

**MILLCREEK-RICHLAND JOINT AUTHORITY
(A Component Unit)**

FINANCIAL STATEMENTS

DECEMBER 31, 2021

MILLCREEK-RICHLAND JOINT AUTHORITY
(A Component Unit)
FINANCIAL STATEMENTS
December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To Members of the Authority Board
MILLCREEK-RICHLAND JOINT AUTHORITY
Richland, Pennsylvania

Opinion

We have audited the accompanying cash basis financial statements of the business-type activities of the MILLCREEK-RICHLAND JOINT AUTHORITY (a component unit) as of and for the years ended **December 31, 2021 and 2020**, and the related notes to the financial statements, which collectively comprise the Millcreek-Richland Joint 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 cash basis financial position of the business-type activities of the Millcreek-Richland Joint Authority, as of December 31, 2021 and 2020, and the changes in cash basis financial position and cash flows for the years then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter—Basis of Accounting

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

Responsibilities of Management 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 Millcreek-Richland Joint 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 Millcreek-Richland Joint Authority's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statement of changes in net position, schedule of employer contributions and schedules of operating expenses but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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.

Stanilla, Siegel and Maser LLC

Lebanon, Pennsylvania
July 21, 2022

MILLCREEK-RICHLAND JOINT AUTHORITY
(A Component Unit)
STATEMENTS OF NET POSITION - CASH BASIS
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<i>ASSETS</i>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,017,030	\$ 3,961,187
Certificates of Deposit	<u>1,800,351</u>	<u>2,109,093</u>
Total Assets	<u>\$ 3,817,381</u>	<u>\$ 6,070,280</u>
<i>NET POSITION</i>		
NET POSITION		
Unrestricted	<u>3,817,381</u>	<u>6,070,281</u>
Total Net Position	<u><u>\$ 3,817,381</u></u>	<u><u>\$ 6,070,281</u></u>

See Accompanying Notes to Financial Statements

MILLCREEK-RICHLAND JOINT AUTHORITY
(A Component Unit)
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION - CASH BASIS
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Sewer Revenues	\$ 1,139,079	\$ 1,130,039
Connection Fees	61,750	53,250
Operating Reimbursements	<u>683</u>	<u>2,754</u>
Total Operating Revenues	<u>\$ 1,201,512</u>	<u>\$ 1,186,043</u>
OPERATING EXPENSES		
System Costs	\$ 324,549	\$ 265,328
Administrative Costs	<u>62,453</u>	<u>75,190</u>
Total Operating Expenses	<u>\$ 387,002</u>	<u>\$ 340,518</u>
Operating Income	<u>\$ 814,510</u>	<u>\$ 845,525</u>
NON-OPERATING REVENUES (EXPENSES)		
Earnings on Investments	\$ 20,744	\$ 51,255
Proceeds from issuance of Bonds	4,715,000	-0-
Principal Payments	(7,430,000)	(405,000)
Interest Expense	(263,132)	(184,231)
Bond Issuance Costs	<u>(110,022)</u>	<u>-0-</u>
Total Non-Operating Revenues (Expenses)	<u>\$ (3,067,410)</u>	<u>\$ (537,976)</u>
CHANGE IN NET POSITION	\$ (2,252,900)	\$ 307,549
BEGINNING OF YEAR NET POSITION	<u>6,070,281</u>	<u>5,762,732</u>
END OF YEAR NET POSITION	<u><u>\$ 3,817,381</u></u>	<u><u>\$ 6,070,281</u></u>

See Accompanying Notes to Financial Statements

MILLCREEK-RICHLAND JOINT AUTHORITY
(A Component Unit)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Millcreek-Richland Joint Authority (Authority) was organized on April 27, 1973, pursuant to ordinances enacted by the Borough of Richland and the Township of Millcreek under the Municipality Authorities Act of 1945. The Authority issued Sewer Revenue Bonds to provide the principal funds with which to construct a sewer collection system to serve the residential areas of Millcreek Township and Richland Borough. The Authority retains ownership of the sewer collection system and maintains the system. The Authority makes all needful repairs, renewals, replacements and ordinary improvements, which may be necessary in order to maintain an adequate system.

