

COLLEGE TOWNSHIP WATER AUTHORITY  
CENTRE COUNTY, PENNSYLVANIA

REPORT ON AUDIT OF  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2022 AND 2021

FIORE FEDELI SNYDER CAROTHERS, LLP

COLLEGE TOWNSHIP WATER AUTHORITY  
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YEARS ENDED DECEMBER 31, 2022 AND 2021

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**FIORE FEDELI SNYDER CAROTHERS, LLP**

*Certified Public Accountants and Consultants*

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**INDEPENDENT AUDITORS' REPORT**

Members of the Authority  
College Township Water Authority  
State College, Pennsylvania

**Opinion**

We have audited the accompanying financial statements of College Township Water Authority (the "Authority"), which comprise the statements of net position as of December 31, 2022 and 2021, and the related statements of revenue and expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of College Township Water Authority as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of College Township Water Authority and to meet our 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.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that

MEMBERS: AMERICAN AND PENNSYLVANIA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS

raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 and *Government 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such inform-

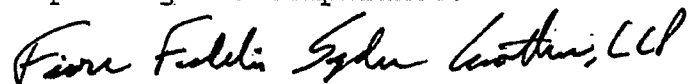
ation is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic,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

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Authority's basic financial statements. The accompanying budgetary comparison information on page 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2023 on our consideration of College Township Water Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering College Township Water Authority's internal control over financial reporting and compliance.



Fiore Fedeli Snyder Carothers, LLP  
June 7, 2023

COLLEGE TOWNSHIP WATER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Required Supplemental Information)  
Years Ended December 31, 2022 and 2021

To the Members of the Authority  
College Township Water Authority  
State College, Pennsylvania

As management of the College Township Water Authority, (the "Authority"), we offer readers of our basic financial statements this narrative introduction, overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2022. The reader should use the information contained here in conjunction with the additional information contained in the Authority's audited financial statements which begin immediately following this narrative.

Financial Highlights of 2022

1. Net position increased by \$905,678.
2. In December 2022, debt was incurred to provide funding for the continued development of the Oak Hall Well, the Authority's 3<sup>rd</sup> water source, and related projects.
3. \$3.23 million of the Water Revenue Note, Series of 2022 remains available to fund projects via the drawdown loan structure of the obligation through December 6, 2025.
4. An agreement with a developer resulted in approximately \$987,000 in water system improvements that have been recognized as income in 2022.
5. Capital investment in easements, meters, tools, equipment, and infrastructure totaled \$455,000, excluding the \$987,000 in developer contributions.
6. The 2020 Ten Year Capital Improvement Plan continued to drive planned water system and operational improvements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. Since the Authority is engaged only in business-type activities, its basic financial statements are comprised of two components: 1) proprietary fund financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Proprietary fund financial statements.** The Authority's operations are accounted for as a single proprietary fund using the full accrual basis of accounting. In this regard, the Authority's operations are accounted for in a manner similar to a private-sector business.

COLLEGE TOWNSHIP WATER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

The statements of net position present information on the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statements of revenues, expenses, and changes in net position present information showing how the Authority's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. For example, an electric bill for usage during the month of December 2022 is recorded as an expense in 2022 although it may not have been paid until January 2023.

The statements of cash flows differ from the statements of revenues, expenses, and changes in net position in that it accounts only for transactions that result in cash receipts and cash payments. Cash activities are separated into four distinct categories: 1) operating activities, 2) capital financing activities, 3) non-capital financing activities, and 4) investing activities. This statement assists users in assessing the Authority's ability to pay its bills and the effect on its finances of major transactions during the year.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the financial statements such as the Authority's accounting methods and policies.

Analysis of Financial Position

**2022:**

The following condensed net position information shows that at December 31, 2022, total assets exceeded total liabilities by \$7.3 million, an increase of \$901,000 over the prior year.

	<u>Net Position at December 31,</u>		
	<u>2022</u>	<u>2021</u>	<u>Change</u>
Current assets	\$ 1,283,889	\$ 1,110,839	\$ 173,050
Capital assets - net	<u>12,637,378</u>	<u>11,466,856</u>	<u>1,170,522</u>
Total Assets	13,921,267	12,577,695	1,343,572
Current liabilities	491,538	600,040	( 108,502)
Note payable - net	<u>6,056,067</u>	<u>5,504,971</u>	<u>551,096</u>
Total Liabilities	<u>6,547,605</u>	<u>6,105,011</u>	<u>442,594</u>
Net Position	<u>\$ 7,373,662</u>	<u>\$ 6,472,684</u>	<u>\$ 900,978</u>

COLLEGE TOWNSHIP WATER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

A net increase in cash, primarily the result of the excess of cash used in capital and related financing over cash provided by operating activities, was the driver in the increase in Current Assets.

