MUNICIPAL AUTHORITY OF THE BOROUGH OF GREENVILLE

AUDITED FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2023 AND 2022

McGill, Power, Bell & Associates, LLP
Certified Public Accountants • Business & Financial Advisors
90 Years and Still Counting

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Municipal Authority of the Borough of Greenville
Greenville, Pennsylvania

Opinions

We have audited the accompanying financial statements of the Municipal Authority of the Borough of Greenville, (the "Authority") as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents

In our opinion, the financial statements as of and for the years ended December 31, 2023 and 2022, present fairly, in all material respects, the respective financial position of the Municipal Authority of the Borough of Greenville as of December 31, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 Municipal Authority of the Borough of Greenville and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matter

In our audit report dated March 8, 2023, we expressed an opinion that the 2022 financial statements did not fairly present the financial position of the Municipal Authority of the Borough of Greenville, and the respective changes in financial position and cash flows in accordance with accounting principles generally accepted in the United States of America because of one departure from such principles: The Authority was unable to obtain the December 31, 2021 financial statements for the Authority's pension plan as the report was unavailable prior to the date of the issuance of the financial statements for the year ended December 31, 2022. Because this report was not available, the 2022 activity related to the pension plan was not included in the financial statements for the year ended December 31, 2022. As described in Note G, the Authority has made a prior period adjustment and restated its 2022 financial statements. Accordingly, our present opinion on the restated 2022 financial statements, as presented herein, is different from that expressed in our previous report.

Responsibilities of Management for the Financial Statements

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

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

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 the Municipal Authority of the Borough of Greenville's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipal Authority of the Borough of Greenville'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 pension plan information on pages 23 and 24 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 sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's 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 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. Our opinion on the basic financial statements is not affected by this missing information.

McGill, Power, Bell & Associates, LLP

McGill, Power, Bell & Associates, LLP

Grove City, Pennsylvania
March 20, 2024

MUNICIPAL AUTHORITY OF THE BOROUGH OF GREENVILLE

STATEMENTS OF NET POSITION

DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 972,188	$ 591,072
Certificate of deposit	294,436	284,165
Accounts receivable	245,903	228,574
Unbilled revenue	175,441	192,273
Inventory	92,581	85,526
Prepaid insurance	19,339	19,339
Net pension asset	13,923	350,694
Capital assets:		
Nondepreciable capital assets	6,478,975	3,408,525
Depreciable capital assets, net of accumulated depreciation	12,127,189	12,488,701
Restricted cash and cash equivalents - debt service funds	379,969	388,037
	20,799,944	18,036,906
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	15,273	30,541
Relating to net pension asset, net of amortization	260,083	84,100
	275,356	114,641
LIABILITIES		
Current portion of long-term debt	606,264	579,576
Accounts payable	112,387	404,391
Deposits for services	3,620	3,620
Accrued interest payable	2,276	5,368
Other accrued expenses	29,813	29,953
Long-term debt, net of current portion	6,106,928	4,105,609
	6,861,288	5,128,517
DEFERRED INFLOWS OF RESOURCES		
Relating to net pension asset, net of amortization	103,686	250,483
NET POSITION		
Net investment in capital assets	11,908,245	11,242,582
Restricted for debt service	379,969	388,037
Unrestricted	1,822,112	1,141,928
TOTAL NET POSITION	**$ 14,110,326**	**$ 12,772,547**

See notes to the financial statements.

MUNICIPAL AUTHORITY OF THE BOROUGH OF GREENVILLE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	*2022*
OPERATING REVENUES		
Private sales	$ 2,134,704	$ 2,070,433
Public sales	49,355	40,677
Sewer collection fees	29,607	27,743
Reimbursed collection costs	45,739	45,040
Miscellaneous income	42,448	39,233
Recovery of bad debts	131	627
	2,301,984	2,223,753
OPERATING EXPENSES		
Purification system	564,396	640,868
Pumping system	7,381	7,061
Distribution system	328,160	408,941
Administrative and general	575,412	483,784
Depreciation	361,512	393,673
	1,836,861	1,934,327
OPERATING INCOME	465,123	289,426
NONOPERATING REVENUES (EXPENSES)		
Grant revenues	920,722	2,554,670
Interest income	31,621	5,550
Interest expense	(80,966)	(80,918)
Amortization	1,279	1,279
	872,656	2,480,581
CHANGES IN NET POSITION	1,337,779	2,770,007
NET POSITION, BEGINNING OF YEAR	12,772,547	10,002,540
NET POSITION, END OF YEAR	**$ 14,110,326**	**$ 12,772,547**

See notes to the financial statements.