The Authority qualifies as a component unit, as defined in GASB Statement No. 14 entitled "*The Financial Reporting Entity*" of the Township of Millcreek. The Authority members are appointed by the Township of Millcreek and the Richland Borough. The Authority is considered a related organization to Richland Borough.

On November 13, 1996, the Board of Supervisors adopted Ordinance No. 11-13-96-B to amend the Articles of Incorporation of the Authority in order to (1) increase the term of existence until November 13, 2046; (2) give the Authority all the powers provided under the Authority Act; and (3) change the Authority's name to Millcreek-Richland Joint Authority. The amended Articles were granted by the Commonwealth of Pennsylvania on December 12, 1996.

Basis of Accounting

The Authority prepares its financial statement on the cash basis of accounting. Under the cash basis of accounting, revenues are recognized when received and expenses are recognized when paid rather than when incurred. Capital items are expensed when paid rather than capitalized and depreciated. Debt is not recorded as a liability and principal payments are therefore expensed when paid.

Basis of Presentation - Fund Financial Statements

The Authority's operations are recorded in a sewer enterprise fund which is a proprietary fund. This fund type is used to account for operations that are financed primarily through fees charged to external users of goods or services where the activity is financed with debt that is secured by the pledge of the net revenues.

Budget Policy

The Authority Board annually adopts the budget for the Authority's operations. The budget is prepared using the cash basis of accounting. Appropriations lapse at the end of each year. No amendments were made to the original approved budget.

Cash and Cash Equivalents

The Authority defines cash to include all short-term, highly liquid investments that are readily convertible to known amounts of cash and mature in such a short period of time that their values are effectively immune from changes in interest rates.

MILLCREEK-RICHLAND JOINT AUTHORITY
(A Component Unit)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are valued at cost.

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing or noncapital financing. For the authority, this includes charges for services, including connection fees, and the costs of providing those services excluding interest. All other revenues and expenses are reported as non-operating.

Connection Fees

Connection fees consist of a one-time charge per household for the initial hook-up to the sewer system.

Restricted Resources

The Authority utilizes restricted resources first on those occasions where both restricted and unrestricted resources are available for the same purpose.

Net Position

Net position represents the difference between assets and liabilities. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net positions are unrestricted.

Income Taxes

Under current law, the Authority is exempt from paying income taxes.

Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, and errors and omissions. These risks are covered by commercial insurance.

Subsequent Event Review

The Authority has evaluated subsequent events through July 22, 2022, the date the financial statements were available to be issued.

MILLCREEK-RICHLAND JOINT AUTHORITY
(A Component Unit)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Finance Related Legal and Contractual Provisions

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

Deficit Net Position

The Authority does not have any deficit in net positions.

Excess of Expenses Over Appropriations

The Authority's expenditures exceeded appropriations due to unanticipated costs of improvements and projects.

NOTE 3 – CASH, CASH EQUIVALENTS AND CERTIFICATES

Custodial Credit Risk

The Authority is permitted to invest funds consistent with sound business practices in the following types of investments:

1. Obligations of (a) the United States of America, (b) the Commonwealth of Pennsylvania, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of their agencies or instrumentalities backed respectively by their faith and credit.
2. Deposits in savings, time deposit or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

The deposit and investment policy of the Authority adheres to state statutes and prudent business practice. There were no deposit or investment transactions during the year that were in violation of either the state statutes or Authority policy.

The Authority deposits cash in two financial institutions. The Authority's carrying amount of deposits was \$85,040 and \$257,508 at December 31, 2021 and 2020, respectively. Bank balances were \$89,082 and \$267,251 at December 31, 2021 and 2020. Bank balances up to \$250,000 are covered by federal depository insurance. Bank balances did not exceed FDIC limits at December 31, 2021 and 2020. Depositories pledge assets to secure deposits in excess of \$250,000 in accordance to Act 72.