Contributed assets of approximately \$987,000 was the primary reason for the increase of \$1.2 million in the net (after depreciation) value of capital assets.

An increase in accounts and other payables was more than offset by a decrease in the current portion of note payable, resulting in a decrease of \$109,000 in current liabilities.

The write off of approximately \$185,000 of unamortized debt costs together with a reduced amount of current maturities account for a substantial portion of the increase in Note payable - net by \$551,000.

**2021:**

The following condensed net position information shows that at December 31, 2021, total assets exceeded total liabilities by \$6.4 million, an increase of \$89,681 over the prior year

	Net Position at December 31		
	2021	2020	Change
Current assets	\$ 1,110,839	\$ 1,623,446	\$( 512,607)
Capital assets - net	11,466,856	11,323,579	143,277
Total Assets	12,577,695	12,947,025	( 369,330)
Current liabilities	600,040	604,075	( 4,035)
Note payable - net	5,504,971	5,959,947	( 454,976)
Total Liabilities	6,105,011	6,564,022	( 459,011)
Net Position	<u>\$ 6,472,684</u>	<u>\$ 6,383,003</u>	<u>\$ 89,681</u>

A net decrease in cash, primarily the result of the excess of cash used in capital and related financing over cash provided by operating activities, was the driver in the decrease in Current Assets. \$367,000 in 2021 project financing costs was reimbursed in early 2022.

A higher amount attributed to Construction In Progress was the primary reason for the increase of \$143,000 in the net (after depreciation) value of capital assets.

A decrease in accounts and other payables was offset by an increase in the current portion of note payable resulting in an inconsequential decrease of \$4,000 in current liabilities.

A principal payment of \$498,400 was offset by decreases in debt related amortization costs resulting in a decrease in note payable-net by \$455,000.

COLLEGE TOWNSHIP WATER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

Analysis of Operating Results

2022:

The following condensed information regarding revenues, expenses, and changes in net position provides a comparison of the major categories of revenues and expenses recognized during the year.

	<u>Changes in Net Position</u>		
	<u>2022</u>	<u>2021</u>	<u>Change</u>
Operating revenues	\$ 1,702,568	\$ 1,567,438	\$ 135,130
Operating expenses	<u>1,640,827</u>	<u>1,455,429</u>	<u>185,398</u>
Operating income	61,471	112,009	( 50,538)
Non-operating revenues and (expense)	<u>839,237</u>	<u>( 22,328)</u>	<u>861,565</u>
Changes in net position	<u>\$ 900,978</u>	<u>\$ 89,681</u>	<u>\$ 811,297</u>

Operating revenue increased 8.6% or \$135,000 primarily as a result of an increase in meter water revenue sales.

Savings in many classes of expenses were more than offset by higher than expected water system maintenance costs and costs for professional services, resulting in an increase of 12.7% or \$185,000 in operating expenses from 2021.

Non-operating revenues were higher primarily as a result of better than expected tap fees and also, the revenue recognized from the value of developer contributions of water system improvements. Non-operating expense increased primarily as a result of debt costs amortization related charges. The net effect was an increase in net non-operating revenues by \$861,000.

2021:

The following condensed information regarding revenues, expenses, and changes in net position provides a comparison of the major categories of revenues and expenses recognized during the year.

	<u>Changes in Net Position</u>		
	<u>2021</u>	<u>2020</u>	<u>Change</u>
Operating revenues	\$ 1,567,438	\$ 1,669,739	\$( 102,301)
Operating expenses	<u>1,455,429</u>	<u>1,392,098</u>	<u>63,331</u>
Operating income	112,009	277,641	( 165,632)
Non-operating revenues and (expense)	<u>( 22,328)</u>	<u>( 110,817)</u>	<u>88,489</u>
Changes in net position	<u>\$ 89,681</u>	<u>\$ 166,824</u>	<u>\$( 77,143)</u>

COLLEGE TOWNSHIP WATER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

Operating revenue decreased 6.1% or \$102,301 primarily as a result of a decrease in meter water revenue sales.

Savings in many classes of expenses were more than offset by higher than expected water system maintenance costs resulting in an increase of 4.5% or \$63,000 in operating expenses from 2020.

Non-operating revenues were higher than the prior year as a result of the realization of revenue from a dedicated waterline. Non-operating expense on the other hand was lower than the prior year due to paying less interest on the 2015 Water Revenue Note. The net effect was a reduction in net non-operating expense by \$88,000.