MUNICIPAL AUTHORITY OF THE BOROUGH OF GREENVILLE

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	*2022*
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	$ 2,183,562	$ 2,065,398
Other operating cash receipts	117,925	112,643
Cash payments to suppliers of goods and services	(1,313,524)	(1,092,183)
Cash payments to employees for services	(557,676)	(556,962)
NET CASH PROVIDED BY OPERATING ACTIVITIES	430,287	528,896
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(2,959,807)	(2,740,347)
Grant revenues	920,722	2,554,670
Principal paid on long-term debt	(579,575)	(571,446)
Proceeds from long-term debt	2,608,861	-
Interest paid on long-term debt	(68,790)	(68,465)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(78,589)	(825,588)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Interest income	21,350	4,417
NET CHANGE IN CASH AND CASH EQUIVALENTS	373,048	(292,275)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR (Including $388,037 and $396,358, respectively, reported in restricted cash and cash equivalents)	979,109	1,271,384
CASH AND CASH EQUIVALENTS, END OF YEAR (Including $379,969 and $388,037, respectively, reported in restricted cash and cash equivalents)	**$ 1,352,157**	**$ 979,109**

See notes to the financial statements.

MUNICIPAL AUTHORITY OF THE BOROUGH OF GREENVILLE

STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 465,123	$ 289,426
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	361,512	393,673
Change in:		
Accounts receivable	(17,329)	(15,403)
Unbilled revenue	16,832	(30,309)
Inventory	(7,055)	(18,942)
Net pension asset	336,771	(71,098)
Accounts payable	(402,647)	(39,875)
Other accrued expenses	(140)	4,533
Deferred outflows/inflows of resources relating to net pension asset	(322,780)	16,891
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ 430,287**	**$ 528,896**
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Non-cash capital and related financing activities:		
AMORTIZATION OF BOND PREMIUM	**$ (1,279)**	**$ (1,279)**
AMORTIZATION OF DEFERRED AMOUNT ON BOND REFUNDING	**$ 15,268**	**$ 15,268**
CAPITAL ASSET PURCHASES IN ACCOUNTS PAYABLE AT YEAR END	**$ 110,643**	**$ 402,647**

See notes to the financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Municipal Authority of the Borough of Greenville (the Authority) was created under the laws of the Commonwealth of Pennsylvania to operate a water system to service individuals and organizations in the Greenville area. The Authority operates under a five-person Board of Directors.

Basis of Presentation and Accounting

The Authority's basic financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

The Authority's basic financial statements are prepared in accordance with Generally Accepted Accounting Principles in the United States of America (GAAP) issued by the Governmental Accounting Standards Board (GASB) applicable to governmental entities that use proprietary fund accounting, including GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Revenues are recognized when earned, and costs and expenses are recognized when incurred.

The accounts of the Authority are organized on the basis of a proprietary fund type, specifically, an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statements of Net Position.

Revenues and Expenses

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's ongoing operations. The principal operating revenues of the Authority are charges to customers for sales and services. Operating expenses include cost of sales and services, administrative expenses, and depreciation on capital assets.

All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

Preparation of the Authority's financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Unbilled revenue of the Authority represents estimated amounts due for services provided during 2023 and 2022, but not billed until after December 31, 2023 and 2022, respectively.

Investments

In February 2015, GASB issued GASB Statement No. 72, *Fair Value Measurement and Application*. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and for enhancing disclosures around fair value measurements.

Inventory

Inventory consists of supplies held for repairs and maintenance on the water system. Inventory is valued at cost, using the first-in, first-out method.

Capital Assets

Capital assets are stated at cost.

Repairs and maintenance costs are charged against earnings while renewals and betterments are capitalized by additions to the related asset accounts.

