

**Application of Pennsylvania-American Water Company for the Acquisition
of the Wastewater Collection, Conveyance and Treatment System
Owned and Operated by Towamencin Township and Towamencin Municipal Authority
(collectively “Towamencin”)**

Docket No. A-2023-3039900

**66 Pa. C.S. § 1329
Application Filing Checklist – Water/Wastewater**

19. Cost of Service.
- c. Provide a copy of the seller’s most recent annual report filed with the Commonwealth’s Department of Community and Economic Development.

AMENDED RESPONSE:

- c. See attached as **Amended Appendix A-19-c**, specifically **Appendix A-19-c.3 and c.4**, for the 2022 annual reports filed with the Commonwealth’s Department of Community & Economic Development for Towamencin Municipal Authority and the Township of Towamencin, respectively.

TOWAMENCIN MUNICIPAL AUTHORITY
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDING 2022

CURRENT ASSETS	
Cash and cash equivalents	861,812
Investments	
Receivables (net of allowance for uncollectibles)	211,681
Lease rental payments receivable (Financing authorities, only)	
Due from other governments	-
Inventories	
Prepays	22,576
Restricted current assets:	
Cash or cash equivalents	
Investments	
Lease rental payments receivable (Financing authorities, only)	
Intergovernmental receivables	
Other current assets	-
TOTAL CURRENT ASSETS	1,096,069
NON-CURRENT ASSETS	
Restricted non-current assets:	
Investments	
Lease rental payments receivable (Financing authorities, only)	
Capital assets not being depreciated:	
Land	
Construction in progress	
Capital assets net of accumulated depreciation:	
Buildings and system	21,132,280
Improvements other than buildings	
Furnishings, machinery and equipment	328,725
Infrastructure	
Lease rental payments receivable (Financing authorities, only)	
Other non-current assets	
TOTAL NON-CURRENT ASSETS	21,461,005
TOTAL ASSETS	22,557,074

DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount of debt refundings	
Deferrals related to pensions	-
Other deferred outflows of resources	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	22,557,074
CURRENT LIABILITIES	
Accounts payable	494,512
Accrued payroll and withholdings	23,736
Accrued interest payable	-
Due to other governments	
Unearned revenue	
Funds held as fiduciary	
Debt due within one year	455,000
Other current liabilities	(122,735)
TOTAL CURRENT LIABILITIES	850,513
NON-CURRENT LIABILITIES	
Debt due in more than one year	6,263,000
Net pension liabilities	
Other non-current liabilities	8,516
TOTAL NON-CURRENT LIABILITIES	6,271,516
TOTAL LIABILITIES	7,122,029
DEFERRED INFLOWS OF RESOURCES	
Deferred amount on debt refundings	
Deferrals related to pensions	
Other deferred inflows of resources	
TOTAL DEFERRED INFLOWS OF RESOURCES	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	7,122,029
NET POSITION	
Net investment in capital assets	14,743,005
Restricted	327,595
Unrestricted	364,445
TOTAL NET POSITION	15,435,045
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND NET POSITION	22,557,074

TOWAMENCIN MUNICIPAL AUTHORITY
Sewer
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDING 2021

SEWER OPERATING REVENUES	
Charges for service	4,200,793
Lease rental income (Financing authorities, only)	
Operating grants:	
Federal	
State	
Local	
Other	
Contributions	
Interest income	
Assessment revenue*	
Payments in lieu of assessments*	
Program income*	
Other operating revenue	-
TOTAL SEWER OPERATING REVENUES	4,200,793
SEWER OPERATING EXPENSES	
Administrative	276,172
Contracted services	
Personnel services	-
Supplies and materials	
Repairs and maintenance	
Utilities	
Other services and charges	
Depreciation and amortization	1,377,104
Fundraising*	
Program services*	
Other operating expenses	3,851,543
TOTAL SEWER OPERATING EXPENSES	5,504,819
SEWER OPERATING INCOME (LOSS)	(1,304,026)
SEWER NONOPERATING REVENUES / (EXPENSES)	
Nonoperating grants:	
Federal	
State	

Local	
Other	
Investment earnings / (losses)	2,075
Interest expense	(147,183)
Gain / (loss) on sale of assets	
Other financing sources / (uses)	
Other nonoperating revenues	592,183
Other nonoperating (expenses)	-
Debt service principal and interest (expense)**	
TOTAL SEWER NONOPERATING REVENUES (EXPENSES)	447,075
CAPITAL CONTRIBUTIONS	-
CHANGE IN NET POSITION	(856,951)
NET POSITION - BEGINNING OF YEAR	16,291,996
PRIOR PERIOD ADJUSTMENT	
SEWER NET POSITION - END OF YEAR	15,435,045

*Business/Neighborhood Improvement Districts

**See the *Annual Report of Municipal Authorities and Neighborhood Improvement Districts Tip Sheet* available from your Start Page.