Water Rates

The Authority reviews water rates annually to manage revenues and ensure compliance with Bond Indentures. Water rates per 1,000 gallons of water used are as follow:

2023	\$7.35
2022	\$7.00
2021	\$7.00
2019	\$6.75
2018	\$6.70

Capital Assets

At December 31, 2022, the Authority had invested \$12.6 million in capital assets (wells, equipment, structures) and infrastructure (distribution and transmission waterlines) net of \$7.3 million in accumulated depreciation. Significant additions included a capital investment in easements, meters, tools, equipment, and infrastructure totaling \$455,000 and also, developer contributions of water system improvements valued at \$987,000.

At December 31, 2021, the Authority had invested \$11.5 million in capital assets (wells, equipment, structures) and infrastructure (distribution and transmission waterlines) net of \$7.0 million in accumulated depreciation. Significant additions included a dedicated waterline to serve a Care Facility valued at \$63,000 and the following waterlines: 1) Puddintown Road - \$58,000; and 2) Pike Street - \$219,000.

The Authority will continue to invest in improvements to its water system in 2022 at a significantly increased amount as compared with 2022. Budgeted capital improvements total \$2.7 million with that amount being funded with monies available on hand and through the drawdown of the Water Revenue Note, Series of 2022.

Please refer to notes to the financial statements for additional information on the Authority's investment in capital assets and infrastructure.

COLLEGE TOWNSHIP WATER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

Potentially Significant Matters

We are not aware of any other facts, decisions, or conditions that are expected to have a significant effect on the Authority's financial position or operating results.

Overall Financial Analysis

We believe that the overall financial position of the Authority has improved. The increase in net position is but one indication. In addition, the number of customers has increased over the prior year and this trend is expected to continue for the foreseeable future.

**Request for Information**

This financial report is designed to provide an overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Authority's Finance Director at 1481 East College Avenue, State College, PA 16801.

COLLEGE TOWNSHIP WATER AUTHORITY  
STATEMENTS OF NET POSITION

	December 31,	
	2022	2021
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 874,178	\$ 736,517
Accounts receivable, net	378,563	328,716
Material and supplies	31,148	29,606
Prepaid expenses	--	16,000
Total current assets	1,283,889	1,110,839
Capital Assets:		
Water Utility Plant in service, at cost	19,226,964	17,785,004
Less accumulated depreciation	( 7,328,325)	( 6,958,834)
Net utility plant	11,898,639	10,826,170
Construction in progress	738,739	640,686
Total utility plant	12,637,378	11,466,856
Total assets	13,921,267	12,577,695
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable and accrued expenses	144,661	73,053
Due to College Township	12,977	13,687
Current portion of note payable	333,900	513,300
Total current liabilities	491,538	600,040
Non-current Liabilities:		
Note payable, net	6,056,067	5,504,971
Total liabilities	6,547,605	6,105,011
<u>NET POSITION:</u>		
Invested in capital assets, net of related debt	6,247,411	5,448,585
Unrestricted	1,126,251	1,024,099
Total net position	\$ 7,373,662	\$ 6,472,684

See accompanying notes to financial statements

COLLEGE TOWNSHIP WATER AUTHORITY  
STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION

	<u>Year Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Operating revenues (securing note):		
Water operating revenues	\$ 1,374,254	\$ 1,251,503
Unmetered water sales and other fees	328,314	315,935
Total operating revenues	<u>1,702,568</u>	<u>1,567,438</u>
Operating expenses:		
Purification system	27,992	35,915
Pumping system, primarily power	66,793	75,565
Maintenance	128,528	79,855
General	304,940	294,539
Office	104,840	91,165
General property	56,813	31,873
Engineering and professional fees	136,185	82,200
Taxes, benefits and insurance	268,596	235,214
Other	117,436	112,829
Depreciation and amortization	428,704	416,274
Total operating expenses	<u>1,640,827</u>	<u>1,455,429</u>
Operating income	61,741	112,009
Non-operating revenues/(expense):		
Interest expense	( 127,454)	( 127,142)
Investment income	21,495	4,804
Contribution in aid of construction	986,895	62,575
Gain on disposal of asset	21,000	--
Write-off of bond costs	( 132,914)	--
Tap and connection fees	70,215	37,435
Total non-operating revenues/(expenses)	<u>839,237</u>	<u>( 22,328)</u>
Net income	900,978	89,681
Net position, beginning	<u>6,472,684</u>	<u>6,383,003</u>
Net position, ending	<u>\$ 7,373,662</u>	<u>\$ 6,472,684</u>

