

HARMONY TOWNSHIP

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**2020 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT**

**HARMONY TOWNSHIP**  
**BEAVER COUNTY, PENNSYLVANIA**  
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**To the Members of the Board of Commissioners**

**Harmony Township  
Beaver County, Pennsylvania**

**INDEPENDENT AUDITORS' REPORT**

**Report on Financial Statements**

I have audited the Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statement of Capital Expenditures and Employee Compensation included in the accompanying special purpose Commonwealth of Pennsylvania Annual Audit and Financial Report (special purpose financial report) of the Harmony Township, Beaver County, Pennsylvania as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of this special purpose financial report in accordance with the accounting practices and procedures prescribed by the Commonwealth of Pennsylvania's Department of Community and Economic Development (DCED), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion on the Township's Regulatory Basis of Accounting.

## Opinions

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

The Schedules are prepared by Harmony Township on the basis of the financial reporting provisions prescribed or permitted by the DCED in the instructions to the Annual Audit and Financial Report to demonstrate compliance with the DCED's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. These requirements permit the Schedules to be prepared without the presentation of the management's discussion and analysis, the government-wide financial statements, budget and actual information, financial statement disclosures, and other information required by accounting principles generally accepted in the United States of America.

The effects on the Schedules of the variances between the regulatory basis of accounting described above and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the Schedules referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Harmony Township as of December 31, 2020, or changes in financial position for the year then ended.

### ***Basis for Qualified Opinion on Regulatory Basis of Accounting***

Since Harmony Township utilizes the cash basis of accounting for the operations of its Enterprise Fund (Sewer Fund), no accounting controls were established and exercised to reconcile sewer charge billings and collections to outstanding sewer accounts receivable (both current and delinquent) at the beginning and end of the calendar year. Accordingly, I was unable to obtain sufficient appropriate audit evidence about the amount recognized by Harmony Township for sewer usage charge collections totaling \$830,854 for the year ended December 31, 2020, because there were no accounting controls. My procedures were limited to tracing recorded sewer charge collection deposits to the bank statement. Consequently, I was unable to determine whether any adjustments to those amounts were necessary.

### ***Qualified Opinion on Regulatory Basis of Accounting***

In my opinion, except for the possible effects of the matter described in the '**Basis for Qualified Opinion on Regulatory Basis of Accounting**' paragraph, the Special Purpose financial statements referred to in the first paragraph of this report present fairly, in all material respects, the assets, liabilities and fund equity of Harmony Township as of December 31, 2020, and its revenues, expenditures and other financing sources and uses for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by the DCED described above.

## ***Other Information***

Mark C. Turnley, CPA

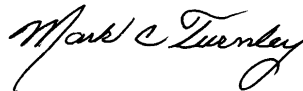
My audit was conducted for the purpose of forming opinions on the special purpose financial statements that collectively comprise Harmony Township's basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records use to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Report on Other Legal and Regulatory Requirements***

This report is intended solely for the information and use of the governing body and management of Harmony Township and for filing with the various local and state departments or offices and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script that reads "Mark C. Turnley".

Mark C. Turnley, CPA

August 2, 2021  
New Brighton, Pennsylvania



# BALANCE SHEET

DCED-CLGS-30 (09-09)

## HARMONY TWP, BEAVER COUNTY BALANCE SHEET December 31, 2020

|                                                        | 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 |                |  |           |
| <b>Assets and Other Debits</b>                         |                    |                                                |                  |              |            |                   |                  |                      |                        |                 |                |  |           |
| 100-120 Cash and Investments                           | 432,661            | 395,318                                        | 730,254          |              | 880,779    |                   | 4,841,055        |                      |                        |                 |                |  | 7,280,067 |
| 140-144 Tax Receivable                                 |                    |                                                |                  |              |            |                   |                  |                      |                        |                 |                |  |           |
| 121-129, 145-149 Accounts Receivable (excluding taxes) |                    |                                                |                  |              |            |                   |                  |                      |                        |                 |                |  |           |
| 130-00 Due From Other Funds                            | 164,136            |                                                |                  |              | 1,631      |                   |                  |                      |                        |                 |                |  | 165,767   |
| 131-139, 150-159 Other Current Assets                  |                    |                                                |                  |              |            |                   |                  |                      |                        |                 |                |  |           |
| 160-169 Fixed Assets                                   |                    |                                                |                  |              |            |                   |                  | 2,350,807            |                        |                 |                |  | 2,350,807 |
| 180-189 Other Debits                                   |                    |                                                |                  |              |            |                   |                  |                      |                        |                 |                |  |           |
| <b>Total Assets and Other Debits</b>                   | 596,797            | 395,318                                        | 730,254          |              | 3,233,217  |                   | 4,841,055        |                      |                        |                 |                |  | 9,796,641 |