Depreciation is computed utilizing the straight-line method over the estimated useful lives of the related assets. The estimated useful lives range from 4 to 70 years, depending on the type of asset.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources that affect the financial statements at December 31, 2023 or 2022 relate to the net pension asset and the deferred charge on refunding of debt.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statements of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. Deferred inflows of resources that affect the financial statements at December 31, 2023 or 2022 relate to the net pension asset.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's pension plans and additions to/deductions from the Authority's fiduciary net position have been determined on the same basis as they are reported by the Authority. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy the Authority's obligations. Net position is classified as follows:

> *Net Investment in Capital Assets:* This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of debt that is attributable to the acquisition, construction, and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.
>
> *Restricted Net Position:* This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
>
> *Unrestricted:* This consists of all other net position that does not meet the definition of net investment in capital assets or restricted net position.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Authority's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact of Recently Issued and Adopted Accounting Principles

Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements,* is effective for periods beginning after June 15, 2022. The Statement was adopted by the Authority on January 1, 2023. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The Statement had no material impact on the Authority's current year financial statements.

Recently Issued Accounting Principles

GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of Statement No. 62*, is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, *Compensated Absences*, is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Subsequent Events

Management has evaluated subsequent events through March 20, 2024 the date on which the financial statements were available to be issued.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of demand deposits at various financial institutions, investments with an original maturity of three months or less, and cash on hand of $300 at December 31, 2023 and 2022.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consist of a debt service account and debt service reserve account that are required to be maintained in accordance with the bond indenture. Amounts in these accounts are restricted for payment of principal and interest on the bonds.

NOTE B – CASH AND CASH EQUIVALENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure the government's deposits may not be returned. The Authority does not have a policy for custodial credit risk on deposits. At December 31, 2023 and 2022, the carrying amounts of the Authority's deposits were $1,351,857 and $978,809, respectively, with corresponding bank balances of $1,448,302 and $1,082,134, respectively. At December 31, 2023 and 2022, the Authority had $294,436 and $284,165, respectively, invested in a certificate of deposit.

Of the bank balances at December 31, 2023 and 2022, $750,000 was covered by federal depository insurance and $992,738 and $616,299, respectively, were exposed to custodial credit risk because they were uninsured and the collateral held by the depository's agent was not in the Authority's name.

NOTE C – CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2023 is as follows:

	Beginning Balance	*Increases*	*Decreases*	*Ending Balance*
Capital assets not being depreciated:				
Land	$ 63,091	$ -	$ -	$ 63,091
Construction in progress	3,345,434	3,070,450	-	6,415,884
Total capital assets not being depreciated	3,408,525	3,070,450	-	6,478,975
Capital assets being depreciated:				
Plant and equipment	20,683,206	-	-	20,683,206
Less accumulated depreciation for:				
Plant and equipment	(8,194,505)	(361,512)	-	(8,556,017)
Total capital assets being depreciated, net	12,488,701	(361,512)	-	12,127,189
TOTAL CAPITAL ASSETS, NET	**$ 15,897,226**	**$ 2,708,938**	**$ -**	**$ 18,606,164**

NOTE C – CAPITAL ASSETS (CONTINUED)

Capital assets activity for the year ended December 31, 2022 is as follows:

	Beginning Balance	*Increases*	*Decreases*	*Ending Balance*
Capital assets not being depreciated:				
Land	$ 63,091	$ -	$ -	$ 63,091
Construction in progress	226,140	3,119,294	-	3,345,434
Total capital assets not being depreciated	289,231	3,119,294	-	3,408,525
Capital assets being depreciated:				
Plant and equipment	20,659,506	23,700	-	20,683,206
Less accumulated depreciation for:				
Plant and equipment	(7,800,832)	(393,673)	-	(8,194,505)
Total capital assets being depreciated, net	12,858,674	(369,973)	-	12,488,701
TOTAL CAPITAL ASSETS, NET	**$ 13,147,905**	**$ 2,749,321**	**$ -**	**$ 15,897,226**

NOTE D – LONG-TERM DEBT

In December 2011, the Authority issued $2,765,000 of Water Revenue Bonds for a refunding of $2,765,000 of Series of 2003 Water Revenue Bonds. The refunding was undertaken due to more favorable interest rates. The bond bears rates ranging from 0.55% to 4.00% and matures September 2024. The transaction resulted in a reduction of $233,760 in future debt service payments and the economic gain to the Authority from this refunding was $231,428. The loan is secured by revenue of the Authority. The balance outstanding at December 31, 2023 and 2022 was $195,000 and $460,000, respectively.

In conjunction with this refunding, the Authority has recognized a deferred amount on refunding in the financial statements, as a deferred outflow of resources. This amount represents the difference between the reacquisition price and the net carrying amount of the 2003 Bonds and will be amortized over the remaining life of the bonds. Amortization of the deferred amount on refunding amounted to $15,268 for 2023 and 2022. This amount has been charged to interest expense in the financial statements.