See accompanying notes to financial statements

COLLEGE TOWNSHIP WATER AUTHORITY  
STATEMENTS OF CASH FLOWS

	<u>Year Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Cash flow from operating activities:		
Cash received from customers	\$ 1,722,936	\$ 1,612,613
Cash payments to suppliers for goods and services	( 1,126,766)	(1,058,751)
Net cash provided by operating activities	<u>596,170</u>	<u>553,862</u>
Cash flows from capital and related financing activities:		
Payments for water utility plant	( 563,366)	( 465,881)
Interest paid on note payable	( 104,332)	( 99,914)
Interest received	21,495	4,804
Principal paid on note payable	( 2,479,900)	( 498,400)
Proceeds from note payable	<u>2,667,594</u>	<u>--</u>
Net cash used in capital and related financing activities	<u>( 458,509)</u>	<u>(1,059,391)</u>
Net increase/(decrease) in cash	137,661	( 505,529)
Cash balance, beginning of year	<u>736,517</u>	<u>1,242,046</u>
Cash balance, end of year	\$ <u><u>874,178</u></u>	\$ <u><u>736,517</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating Income	\$ 61,741	\$ 112,009
Tap and connection fees	70,215	37,435
Adjustment to reconcile operating income to net cash provided by operating activities:		
Depreciation of water utility plant	400,739	385,179
Amortization of bond costs	27,965	31,096
Change in assets and liabilities:		
(Increase)/decrease in receivables	( 49,847)	7,740
Increase in materials and supplies	( 1,542)	( 447)
Decrease/(increase) in prepaid expense	16,000	( 215)
Increase)/(decrease) in accounts payable and accrued expenses	71,608	( 23,485)
(Decrease)/increase in amounts due to related parties	<u>( 710)</u>	<u>4,550</u>
Net cash provided by operating activities	\$ <u><u>596,170</u></u>	\$ <u><u>553,862</u></u>

See accompanying notes to financial statements

COLLEGE TOWNSHIP WATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS

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COLLEGE TOWNSHIP WATER AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

A. Summary of Significant Accounting Policies

The College Township Water Authority (the "Authority") was formed by resolution of the Council of the Township of College, Centre County, Pennsylvania adopted on May 2, 1996 pursuant to the Pennsylvania Municipality Authorities Act of 1945.

Effective as of May 20, 1996, the Authority acquired a majority of the voting rights of the common stock of Lemont Water Co. which has since been liquidated.

Reporting Entity - College Township Council appoints all five members of the Authority's board. Council has no further involvement in the affairs of the Authority, no responsibility for its debt and provides no substantial financial operating assistance. The Authority is a separate entity and sets its own rates, adopts its budget and issues debt without the approval of the Township. The Authority is not a component unit of College Township.

Description of Business - The Authority supplies water to residential and business customers in College Township, Pennsylvania. All of the Authority's activities are located in Central Pennsylvania. Water produced is treated with a sequesterant and is disinfected with chlorine. The wells provide water to the customers through 54.2 miles of underground distribution piping.

The Spring Creek Well and the Rogers Well are the two sources for the water system. The Spring Creek Park Well has a permitted capacity of 1,700 gpm and is limited to a monthly average withdrawal of 1.80 mgd. The Roger Well has a permitted capacity of 2,890 gpm and is limited to a monthly average withdrawal of 1.80 mgd.

Oak Hall Well OH-19 has been added as a seasonal source serving the Oak Hall Regional Park located in the southeastern part of the distribution system. The well is permitted as a Transient Non-Community System with a permitted capacity of 50 gpm. The well facility is drained and taken out of service between the months of October and April.

Measurement Focus and Basis of Accounting - The Authority accounts for its activities as an Enterprise Fund that is similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenue is generally recognized from water sales when the meters are read. Meters are read on a quarterly basis for regular customers. Rates are determined based on a fee schedule approved by the Authority's Board. Un-billed receivables are recorded as revenues based upon pro-rata calculations, from the date of the last meter reading to the financial reporting date.

COLLEGE TOWNSHIP WATER AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

Expenses are recorded when a liability is incurred, regardless of the timing of related cash flow.

Water utility plant - All additions to the water utility plant are recorded at cost when an asset is placed in service. Costs incurred during the construction of an asset are accumulated and reported as construction in progress until the asset is placed in service.

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed, the asset account and related depreciation account are reduced and any gain or loss is included in operations.

Depreciation - Assets are depreciated over estimated useful lives using the straight-line method.

Accounts receivable - Accounts receivable are shown net of allowances for uncollectible amounts.