| <b>Liabilities and Other Credits</b>                 |         |
|------------------------------------------------------|---------|
| 210-229 Payroll Taxes and Other Payroll Withholdings |         |
| 200-209, 231-239 All Other Current Liabilities       | 37,352  |
| 230-00 Due To Other Funds                            | 1,631   |
|                                                      | 164,136 |
|                                                      | 37,352  |
|                                                      | 165,767 |

**HARMONY TWP, BEAVER COUNTY**  
**BALANCE SHEET**  
 December 31, 2020

|                                                             | Governmental Funds |                                                |                  |              |                   |                  | Fid. Fund | Account Groups   |                      | Total     |                        |                 |
|-------------------------------------------------------------|--------------------|------------------------------------------------|------------------|--------------|-------------------|------------------|-----------|------------------|----------------------|-----------|------------------------|-----------------|
|                                                             | General Fund       | Special Revenue (Including State Liquid Fuels) | Capital Projects | Debt Service | Proprietary Funds |                  |           | Trust and Agency | General Fixed Assets |           | General Long Term Debt | Memorandum Only |
|                                                             |                    |                                                |                  |              | Enterprise        | Internal Service |           |                  |                      |           |                        |                 |
| <b>Liabilities and Other Credits</b>                        |                    |                                                |                  |              |                   |                  |           |                  |                      |           |                        |                 |
| 260-269 Long-Term-Liabilities                               |                    |                                                |                  |              | 1,279,577         |                  |           |                  |                      | 1,279,577 |                        |                 |
| 240-259 Current Portion of Long-Term Debt and Other Credits |                    |                                                |                  |              | 24,055            |                  |           |                  |                      | 24,055    |                        |                 |
| <b>Total Liabilities and Other Credits</b>                  | 38,983             |                                                |                  |              | 1,467,768         |                  |           |                  |                      | 1,506,751 |                        |                 |

| <b>Fund and Account Group Equity</b>       |                                           |         |         |         |           |           |  |  |           |
|--------------------------------------------|-------------------------------------------|---------|---------|---------|-----------|-----------|--|--|-----------|
| 281-284                                    | Contributed Capital                       |         |         |         |           |           |  |  |           |
| 290.00                                     | Investment in General Fixed Assets        |         |         |         |           |           |  |  |           |
| 270-289                                    | Fund Balance / Retained Earnings on 12/31 | 557,814 | 395,318 | 730,254 | 1,765,449 | 4,841,055 |  |  | 8,289,890 |
| 291-299                                    | Other Equity                              |         |         |         |           |           |  |  |           |
| <b>Total Fund and Account Group Equity</b> |                                           | 557,814 | 395,318 | 730,254 | 1,765,449 | 4,841,055 |  |  | 8,289,890 |

|                                                            |  |  |  |  |  |  |  |  |  |           |
|------------------------------------------------------------|--|--|--|--|--|--|--|--|--|-----------|
| <b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b> |  |  |  |  |  |  |  |  |  | 9,796,641 |
|------------------------------------------------------------|--|--|--|--|--|--|--|--|--|-----------|

**HARMONY TWP, BEAVER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2020

|                                                                                 | Governmental Funds |                                                |                  |              | Proprietary Funds |                  | Fiduciary Fund | Total            |
|---------------------------------------------------------------------------------|--------------------|------------------------------------------------|------------------|--------------|-------------------|------------------|----------------|------------------|
|                                                                                 | General Fund       | Special Revenue (Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise        | Internal Service |                |                  |
| <b>Taxes</b>                                                                    |                    |                                                |                  |              |                   |                  |                |                  |
| 301.00 Real Estate Taxes                                                        | 1,245,643          |                                                |                  |              |                   |                  |                | 1,245,643        |
| 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                                                         | 21                 |                                                |                  |              |                   |                  |                | 21               |
| 310.10 Real Estate Transfer Taxes                                               | 40,558             |                                                |                  |              |                   |                  |                | 40,558           |
| 310.20 Earned Income Taxes / Wage Taxes                                         | 435,815            |                                                |                  |              |                   |                  |                | 435,815          |
| 310.30 Business Gross Receipts Taxes                                            | 85,614             |                                                |                  |              |                   |                  |                | 85,614           |
| 310.40 Occupation Taxes (levied under Act 511)                                  |                    |                                                |                  |              |                   |                  |                |                  |
| 310.50 Local Services Tax **                                                    | 45,367             |                                                |                  |              |                   |                  |                | 45,367           |
| 310.60 Amusement / Admission Taxes                                              |                    |                                                |                  |              |                   |                  |                |                  |
| 310.70 Mechanical Device Taxes                                                  |                    |                                                |                  |              |                   |                  |                |                  |
| 310.90 Other: _____                                                             |                    |                                                |                  |              |                   |                  |                |                  |
| Other: _____                                                                    |                    |                                                |                  |              |                   |                  |                |                  |
| <b>Total Taxes</b>                                                              | <b>1,853,018</b>   |                                                |                  |              |                   |                  |                | <b>1,853,018</b> |