**TOWAMENCIN MUNICIPAL AUTHORITY
DEBT STATEMENT
FISCAL YEAR ENDING 2021**

Purpose	Issuance Type	Issue Year (YYYY)	Maturity Year (YYYY)	Original Amount of Issue	Outstanding Beginning of Year	Additional Borrowings Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End
General Obligation Bonds and Notes									
	Note	2019	2035	8,026,000	7,163,000	-	(445,000)	-	6,718,000
Total Bonds and Notes Outstanding									6,718,000
Capitalized Lease Obligations									
Plus (Less) Unamortized Premium (Discount)									
NET DEBT									6,718,000

**2022 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

461385 TOWAMENCIN TWP, MONTGOMERY COUNTY

TOWAMENCIN TWP, MONTGOMERY County

BALANCE SHEET

December 31, 2022

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		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities					1,440,000					1,440,000
240-259	Current Portion of Long-Term Debt and Other Credits	14,707	2,246		3,663	135,000					155,616
Total Liabilities and Other Credits		375,348	164,570	2,286,909	3,663	1,808,384		36,442			4,675,316
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	1,614,207	1,515,291	1,024,920	138,911	4,732,440		22,324,740			31,350,509
291-299	Other Equity										
Total Fund and Account Group Equity		1,614,207	1,515,291	1,024,920	138,911	4,732,440		22,324,740			31,350,509
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											36,025,825

TOWAMENCIN TWP, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

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Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES**Taxes**

301.00	Real Estate Taxes	2,835,637	434,502		704,499			3,974,638
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)							
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	674,960						674,960
310.20	Earned Income Taxes / Wage Taxes	4,140,098						4,140,098
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	398,918						398,918
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		8,049,613	434,502		704,499			9,188,614

Licenses and Permits

320-322	All Other Licenses and Permits	1,870						1,870
321.80	Cable Television Franchise Fees	329,107						329,107
Total Licenses and Permits		330,977						330,977

Fines and Forfeits

330-332	Fines and Forfeits	46,986						46,986
Total Fines and Forfeits		46,986						46,986

TOWAMENCIN TWP, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Interest, Rents and Royalties								
341.00	Interest Earnings	20,070	25,277	511	465	67,771		114,094
342.00	Rents and Royalties	21,900						21,900
Total Interest, Rents and Royalties		41,970	25,277	511	465	67,771		135,994

Federal								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants	6,181	765,456					771,637
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements							
353.00	Federal Payments in Lieu of Taxes							
Total Federal		6,181	765,456					771,637

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	36,225						36,225
354.00	All Other State Capital and Operating Grants		450,533					450,533
355.01	Public Utility Realty Tax (PURTA)	8,774						8,774
355.02- 355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		494,812					494,812
355.04	Alcoholic Beverage Licenses	2,400						2,400
355.05	General Municipal Pension System State Aid	352,271						352,271
355.07	Foreign Fire Insurance Tax Distribution	139,363						139,363
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

TOWAMENCIN TWP, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

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Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

State								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
Total State		539,033	494,812	450,533				1,484,378

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	31,875						31,875
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services	19,168						19,168
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units		51,043						51,043

Charges for Service								
361.00	General Government	53,368						53,368
362.00	Public Safety	520,613						520,613
363.20	Parking							
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				5,636,949			5,636,949
364.30	Solid Waste Collection and Disposal Charge (trash)							
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation							
368.00	Airports							

TOWAMENCIN TWP, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

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Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Charges for Service

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service			75,460				75,460
Total Charges for Service		573,981		75,460		5,636,949		6,286,390

Unclassified Operating Revenues

383.00	Special Assessments			31,600				31,600
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	277,388					188,691	466,079
388.00	Fiduciary Fund Pension Contributions						1,033,323	1,033,323
389.00	All Other Unclassified Operating Revenues							
Total Unclassified Operating Revenues		277,388		31,600			1,222,014	1,531,002

Other Financing Sources

391.00	Proceeds of General Fixed Asset Disposition			28,800				28,800
392.00	Interfund Operating Transfers	1,162,514	5,766,663	1,455,515	1,146,340	200,000	5,100	9,736,132
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

TOWAMENCIN TWP, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

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December 31, 2022

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	13,723						13,723
Total Other Financing Sources		1,176,237	5,766,663	1,484,315	1,146,340	200,000	5,100	9,778,655

TOTAL REVENUES

10,816,021	6,998,642	2,807,875	1,851,304	5,904,720		1,227,114	29,605,676
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	25,784						25,784
401.00	Executive (Manager or Mayor)	243,350						243,350
402.00	Auditing Services / Financial Administration							
403.00	Tax Collection	63,568						63,568
404.00	Solicitor / Legal Services				55,640			55,640
405.00	Secretary / Clerk							
406.00	Other General Government Administration	711,284	1,403		136,213			848,900
407.00	IT-Networking Services-Data Processing	313,065						313,065
408.00	Engineering Services							
409.00	General Government Buildings and Plant	242,655		2,134,937				2,377,592
Total General Government		1,599,706	1,403	2,134,937	191,853			3,927,899

Public Safety

410.00	Police	4,042,949						4,042,949
411.00	Fire	139,363	284,917					424,280
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	307,060						307,060