Cash equivalents of the Authority comprise funds deposited in the Pennsylvania Local Government Investment Trust (PLGIT). These funds are invested in federal securities and rated AAAM by Standard & Poor's. Balances at December 31, 2021 and 2020 were \$1,931,990 and \$3,703,729. 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 equal cost.

MILLCREEK-RICHLAND JOINT AUTHORITY
(A Component Unit)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3 – CASH, CASH EQUIVALENTS AND CERTIFICATES (continued)

Certificates of Deposit are invested through a local bank's Certificate of Deposit Account Registry Service (CDARS). Currently certificates are held at eight banks throughout the country and covered by the FDIC. Interest rates vary from 0.25% to 1.75% for certificates with initial terms of one or two years.

The Authority places no limit on the amounts deposited in any one issuer.

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, addresses custodial credit risk, concentration of credit risk, or foreign currency risk.

NOTE 4 – INTERMUNICIPAL AGREEMENTS

Treatment Agreement

The Authority entered into an agreement between the Borough of Myerstown, Jackson Township, Millcreek Township and the Borough of Richland to construct an expanded and upgraded treatment plant that serves the municipalities included in the agreement and to share in the associated costs. Under the treatment agreement, the sewer collection system was connected to sewage facilities owned by the Borough of Myerstown so that sewage collected in the sewer system can be treated and disposed of by the Borough of Myerstown. The Millcreek-Richland Joint Authority shares in the costs of operating the system in proportion to the respective volume of sewage pumped by each of the municipalities in the agreement. The Authority's share of treatment costs for the year ended December 31, 2021 and 2020 was \$177,774 and \$94,135, respectively. In 2021 and 2020, and additional \$19,671 and \$25,128 were paid for repairs and reed bed maintenance costs over regular treatment costs in accordance with the contract.

Billing Agreement

The Authority entered into an agreement to provide billing services to the Borough of Richland which was terminated during 2020. The total amount received for these services for the years ended December 31, 2020 was \$2,354 and is recorded in operating reimbursements.

NOTE 5 – LONG-TERM DEBT

In December 2021, Guaranteed Sewer Revenue Bonds, Series 2021 were issued by the Authority in the amount of \$4,715,000. The net proceeds of \$4,604,978 plus \$2,500,000 in cash were transferred to a trustee to hold the funds until February 2022, at which time the trustee will prepay the Guaranteed Sewer Revenue Bonds, Series of 2016 discussed below.

On September 1, 2016, the Authority issued Guaranteed Sewer Revenue Bonds in the amount of \$8,190,000. The proceeds were placed in trust to currently refund the Authority's outstanding Guaranteed Sewer Revenue Bonds, Series of 2014, and to pay the costs of issuing and insuring the Bonds.

MILLCREEK-RICHLAND JOINT AUTHORITY
(A Component Unit)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 – LONG-TERM DEBT (continued)

The 2021 bonds pay interest semi-annually at an interest rate that ranges from 0.35% to 2% through August 1, 2031. Principal payments are due annually to August 1, 2036. The bonds are secured under a Trust Indenture by an assignment and pledge to the Trustee of receipts and revenues from the sewer systems of Richland Borough and the Township of Millcreek.

Principal and interest payments for the next five years and thereafter on the 2021 Series are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 475,000	\$ 45,898	\$ 520,898
2023	450,000	68,956	518,956
2024	450,000	64,450	514,450
2025	455,000	59,950	514,950
2026	460,000	55,400	515,400
2027-2031	<u>2,425,000</u>	<u>147,500</u>	<u>2,572,500</u>
	<u>\$ 4,715,000</u>	<u>\$ 442,148</u>	<u>\$ 5,157,148</u>

NOTE 6 – ECONOMIC DEPENDENCY

The Richland Water Authority, Newmanstown Water Authority and the Womelsdorf-Robeson Water Authority provide the water for the residents serviced by the Millcreek-Richland Joint Authority. The Borough of Myerstown provides the treatment of the Authority's wastewater as discussed in Note 5.

