ 410,000
Loan to Fire Company		(200,000)		(200,000)
Operating Transfers Out				-0-
Total Other Financing Sources(Uses)	<u>\$ -0-</u>	<u>\$ 150,000</u>	<u>\$ 60,000</u>	<u>\$ 210,000</u>
Excess (Deficiency) of Revenues Collected and Other Financing Sources Over Expenditures Paid and Other Financing Uses	<u>\$ -0-</u>	<u>\$ 150,112</u>	<u>\$ 5,868</u>	<u>\$ 155,980</u>
Fund Balance - January 1, 2021	<u>594</u>	<u>309,223</u>	<u>95,163</u>	<u>404,980</u>
Fund Balance - December 31, 2021	<u><u>\$ 594</u></u>	<u><u>\$ 459,335</u></u>	<u><u>\$ 101,031</u></u>	<u><u>\$ 560,960</u></u>