During 2012, the Authority entered into a demand loan with Pennvest which allowed the Authority to borrow up to $4,501,000 for capital improvements to the existing water system. At December 31, 2013, the balance outstanding on this demand loan was $3,973,876. During 2014, the demand loan converted into a loan to be paid at a rate of principal plus interest of 1.0% and matures December 2034. The loan is secured by a lien on the Authority’s water revenues. The balance outstanding at December 31, 2023 and 2022 was $2,368,171 and $2,590,281, respectively.

NOTE D – LONG-TERM DEBT (CONTINUED)

In 2018, the Authority began to draw down on a $1,971,087 note with Pennvest for the water system improvements project. During the drawdown period through April 2019, interest of 1.00% was due monthly. Principal payments began in May 2019 with a maturity date of April 2039. The note is secured by a lien on the Authority's water revenues. The balance outstanding at December 31, 2023 and 2022 was $1,539,886 and $1,632,351, respectively.

In 2023, the Authority began to draw down on a $3,851,854 loan with Pennvest for the second phase of the water system improvements project. During the drawdown period through June 2024, interest of 1.00% is due monthly. Principal payments will begin in July 2024 with a maturity date of June 2044. The note is secured by a lien on the Authority's water revenues. The balance outstanding at December 31, 2023 was $2,608,861.

Interest expense on long-term debt was $80,966 and $80,918, respectively, for 2023 and 2022.

Long-term debt as of December 31, 2023 and 2022 consists of the following obligations:

	Beginning Balance	*Increases*	*Decreases*	*Ending Balance*	*Due Within One Year*
Water revenue bonds	$ 460,000	$ -	$ (265,000)	$ 195,000	$ 195,000
Pennvest loan	2,590,281	-	(222,110)	2,368,171	224,343
Pennvest note	1,632,351	-	(92,465)	1,539,886	93,394
Pennvest loan 2023	-	2,608,861	-	2,608,861	93,527
Bond premium	2,553	-	(1,279)	1,274	-
TOTAL	**$ 4,685,185**	**$ 2,608,861**	**$ (580,854)**	**$ 6,713,192**	**$ 606,264**

The annual requirements for long-term debt outstanding as of December 31, 2023 are as follows:

	Principal				
Year ending December 31,	*2011 Bonds*	*Pennvest Loan*	*Pennvest Note*	*Pennvest Loan 2023*	*Total Principal*
2024	195,000	224,343	93,394	93,527	606,264
2025	-	226,596	94,332	188,462	509,390
2026	-	228,872	95,280	190,356	514,508
2027	-	231,171	96,237	192,268	519,676
2028	-	233,494	97,203	194,200	524,897
2029-2033	-	1,203,127	500,863	1,014,174	2,718,164
2034-2038	-	20,568	526,532	735,874	1,282,974
2039	-	-	36,045	-	36,045
TOTAL	**$ 195,000**	**$ 2,368,171**	**$ 1,539,886**	**$ 2,608,861**	**$ 6,711,918**

NOTE D – LONG-TERM DEBT (CONTINUED)

	Interest				
Year ending December 31,	*2011 Bonds*	*Pennvest Loan*	*Pennvest Note*	*Pennvest Loan 2023*	*Total Interest*
2024	6,825	22,655	14,972	25,714	70,166
2025	-	20,402	14,033	24,111	58,546
2026	-	18,125	13,086	22,218	53,429
2027	-	15,826	12,129	20,306	48,261
2028	-	13,504	11,162	18,374	43,040
2029-2033	-	31,858	40,962	101,834	174,654
2034-2038	-	17	15,295	21,332	36,644
2039	-	-	75	-	75
TOTAL	**$ 6,825**	**$ 122,387**	**$ 121,714**	**$ 233,889**	**$ 484,815**

NOTE E – PENSION PLAN

Plan Description The Authority's pension plan is a single-employer defined benefit pension plan controlled by the provisions of Resolution No. 01-01 adopted pursuant to Act 15 of 1974. The plan participates in the Pennsylvania Municipal Retirement System, which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Annual Comprehensive Financial Report (ACFR). The ACFR is available on the PMRS website. A copy can be obtained by contacting the PMRS accounting office.

The system provides retirement, disability and death benefits to plan members and their beneficiaries. The Authority's Manager, with Board approval, has the ability to establish and amend benefits. As a participant in PMRS, the Authority receives a separate actuarial valuation to determine its periodic contribution rate.