NOTE 7 - PENSION PLAN

All full-time persons employed by Millcreek-Richland Joint Authority are covered by a single-employer cash balance pension plan controlled by the provisions of Resolution No. 2013-001 adopted pursuant to Act 15 of 1974. The plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee defined benefit pension plan that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report (CAFR), a copy of which can be obtained by contacting the PMRS accounting office or on the PMRS website. The measurement date used in the calculation of the Net Pension Liability is December 31, 2020, which is the most current information available as of the date the financial statements were issued.

Benefits provided. A member is eligible for normal retirement after attainment of age 65 or completion of 20 years of service, if earlier. A member's benefits vest upon completion of 10 years of credited service.

MILLCREEK-RICHLAND JOINT AUTHORITY
(A Component Unit)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 - PENSION PLAN

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

Contributions. The Authority contributes a flat dollar amount to the plan. Employees may contribute up to 20% to the plan if they wish. For the year ended December 31, 2020, the Authority's contribution was \$-0- since there are no active employees.

Employees covered. As of the most recent actuarial valuation date, January 1, 2021, the following employees were covered by the plan:

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	
Active employees	<u>-0-</u>
Total Members	<u><u>1</u></u>

Net Pension Liability. The Borough's net pension asset was measured as of December 31, 2020, and the total pension liability was determined by rolling forward the liability from an actuarial valuation as of January 1, 2021. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

Actuarial assumptions. For active participants, these assumptions are used only for the determination of the average expected working lifetime because the liabilities for such participants equal their account balances. These assumptions are based on the PMRS Experience Study for the period covering January 1, 2009 through December 31, 2013 issued by the actuary in July, 2015, covering the defined benefit plan participants and all retirees, as well as subsequent Board approved assumption changes. These assumptions were first used for the December 31, 2015 measurement date. Effective with the December 31, 2016 measurement date, the Investment Return Assumption for municipal assets decreased from 5.50% to 5.25%.

**MILLCREEK-RICHLAND JOINT AUTHORITY
(A Component Unit)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

NOTE 7 – PENSION PLAN (continued)

The table below shows the Total Pension Liability and the Plan Fiduciary Net Position (i.e. fair value of Plan assets) during the Measurement Period and the Net Pension Liability as of the measurement date:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance 12/31/2019	\$ 334,032	\$ 353,783	\$ (19,751)
Interest Cost	16,664		16,664
Changes for Experience	(14,359)		(14,359)
Changes of Assumptions	14,690		14,690
Contributions-Employer			
Contributions PMRS assessment		20	(20)
Contributions – Member			
PMRS Investment Income		16,656	(16,656)
Market Value Investment Income		11,217	(11,217)
Benefit Payments	(27,430)	(27,430)	
PMRS Administrative Expenses		(20)	20
Additional Administrative Expenses	<u> </u>	<u>(726)</u>	<u>726</u>
Net Changes	<u>(10,435)</u>	<u>(283)</u>	<u>(10,152)</u>
Balance at 12/31/2020	<u>\$ 323,597</u>	<u>\$ 353,500</u>	<u>\$ (29,903)</u>

This report does not reflect the changes in benefits or assumptions after the December 31, 2020, measurement date. Except where noted, the TPL as of December 31, 2020, was based on the data, actuarial methods and assumptions, and Plan provisions described in Appendix A and E of the Millcreek-Richland Joint Authority GASB 68 Report. The assumptions used to determine the TPL as of December 31, 2019 can be found in the January 1, 2020 PMRS actuarial valuation report or the prior year’s GASB report.

According to Governmental Accounting Standards Board (GASB) Statements No. 67 and 68, PMRS is required to allocate/distribute all funds to the respective participating employers for financial reporting purposes, to determine the respective employer “Plan Fiduciary Net Position.”