Inventory - Inventories of supplies and materials are stated at the lower of cost or market value based on the first-in, first-out method.

Interest Expense - Interest costs incurred on loans are capitalized as part of the cost of the constructed project. Interest costs on borrowings for construction are capitalized as work progresses until completion of the project.

Income Tax Expense - The Authority is exempt from federal and state income tax under the Municipality Authorities Act of 1945.

Contributions in Aid of Construction - The Authority receives property additions from developers and customers to extend its service territory. These are typically constructed by the third party contractors with the Authority's supervision. Contributed assets are then depreciated over their useful life.

Cash and Cash Equivalents - For the purpose of the statement of cash flows, the Authority considers as cash 1) checking and demand accounts at banks, 2) Certificates of Deposit, and 3) Short-term Investments invested with the Pennsylvania Local Government Trust (PLGIT).

COLLEGE TOWNSHIP WATER AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

Estimates - The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates by management. Actual results may differ.

B. Deposits and Investments

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes.

The following is a description of the Authority's deposit and investment risks:

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Commonwealth of Pennsylvania recognizes this risk. Under its Act 72, deposits of public funds (in excess of \$250,000 of FDIC insurance) held by banks must be collateralized. Banks must place on deposit with a third-party (usually a Federal Reserve Bank) securities with an aggregate market value in excess of all of its uninsured balances. The Authority requires this protection for its funds.

The Pennsylvania Local Government Investment Trust (PLGIT):

The Authority invests funds with PLGIT. PLGIT was created in 1981 to meet the short-term investment needs of local governments, school districts, municipal authorities, and other types of governments in the Commonwealth of Pennsylvania and currently serves more than 3,000 public entity investors across the Commonwealth and cooperatively invest more than \$9.8 billion across multiple programs. PLGIT is subjected to an annual audit. Additional information on PLGIT and its investment strategies can be found at [www.plgit.com](http://www.plgit.com).

The Authority utilizes these PLGIT investment options:

PLGIT is a professional managed portfolio of the Trust that operates like a money market fund and stresses safety of principal as its primary objective - a fact underscored by its AAAM Rating from Standard & Poor's. This is a flexible option that requires no minimum balance, no minimum initial investment, and a one day minimum investment period. Dividends are paid monthly.

PLGIT-Prime is a variable rate investment portfolio rated AAAM by Standard & Poor's. This web-based option requires no minimum balance and no minimum initial investment. This option limits redemptions or exchanges to two per calendar month.

COLLEGE TOWNSHIP WATER AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

PLGIT-Term is a fixed term investment portfolio of the Trust with maturity of up to one year. This option requires a minimum initial investments of \$100,000, a minimum investment period of sixty (60) days, and has a premature withdrawal penalty.

PLGIT-CD Purchase Program is an option that enables Investors to purchase directly Certificates of Deposit ("CDs") which are intended to be fully insured by the Federal Deposit Insurance Corporation ("FDIC"). Investments in the PLGIT-CD Purchase Program are direct investments of the Investor, not assets of the Trust or under control of its Board of Trustees.

As of December 31, 2022, the Authority's deposit accounts were insured and collateralized as follows:

	<u>Bank Balance</u>	<u>Book Balance</u>
Bank deposits - Insured	\$ 250,000	\$ 250,000
Certificates of Deposit - Insured	200,000	200,000
Bank deposits - Collateralized	<u>595,536</u>	<u>38,716</u>
Total deposits held by banks	1,045,536	488,716
Uninsured and uncollateralized:		
PLGIT - Class portfolio	181,110	181,110
PLGIT - Term portfolio	<u>204,202</u>	<u>204,202</u>
Total investments held by PLGIT	385,312	385,312
Petty Cash	<u>150</u>	<u>150</u>
Total Cash	<u>\$ 1,430,998</u>	<u>\$ 874,178</u>

COLLEGE TOWNSHIP WATER AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

As of December 31, 2021, the Authority's deposit accounts were insured and collateralized as follows:

	Bank Balance	Book Balance
Bank deposits - Insured	\$ 250,000	\$ 78,318
Certificates of Deposit - Insured	200,000	200,000
Bank deposits - Collateralized	386,801	--
Total deposits held by banks	<u>836,801</u>	<u>278,318</u>
Uninsured and uncollateralized:		
PLGIT - Class portfolio	212,133	212,133
PLGIT - Term portfolio	245,916	245,916
Total investments held by PLGIT	458,049	458,049
Petty Cash	150	150
Total Cash	<u>\$ 1,295,000</u>	<u>\$ 736,517</u>