Significant Accounting Policies The plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due, in accordance with Act 205, as amended. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

NOTE E – PENSION PLAN (CONTINUED)

Membership of the Plan consisted of the following at December 31, 2023 and 2022:

	2023	*2022*
Inactive employees or beneficiaries currenly receiving benefits	6	5
Inactive employees entitled to but not yet receiving beenefits	3	-
Active employees	9	11
TOTAL	**18**	**16**

Investments Investments are reported at fair value. The plan's assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by Statement No. 3 of the Governmental Accounting Standards Board for aggregate PMRS investments are included in PMRS's separately issued ACFR.

Actuarial Assumptions Total pension liability was determined by an actuarial valuation as of January 1, 2019 utilizing the Entry Age actuarial funding method and the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.8%
Salary increases	Age related scale with merit and inflation component

Pre-retirement mortality rates were based on the RP 2000 Mortality Table. Post-retirement mortality rates were based on the RP 2000 Combined Healthy Mortality Table.

Funding Act 205 requires that annual contributions be based upon the plan's Minimum Municipal Obligation (MMO). The MMO is based upon the plan's biennial actuarial valuation. In accordance with the plan's governing Resolution, members are required to contribute 3.5% of compensation to the plan. The plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program which must be used for pension funding. Any funding requirement established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205. Administrative costs, including the investment manager, custodial trustee, and actuarial services are charged to the plan and funded through investment earnings. The contribution to the plan for 2023 and 2022 were $924 and $0, respectively, computed through an actuarial valuation performed January 1, 2019 and represented 0.19% and 0.00%, respectively, of covered payroll.

NOTE E – PENSION PLAN (CONTINUED)

Net pension liability of the pension plan The net pension liability is equal to the total pension liability minus the net position of the plan. The results as of December 31, is as follows:

	2023	*2022*
Total pension liability	$ 822,750	$ 786,466
Pension plan net position	836,673	1,137,160
NET PENSION LIABILITY (ASSET)	**$ (13,923)**	**$ (350,694)**

The pension plan's net position as a percentage of total pension liability as of December 31, 2023 and 2022 is 101.69% and 144.59%, respectively.

Discount Rate The discount rate used to measure the total pension liability for the Plan was 5.25%. 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 the Authority's contributions will be made based on the yearly MMO calculation. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE E – PENSION PLAN (CONTINUED)

Schedule of Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
MEASSUREMENT YEAR ENDING 12/31/2021	$ 786,466	$ 1,137,160	$ (350,694)
Changes for the year:			
Service cost	36,286	-	36,286
Interest	38,156	-	38,156
Changes in benefits	-	-	-
Differences between expected and actual experience	150,851	-	150,851
Changes of assumptions	-	-	-
Contributions - employer	-	924	(924)
Contributions - PMRS assessment	-	80	(80)
Contributions - member	-	23,497	(23,497)
PMRS investment income	-	48,509	(48,509)
Market value investment income	-	(181,505)	181,505
Transfers	-	-	-
Benefit payments	(189,009)	(189,009)	-
PMRS administrative expense	-	(420)	420
Additional administrative expense	-	(2,563)	2,563
Net changes	36,284	(300,487)	336,771
MEASUREMENT YEAR ENDING 12/31/2022	**$ 822,750**	**$ 836,673**	**$ (13,923)**

NOTE E – PENSION PLAN (CONTINUED)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
MEASSUREMENT YEAR ENDING 12/31/2020	$ 744,874	$ 1,024,470	$ (279,596)
Changes for the year:			
Service cost	34,106	-	34,106
Interest	39,940	-	39,940
Changes in benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	-	-
Contributions - PMRS assessment	-	-	-
Contributions - member	-	22,197	(22,197)
PMRS investment income	-	47,196	(47,196)
Market value investment income	-	78,744	(78,744)
Transfers	-	-	-
Benefit payments	(32,454)	(32,454)	-
PMRS administrative expense	-	(320)	320
Additional administrative expense	-	(2,673)	2,673
Net changes	41,592	112,690	(71,098)
MEASUREMENT YEAR ENDING 12/31/2021	**$ 786,466**	**$ 1,137,160**	**$ (350,694)**

Sensitivity of the net pension liability to change in the discount rate The following presents the net pension liability of the plan, calculated using the discount rate of 5.25% for the years ended December 31, 2023 and 2022 as well as what the plan's net position liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

Year ending December 31, 2023:

	1.0% Decrease 4.25%	*Current Rate 5.25%*	*1.0% Increase 6.25%*
Net pension liability (asset)	$ 107,652	$ (13,923)	$ (114,865)

NOTE E – PENSION PLAN (CONTINUED)

Year ending December 31, 2022:

	1.0% Decrease 4.25%	*Current Rate 5.25%*	*1.0% Increase 6.25%*
Net pension liability (asset)	$ (236,566)	$ (350,694)	$ (445,499)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended December 31, 2023 and 2022, the Authority recognized pension expense of $14,995 and ($54,207), respectively.