TOWAMENCIN TWP, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

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Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Safety

414.00	Planning and Zoning	236,134					641,567	877,701
415.00	Emergency Management and Communications	5,229						5,229
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety	27,841						27,841
Total Public Safety		4,758,576	284,917				641,567	5,685,060

Health and Human Services

420.00-425.00	Health and Human Services							
Total Health and Human Services								

Public Works - Sanitation

426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				4,232,228			4,232,228
Total Public Works - Sanitation					4,232,228			4,232,228

Public Works - Highways and Streets

430.00	General Services - Administration	770,507						770,507
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	100,394						100,394
433.00	Traffic Control Devices	96,651						96,651
434.00	Street Lighting							

TOWAMENCIN TWP, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

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Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Works - Highways and Streets							
435.00	Sidewalks and Crosswalks						
436.00	Storm Sewers and Drains	121,662					121,662
437.00	Repairs of Tools and Machinery	103,844					103,844
438.00	Maintenance and Repairs of Roads and Bridges	57,657	575,936	2,675			636,268
439.00	Highway Construction and Rebuilding Projects						
Total Public Works - Highways and Streets		1,250,715	575,936	2,675			1,829,326

Other Public Works Enterprises							
440.00	Airports						
441.00	Cemeteries						
442.00	Electric System						
443.00	Gas System						
444.00	Markets						
445.00	Parking	4,314					4,314
446.00	Storm Water and Flood Control						
447.00	Transit System						
448.00	Water System						
449.00	Water Transport and Terminals						
Total Other Public Works Enterprises		4,314					4,314

Culture and Recreation							
451.00	Culture-Recreation Administration		18,329				18,329
452.00	Participant Recreation		102,544				102,544
453.00	Spectator Recreation						
454.00	Parks		511,275	838,361			1,349,636

TOWAMENCIN TWP, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries							
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	8,600						8,600
Total Culture and Recreation		8,600	632,148	838,361				1,479,109

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development								

Debt Service								
471.00	Debt Principal (short-term and long-term)		1,110,000		821,923			1,931,923
472.00	Debt Interest (short-term and long-term)		71,589		118,543	19,424		209,556
475.00	Fiscal Agent Fees				207			207
Total Debt Service			1,181,589		940,673	19,424		2,141,686

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses	1,244	186		308		3,686,826	3,688,564
483.00	Pension / Retirement Fund Contributions	892,985						892,985

TOWAMENCIN TWP, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

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Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items		894,229	186		308		3,686,826	4,581,549

Insurance								
486.00	Insurance, Casualty, and Surety	206,935	2,914					209,849
Total Insurance		206,935	2,914					209,849

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						994,208	994,208
489.00	All Other Unclassified Expenditures						12,960	12,960
Total Unclassified Operating Expenditures							1,007,168	1,007,168

Other Financing Uses								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	2,263,391	553,445	4,318,359	1,117,534	1,483,403		9,736,132
493.00	All Other Financing Uses			10,700				10,700
Total Other Financing Uses		2,263,391	553,445	4,329,059	1,117,534	1,483,403		9,746,832

TOTAL EXPENDITURES	10,986,466	3,232,538	7,305,032	2,058,515	5,926,908		5,335,561	34,845,020
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-170,445	3,766,104	-4,497,157	-207,211	-22,188		-4,108,447	-5,239,344
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TOWAMENCIN TWP
December 31, 2022

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
General Obligation Note	Note	2002	2031	6,000,000	2,618,000		248,000		2,370,000		2,370,000
General Obligation Note	Note	2012	2032	3,062,000	1,855,000		153,000		1,702,000		1,702,000
General Obligation Note	Note	2019	2034	1,000,000	887,000		59,000		828,000		828,000
Series 2021	Note	2021	2031	2,000,000	2,000,000		191,000		1,809,000		1,809,000
Series 2021	Note	2021	2031	300,000	300,000		29,000		271,000		271,000
TTIA (2019 DVRFA Loan)	Note	2019	2026	6,740,000	5,187,000		1,110,000		4,077,000		4,077,000
Revenue Bonds and Notes											
Guaranteed Sewer Revenue Notes A-2	Note	2013	2028	1,057,000	910,000		133,000		777,000		777,000
Guaranteed Sewer Revenue Notes A-3	Note	2013	2033	798,000	798,000				798,000		798,000
Lease Rental Debt											
PW Equipment	Capital Leases	2018	2022	613,119	126,511		126,511		0		0
PW Equip/IT	Capital Leases	2019	2023	42,530	19,409		15,412		3,997		3,997
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	12,635,997
Capitalized lease obligations	0
Net debt	12,635,997

TOWAMENCIN TWP, MONTGOMERY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2022

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	393,370	197,850	591,220
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	116,392		116,392
Recreation	57,731	771,820	829,551
Sewer			
Solid Waste			
Streets / Highways	83,633	411,774	495,407
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	651,126	1,381,444	2,032,570

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

4,467,975

December 31, 2022

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NOTES / COMMENTS