C. Water Utility Plant

Water utility plant is made up of contributed property and purchased or constructed property as follows:

	Useful Life In Years	December 31	
		2022	2021
Land and rights		\$ 228,140	\$ 213,140
Land improvements	15	11,468	11,468
Land, rights and improvements		239,608	224,608
Structures and Improvements:			
Distribution reservoirs, tanks and standpipes	20-60	373,429	373,429
Power and pumping structures	20-35	665,124	535,261
Wells and springs	40	4,357,104	4,357,104
Structures and improvements		5,395,657	5,265,794
Tangible Plant:			
Main and accessories	50	12,381,136	11,216,897
Meters	10-20	636,984	556,737
Electric pumping equipment	10-20	125,632	125,632
Transportation equipment	5-7	257,718	224,366
Tools and work equipment	15	82,027	62,768
Office furniture and equipment	3-7	75,195	75,195
Other power pumping equipment	10	33,007	33,007
Tangible plant		<u>13,591,699</u>	<u>12,294,602</u>
Total		19,226,964	17,785,004
Less accumulated depreciation		( 7,328,325)	( 6,958,834)
Net Water Utility Plant		<u>\$ 11,898,639</u>	<u>\$ 10,826,170</u>

COLLEGE TOWNSHIP WATER AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

D. Accounts Receivables, net

Accounts receivable (billed and unbilled) aggregated \$378,563 and \$328,716 net of allowances of \$8,748 and \$6,821 as of December 31, 2022 and 2021, respectively.

E. Notes Payable

Notes payable for the year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Water Revenue Note, Series of 2015	\$ 6,202,273	\$ 633,327	\$( 2,479,900)	\$4,355,700
Water Revenue Note, Series of 2022	--	2,034,267	--	2,034,267
	\$ 6,202,273	\$ 2,667,594	\$( 2,479,900)	\$6,389,967

On December 8, 2015, the Authority entered into a loan agreement with CNB Bank for \$10,000,000 for its Water Revenue Note, Series of 2015. The net proceeds of \$7,598,471 at settlement (after payment of \$65,957 in origination fees, legal fees and other issuance costs) were used to advance-refund the outstanding Water Revenue Bonds, Series of 2010 and the related accrued interest. The Authority could then draw an additional \$2,335,572 on the Note to fund the acquisition or construction of additions, alterations and improvements to the existing water system. The Note bears interest at 1.98% for the first sixty months, then a variable rate equal to the tax free equivalent of the five year Federal Home Loan Advance Rate ("FHLB") rate plus 1.24% subject to a maximum rate of 2.98% for months 61-120, 3.68% for months 121-180 and 4.18% for months 181-240. In accordance with the loan agreement the Note's interest rate reset to 1.469% in December 2021. The Note is secured by all receipts and revenues of the water system. In May 2022 the Authority made a final draw on the Note to reach the cap of \$10,000,000.

On December 6, 2022, the Authority entered into a loan agreement with Jersey Shore State Bank for \$5,295,500 for its Water Revenue Note, Series of 2022. The net proceeds of \$1,981,292 (after payment of \$52,975 in origination fees, legal fees and other issuance costs) were used to pay-down principal of \$1,968,800 and accrued interest of \$12,692 on the Authority's Water Revenue Note, Series of 2015. The Authority can then draw an additional \$3,225,233 on the Note to fund the acquisition or construction of additions, alterations and improvements to the existing water system. The Note bears interest

COLLEGE TOWNSHIP WATER AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

E. Notes Payable (continued)

at a rate equal to 4.25% for the first 120 months ending January 2033. Thereafter, the interest rate will be reset on the first day of the month for the remainder of the term at a rate equal to 79% of the Wall Street Journal Prime Rate (or its equivalent), not to exceed 5.0%. Annual payments of principal commence on January 1, 2026 in amounts set forth in the loan document. The Note is secured by all receipts and revenues of the water system.

Total annual future debt payments on the Water Revenue Note, Series of 2015 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2023	\$ 333,900	\$ 64,872	\$ 398,772
2024	346,800	60,063	406,863
2025	355,000	54,734	409,734
2026	363,500	123,869	487,369
2027	376,800	110,307	487,107
2028	390,700	96,511	487,211
2029	404,900	81,670	486,570
2030	422,600	66,563	489,163
2031	431,300	57,697	488,997
2032	449,200	39,526	488,726
2033	419,900	20,381	440,281
2034	61,100	2,585	63,685
	<u>\$ 4,355,700</u>	<u>\$ 778,779</u>	<u>\$ 5,134,479</u>