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

	Deferred Outflows of Resources	*Deferred Inflows of Resources*
Differences between expected and actual experience	$ 178,576	$ 99,404
Changes of assumptions	21,195	4,282
Net difference between projected and actual earnings on pension plan investments	60,312	-
TOTAL	**$ 260,083**	**$ 103,686**

At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	*Deferred Inflows of Resources*
Differences between expected and actual experience	$ 58,221	$ 125,275
Changes of assumptions	25,879	5,710
Net difference between projected and actual earnings on pension plan investments	-	119,498
TOTAL	**$ 84,100**	**$ 250,483**

NOTE E – PENSION PLAN (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the year ended December 31,:

Year ended December 31:		
2023	$	(4,047)
2024		23,271
2025		42,383
2026		46,813
2027		7,227
Thereafter		40,750

NOTE F – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous years. During the year ended December 31, 2023 and the two previous fiscal years, no settlements exceeded insurance coverage.

NOTE G – PRIOR PERIOD RESTATEMENT

Because the PMRS information was not available for the issuance of the December 31, 2022 financial statements, a qualified opinion was issued on the 2022 financial statements. The PMRS information has since become available and therefore, the 2022 financial statements have been restated as follows:

		Original		Restated		Adjustment
Statement of Net Position						
Assets						
Net pension asset	$	279,596	$	350,694	$	(71,098)
Deferred Outflows of Resources						
Relating to net pension asset, net of amortization	$	102,519	$	84,100	$	18,419
Deferred Inflows o f Resources						
Relating to net pension asset, net of amortization	$	(252,011)	$	(250,483)	$	(1,528)
Net Position						
Unrestricted	$	(1,087,721)	$	(1,141,928)	$	54,207
Statement of Revenues, Expenses, and Changes in Net Position						
Changes in net position	$	(2,715,800)	$	(2,770,007)	$	54,207

NOTE H – AGREEMENT TO SELL

In September 2023, the Authority entered into an agreement to sell the assets of the Authority for $18,000,000. The assets had not been sold as of December 31, 2023. Specific details of the sale are available at the office of the Municipal Authority of the Borough of Greenville.

REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPAL AUTHORITY OF THE BOROUGH OF GREENVILLE

SCHEDULE OF CHANGES IN EMPLOYEES' PENSION FUND
NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	Measurement Year Ending 12/31/2022	*Measurement Year Ending 12/31/2021*	*Measurement Year Ending 12/31/2020*	*Measurement Year Ending 12/31/2019*	*Measurement Year Ending 12/31/2018*	*Measurement Year Ending 12/31/2017*	*Measurement Year Ending 12/31/2016*
TOTAL PENSION LIABILITY:							
Service cost (beginning of year)	$ 36,286	$ 34,106	$ 30,452	$ 28,369	$ 28,064	$ 25,811	$ 24,818
Interest (includes interest on service cost)	38,156	39,940	42,076	40,636	38,022	37,222	31,933
Changes of benefit terms	-	-	-	-	3,590	-	-
Differences between expected and actual experience	150,851	-	(107,246)	-	29,565	-	104,496
Changes of assumptions	-	-	21,439	-	-	-	23,016
Transfers	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(189,009)	(32,454)	(28,913)	(57,861)	(39,870)	(58,574)	(55,175)
NET CHANGE IN TOTAL PENSION LIABILITY	36,284	41,592	(42,192)	11,144	59,371	4,459	129,088
TOTAL PENSION LIABILITY, BEGINNING	786,466	744,874	787,066	775,922	716,551	712,092	583,004
TOTAL PENSION LIABILITY, ENDING (a)	**$ 822,750**	**$ 786,466**	**$ 744,874**	**$ 787,066**	**$ 775,922**	**$ 716,551**	**$ 712,092**
PLAN FIDUCIARY NET POSITION:							
Contributions - employer	$ 924	$ -	$ -	$ (79)	$ 3,505	$ 3,329	$ 7,343
Contributions - PMRS assessment	80	-	20	380	20	-	40
Contributions - member	23,497	22,197	19,850	18,522	17,119	15,221	15,947
PMRS investment income	48,509	47,196	47,247	44,645	42,080	41,486	43,511
Market value investment income	(181,505)	78,744	25,830	136,574	(68,120)	91,831	25,275
Transfers	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(189,009)	(32,454)	(28,913)	(57,861)	(39,870)	(58,574)	(55,175)
PMRS administrative expense	(420)	(320)	(340)	(380)	(320)	(320)	(320)
Additional administrative expense	(2,563)	(2,673)	(2,059)	(1,543)	(1,878)	(1,908)	(2,132)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(300,487)	112,690	61,635	140,258	(47,464)	91,065	34,489
PLAN FIDUCIARY NET POSITION, BEGINNING	1,137,160	1,024,470	962,835	822,577	870,041	778,976	-
PLAN FIDUCIARY NET POSITION, ENDING (b)	**$ 836,673**	**$ 1,137,160**	**$ 1,024,470**	**$ 962,835**	**$ 822,577**	**$ 870,041**	**$ 34,489**
AUTHORITY'S NET PENSION LIABILITY (ASSET), ENDING (a) - (b)	**$ (13,923)**	**$ (350,694)**	**$ (279,596)**	**$ (175,769)**	**$ (46,655)**	**$ (153,490)**	**$ 677,603**
Plan fiduciary net position as a percentage of total pension liability	101.69%	144.59%	137.54%	122.33%	106.01%	121.42%	4.84%
Covered employee payroll	$ 520,215	$ 499,399	$ 465,842	$ 432,688	$ 449,459	$ 434,878	$ 455,634
Net pension liability as a percentage of covered employee payroll	-2.68%	-70.22%	-60.02%	-40.62%	-10.38%	-35.29%	-14.68%

The Authority is required to present the information for the last ten fiscal years. Additional years will be displayed as they become available.

See notes to the financial statements.

MUNICIPAL AUTHORITY OF THE BOROUGH OF GREENVILLE

SCHEDULE OF EMPLOYEES' PENSION FUND EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS

	Measurement Year Ending 12/31/2022	*Measurement Year Ending 12/31/2021*	*Measurement Year Ending 12/31/2020*	*Measurement Year Ending 12/31/2019*	*Measurement Year Ending 12/31/2018*	*Measurement Year Ending 12/31/2017*	*Measurement Year Ending 12/31/2016*
Actuarially determined contribution	$ 924	$ -	$ -	$ 261	$ 3,505	$ 3,338	$ 7,334
Contributions in relation to the actuarially determined contribution	1,004	-	20	301	3,525	3,329	7,383
CONTRIBUTION DEFICIENCY (EXCESS)	**$ (80)**	**$ -**	**$ (20)**	**$ (40)**	**$ (20)**	**$ 9**	**$ (49)**
Covered employee payroll	$ 520,215	$ 499,399	$ 465,842	$ 432,688	$ 449,459	$ 434,878	$ 455,634
Contributions as a percentage of covered employee payroll	0.19%	0.00%	0.00%	0.07%	0.78%	0.77%	1.62%

Notes to Schedule:

Valuation date:	Actuarially determined contribution rates are calculated as of January 1 for the odd valuation year at least two years prior to the end of the fiscal year in which the contributions were reported. Therefore, the Actuarially Determined Contribution for calendar year 2022 is based on the January 1, 2019 actuarial valuation.

Methods and assumptions used to determine the 2022 contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar based upon the amortization periods in Act 205
Asset valuation method	Based upon the municipal reserves
Discount rate	5.25%
Inflation	2.8%
Salary increases	Age related scale with merit and inflation component
COLA increases	2.8% for those eligible for COLA
Pre-retirement mortality	Males: RP 2000 Non-Annuitant Male table projected 15 years with Scale AA Females: RP 2000 Non-Annuitant Female table projected 15 years with Scale AA, setback 5 years
Post-retirement mortality	Males: RP 2000 Annuitant Male table projected 5 years with Scale AA Females: RP 2000 Annuitant Female table projected 10 years with Scale AA

The Authority is required to present the information for the last ten fiscal years. Additional years will be displayed as they become available.

See notes to the financial statements.