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

MILLCREEK-RICHLAND JOINT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 - PENSION PLAN (continued)

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. As a cash balance plan, however, we have not performed the specific sensitivity calculations based on this plan's demographics or plan provisions for active participants given that the benefits are based on the accumulated account balances at actual retirement. For illustrative purposes, the table below shows the sensitivities as 80% and 120% of the TPL associated with active participants as a reflection of the nature of potential variance that could occur with a +1.0% and -1.0% change in the discount rate, respectively, if the active liabilities were valued by converting each cash balance account to an annuity and then discounting these projected annuities at the sensitivity rates. If the plan has retired participants, the discount rate sensitivity for the TPL associated with the retired participants has been explicitly determined based on the January 1, 2021 actuarial valuation.

Sensitivity of the net pension liability to changes in the discount rate

	1% Decrease <u>4.25%</u>	Current Discount Rate <u>5.25%</u>	1% Increase <u>6.25%</u>
Total Pension Liability	\$ 353,232	\$ 323,597	\$ 297,872
Plan Fiduciary Net Position	<u>353,500</u>	<u>353,500</u>	<u>353,500</u>
Net Pension Liability	<u>\$ (268)</u>	<u>\$ (29,903)</u>	<u>\$ (55,628)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	100.08%	109.24%	118.68%

Additional PMRS Actuarial and Audit Reports are available under the "*Publications*" section of the PMRS website (<http://www.pMrs.state.pa.us>)

REQUIRED SUPPLEMENTARY INFORMATION

**MILLCREEK-RICHLAND JOINT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
For the Year Ended December 31, 2021**

	Measurement Year Ended						
	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability:							
Service Cost	\$ -0-	\$ 7,820	\$ 13,148	\$ 13,148	\$ 13,148	\$ 8,568	\$ 8,568
Interest Cost	16,664	23,537	14,532	13,152	12,382	11,201	10,170
Changes in Benefit Terms			2,937				
Changes for Experience	(14,359)				(1)	1	1
Changes of Assumptions	14,690						
Benefit Payments	(27,430)						
Net Change in Total Pension Liability	\$ (10,435)	\$ 31,357	\$ 30,617	\$ 26,300	\$ 25,529	\$ 19,770	\$ 18,739
Total Pension Liability:							
Beginning	334,032	302,675	272,058	245,758	220,229	200,459	181,720
Ending	<u>\$ 323,597</u>	<u>\$ 334,032</u>	<u>\$ 302,675</u>	<u>\$ 272,058</u>	<u>\$ 245,758</u>	<u>\$ 220,229</u>	<u>\$ 200,459</u>
Plan Fiduciary Net Position:							
Contributions:							
Employer	\$ -0-	\$ 881	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,471	\$ 1,520
PMRS assessment	20	20	20	20	20	20	
Employee		6,944	11,648	11,648	11,648	7,068	7,068
PMRS Investment Income	16,656	23,536	14,536	13,127	12,398	11,214	10,181
Market Value Investment Income	11,217	41,448	(33,266)	28,828	4,179	(12,513)	(664)
Benefit Payments	(27,430)						
PMRS Administrative Expense	(20)	(20)	(20)	(20)	(20)	(20)	(20)
Additional Administrative Expenses	(726)	(814)	(649)	(604)	(607)	(467)	(390)
Net Change in Plan Fiduciary Net Position	\$ (283)	\$ 71,995	\$ (6,231)	\$ 54,499	\$ 29,118	\$ 6,773	\$ 17,695
Plan Fiduciary Net Position:							
Beginning	353,783	281,788	288,019	233,520	204,402	197,629	179,934
Ending	<u>\$ 353,500</u>	<u>\$ 353,783</u>	<u>\$ 281,788</u>	<u>\$ 288,019</u>	<u>\$ 233,520</u>	<u>\$ 204,402</u>	<u>\$ 197,629</u>
Net Pension Liability - ending	<u>\$ (29,903)</u>	<u>\$ (19,751)</u>	<u>\$ 20,887</u>	<u>\$ (15,961)</u>	<u>\$ 12,238</u>	<u>\$ 15,827</u>	<u>\$ 2,830</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	109.24%	105.91%	93.10%	105.87%	95.02%	92.81%	98.59%
Covered employee payroll	-0-	33,712	56,448	59,360	58,240	35,340	35,340
Net Pension Liability as a percentage of covered employee payroll	N/A	-58.59%	37.00%	-26.89%	21.01%	44.78%	8.01%