COLLEGE TOWNSHIP WATER AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

E. Notes Payable (continued)

Total annual future debt payments on the Water Revenue Note, Series of 2022 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2023	\$ --	\$ 223,529	\$ 223,529
2024	--	223,529	223,529
2025	5,000	223,529	228,529
2026	6,000	223,316	229,316
2027	6,000	223,061	229,061
2028	6,000	222,806	228,806
2029	7,000	222,551	229,551
2030	5,000	222,254	227,254
2031	5,000	222,041	227,041
2032	6,000	221,829	227,829
2033	16,000	260,675	276,675
2034	393,000	259,875	652,875
2035	476,000	240,225	716,225
2036	500,000	216,425	716,425
2037	525,000	191,425	716,425
2038	551,000	165,175	716,175
2039	579,000	137,625	716,625
2040	608,000	108,675	716,675
2041	638,000	78,275	716,275
2042	670,000	46,375	716,375
2043	257,500	12,875	270,375
	<u>\$ 5,259,500</u>	<u>\$ 3,946,070</u>	<u>\$ 9,205,570</u>

Unamortized Bond Costs

In connection with the issuance of its Water Revenue Bonds, Series of 2003 and 2010 (advance refunded in 2010 and 2015, respectively) and the Water Revenue Note, Series of 2015, the Authority incurred certain costs, and discounts were allowed, to compensate the underwriter (and bondholders).

These costs totaled \$701,507 and were being amortized over the original term of the bonds and the note using the interest method. Amortization was \$29,965 and \$31,096 for the years ended December 31, 2022 and 2021, respectively.

COLLEGE TOWNSHIP WATER AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

E. Notes Payable (continued)

In accordance with FASB Accounting Standards Update 2015-03 the Authority presented its long term obligations net of associated unamortized premiums and issuance costs. These issuance costs and unamortized premiums, net of amortization, totaled \$184,002 at December 31, 2021 and are netted against the non-current portion of notes payable on the Authority's statement of net position.

At the end of 2022 the Authority elected to expense the remainder of the issuance costs and unamortized premiums in accordance with ASC 825-10-25-3, such amounts are reflected in the statement of revenues, expenses and changes in net assets as a non-operating expense.

F. Statement of Cash Flows

For the years ending December 31, 2022 and 2021, the Authority paid interest of \$104,332 and \$99,914, respectively.

G. Risk Management

The Authority is exposed to various risks of loss related to liability; theft of, damage to, and destruction of property and other assets; and errors and omissions for which the Authority carries commercial insurance. Settle claims from these risks have not exceeds commercial insurance coverage for the past two years.

H. Related Party Transactions

During 2022 and 2021 the Authority paid College Township \$113,760 and \$109,704, respectively, for the oversight of its administrative, financial and operational activities. College Township also serves as the common paymaster for all employees. Costs of the employees hired for, or assigned to Authority operations are billed at actual costs and reimbursed by the Authority.

I. Commitments and Contingencies

The Authority is negotiating an agreement with the Pennsylvania State University, whereby it can purchase up to one million gallons of water per day on an emergency basis.

COLLEGE TOWNSHIP WATER AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

J. Subsequent Events

Subsequent events have been evaluated through June 7, 2023, which is the date the financial statements were available to be issued.

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COLLEGE TOWNSHIP WATER AUTHORITY  
SCHEDULE OF REVENUES, EXPENSES AND DEBT SERVICE-  
BUDGET VS. ACTUAL  
YEAR ENDED DECEMBER 31, 2022

	<u>Actual</u>	<u>Budget- Unaudited- Cash Basis</u>	<u>Variance</u>
Water System Operating Revenues	\$ 1,374,254	\$ 1,350,573	\$ 23,681
Unmetered Water Sales & Other	<u>328,314</u>	<u>323,130</u>	<u>5,184</u>
	1,702,568	1,673,703	28,865
Operating Expenses:			
Purification system	27,992	47,500	( 19,508)
Pumping system, primarily power	66,793	87,245	( 20,452)
Maintenance	128,528	62,509	66,019
General	304,940	261,500	43,440
Office	104,840	100,750	4,090
General property	56,813	26,250	30,563
Engineering and professional fees	136,185	69,000	67,185
Taxes, benefits and insurance	268,596	237,523	31,073
Other	<u>117,436</u>	<u>117,610</u>	<u>( 174)</u>
Total operating expenses	<u>1,212,123</u>	<u>1,009,887</u>	<u>202,236</u>
Net operating income	490,445	663,816	( 173,371)
Other Receipts and Revenues:			
Interest Income	21,495	6,000	15,495
Tap and Connections	<u>70,215</u>	<u>40,000</u>	<u>30,215</u>
Total non-operating revenues	<u>91,710</u>	<u>46,000</u>	<u>45,710</u>
Total available for debt service	582,155	709,816	( 127,661)
Debt service requirement	<u>( 615,632)</u>	<u>( 613,715)</u>	<u>( 1,917)</u>
Available for contingencies and capital improvements	\$ ( <u>33,477</u> )	\$ <u>96,101</u>	\$ ( <u>129,578</u> )
Ratio of total available for debt service to debt service	<u>94.9%</u>	<u>115.7%</u>	<u>--</u>

Note: Depreciation, amortization, contributions of capital assets and items of accretion are omitted from this presentation.

INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENTAL AUDITING STANDARDS

Members of the Authority  
College Township Water Authority  
1481 East College Avenue  
State College, PA 16801

We have, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, audited the financial statements of College Township Water Authority issued by the Comptroller General of the United States, the financial statements of College Township Water Authority which comprise the statement of net position as of December 31, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 7, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered College Township Water Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of College Township Water Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of College Township Water Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether College Township Water Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College Township Water Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, reading "Fiore Fedeli" followed by a stylized signature that appears to be "Snyder" and "C. Anthony, III".

State College, Pennsylvania  
June 7, 2023

# FIORE FEDELI SNYDER CAROTHERS, LLP

*Certified Public Accountants and Consultants*

Patrick J. Fiore, CPA  
Joseph P. Fedeli, CPA  
Robert P. Snyder, CPA  
Stanley N. Roseberry IV, CPA

June 7, 2023

Members of the Authority  
College Township Water Authority  
1481 East College Avenue  
State College, PA 16801

We have audited the financial statements of the College Township Water Authority for the year ended December 31, 2022, and have issued our report thereon dated June 7, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated January 9, 2023. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Matters

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2022. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

MEMBERS: AMERICAN AND PENNSYLVANIA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS

2013 SANDY DRIVE, SUITE 200 + STATE COLLEGE, PENNSYLVANIA 16803 + (814) 237-8999 + FAX (814) 237-0990

College Township Water Authority

June 7, 2023

Page Two

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Management's estimates were reasonable in relation to the financial statements taken as a whole. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 7, 2023.

College Township Water Authority  
June 7, 2023  
Page Three

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the Authority Members and management of the College Township Water Authority and is not intended to be, and should not be, used by anyone other than these specified parties.



Fiore Fedeli Snyder Carothers, LLP



COLLEGE TOWNSHIP WATER AUTHORITY

\* \* \* \* \*

SUMMARY FINANCIAL STATEMENTS

\* \* \* \* \*

YEAR ENDED DECEMBER 31, 2022

**FIORE FEDELI SNYDER CAROTHERS, LLP**

**FIORE FEDELI SNYDER CAROTHERS, LLP**

*Certified Public Accountants and Consultants*

Patrick J. Fiore, CPA  
Joseph P. Fedell, CPA  
Robert P. Snyder, CPA  
Stanley N. Roseberry IV, CPA

Independent Auditors' Report  
on Summary Financial Statements

Members of the Authority  
College Township Water Authority  
Centre County, Pennsylvania

**Opinion**

The accompanying summary financial statements of the College Township Water Authority, Centre County, Pennsylvania as of December 31, 2022 are derived from the audited financial statements of the activities of the College Township Water Authority, as of and for the year ended December 31, 2022, and the related notes, which collectively comprise the Authority's basic financial statements. We expressed an unmodified audit opinion on those audited financial statements in our report dated June 7, 2023. The audited financial statements, and the summary financial statements derived therefrom, do not reflect the effects of events, if any, that occurred subsequent to the date of our report on the audited financial statements.

In our opinion, the summary financial statements of the College Township Water Authority as of and for the year ended December 31, 2022 referred to above are consistent, in all material respects, with the audited financial statements from which they have been derived.

**Summary Financial Statements**

The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements and the auditors' report thereon of the College Township Water Authority.

**Responsibilities of Management for the Summary Financial Statements**

Management is responsible for the preparation of the summary financial statements in accordance with accounting principles generally accepted in the United States of America as described in the notes to the Authority's basic financial statements.

## Auditors' Responsibility

Our responsibility is to express an opinion about whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with auditing standards generally accepted in the United States of America. The procedures consisted principally of comparing the summary financial statements with the related information in the audited financial statements from which the summary financial statements from which the summary financial statements have been derived and evaluating whether the summary financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.



Fiore Fedeli Snyder Carothers, LLP

State College, Pennsylvania  
June 7, 2023