Notes to Schedule:

Schedule was completed with the most current information available as of the date the financial statements were issued.
Required ten year information will be completed as time passes.
Plan Changes: Plan changes may include excess interest distribution during the measurement year ending in 2018, if applicable.
Assumption Changes: None

**MILLCREEK-RICHLAND JOINT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Measurement Years (if available)**

Due to the plan design, there are no Actuarially Determined Contributions for the cash balance pension plan. The Statutorily Required Contribution is a contribution amount based upon the payroll and contribution rate as outlined under the terms of the cash balance pension plan. As provided by the Pennsylvania Municipal Retirement System, the employer portion of the Statutorily Required Contribution was the amount recognized by the pension plan during the year.

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily Required Contribution	\$ 20	\$ 896	\$ 1,520	\$ 1,520	\$ 1,520	\$ 1,520	\$ 1,520
Contributions in Relation to the Statutorily Required Contribution	<u>20</u>	<u>901</u>	<u>1,520</u>	<u>1,520</u>	<u>1,520</u>	<u>1,491</u>	<u>1,520</u>
Contribution Deficiency/Excess	<u>\$ -0-</u>	<u>\$ (5)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 29</u>	<u>\$ -0-</u>
Covered Employee Payroll	<u>\$ -0-</u>	<u>\$ 33,712</u>	<u>\$ 56,448</u>	<u>\$ 59,360</u>	<u>\$ 58,240</u>	<u>\$ 35,340</u>	<u>\$ 35,340</u>
Contributions as a percent of Covered Employee Payroll	<u>N/A</u>	<u>2.67%</u>	<u>2.69%</u>	<u>2.56%</u>	<u>2.61%</u>	<u>4.22%</u>	<u>4.30%</u>

Notes to Schedule:

Plan changes: Plan changes may include excess interest distribution during the measurement year ending in 2018, if applicable.

SUPPLEMENTARY INFORMATION

MILLCREEK-RICHLAND JOINT AUTHORITY
(A Component Unit)
SUPPLEMENTARY INFORMATION
SCHEDULES OF OPERATING EXPENSES - CASH BASIS
For the Years Ended December 31, 2021 and 2020

Schedule 1

	2021	2020
SYSTEM COSTS		
Power - Pumping Stations	\$ 24,687	\$ 20,640
Utilities	3,439	2,832
Fuel	2,809	1,722
Operating Supplies	4,397	5,886
Maintenance and Repairs	46,862	45,400
Operator Fees	26,158	29,839
Treatment Costs - Myerstown Borough	197,445	137,904
Salaries and Wages	15,658	15,486
Employee Benefits and Taxes	2,283	4,923
Vehicle Expenses	811	696
Total System Costs	\$ 324,549	\$ 265,328
 ADMINISTRATIVE COSTS		
Authority Member Fee	\$ 6,026	\$ 5,165
Telephone	3,079	2,892
Postage	4,833	4,367
Billing and Collection	8,587	8,845
Accounting Fees	5,605	5,759
Legal Fees	4,081	4,516
Engineering Fees	13,060	5,318
Dues and Subscriptions	652	65
Insurance	14,949	35,554
Miscellaneous	1,581	2,709
Total Administrative Costs	\$ 62,453	\$ 75,190

See Accompanying Notes to Financial Statements