| <b>Licenses and Permits</b>       |                                 |               |  |  |  |  |               |
|-----------------------------------|---------------------------------|---------------|--|--|--|--|---------------|
| 320-322                           | All Other Licenses and Permits  | 11,176        |  |  |  |  | 11,176        |
| 321.80                            | Cable Television Franchise Fees | 53,651        |  |  |  |  | 53,651        |
| <b>Total Licenses and Permits</b> |                                 | <b>64,827</b> |  |  |  |  | <b>64,827</b> |

| <b>Fines and Forfeits</b>       |                    |               |            |  |  |  |               |
|---------------------------------|--------------------|---------------|------------|--|--|--|---------------|
| 330-332                         | Fines and Forfeits | 26,048        | 263        |  |  |  | 26,311        |
| <b>Total Fines and Forfeits</b> |                    | <b>26,048</b> | <b>263</b> |  |  |  | <b>26,311</b> |



HARMONY TWP, BEAVER COUNTY  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2020

|  | 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 |       |

**REVENUES**

| Interest, Rents and Royalties |                                            |       |       |       |  |       |  |           |           |
|-------------------------------|--------------------------------------------|-------|-------|-------|--|-------|--|-----------|-----------|
| 341.00                        | Interest Earnings                          | 6,594 | 3,019 | 8,455 |  | 6,967 |  | 1,058,077 | 1,083,112 |
| 342.00                        | Rents and Royalties                        |       |       |       |  |       |  |           |           |
|                               | <b>Total Interest, Rents and Royalties</b> | 6,594 | 3,019 | 8,455 |  | 6,967 |  | 1,058,077 | 1,083,112 |

| Federal |                                                   |  |  |        |  |  |  |  |        |
|---------|---------------------------------------------------|--|--|--------|--|--|--|--|--------|
| 351.03  | Highways and Streets                              |  |  |        |  |  |  |  |        |
| 351.09  | Community Development                             |  |  |        |  |  |  |  |        |
| 351.00  | All Other Federal Capital and Operating Grants    |  |  | 79,562 |  |  |  |  | 79,562 |
| 352.01  | National Forest                                   |  |  |        |  |  |  |  |        |
| 352.00  | All Other Federal Shared Revenue and Entitlements |  |  |        |  |  |  |  |        |
| 353.00  | Federal Payments in Lieu of Taxes                 |  |  |        |  |  |  |  |        |
|         | <b>Total Federal</b>                              |  |  | 79,562 |  |  |  |  | 79,562 |

| State         |                                                                   |        |         |  |  |  |  |  |         |
|---------------|-------------------------------------------------------------------|--------|---------|--|--|--|--|--|---------|
| 354.03        | Highways and Streets                                              |        |         |  |  |  |  |  |         |
| 354.09        | Community Development                                             |        |         |  |  |  |  |  |         |
| 354.15        | Recycling / Act 101                                               |        |         |  |  |  |  |  |         |
| 354.00        | All Other State Capital and Operating Grants                      |        | 280,921 |  |  |  |  |  | 280,921 |
| 355.01        | Public Utility Realty Tax (PURTA)                                 | 1,790  |         |  |  |  |  |  | 1,790   |
| 355.02-355.03 | Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback |        | 115,005 |  |  |  |  |  | 115,005 |
| 355.04        | Alcoholic Beverage Licenses                                       | 600    |         |  |  |  |  |  | 600     |
| 355.05        | General Municipal Pension System State Aid                        | 78,781 |         |  |  |  |  |  | 78,781  |
| 355.07        | Foreign Fire Insurance Tax Distribution                           | 15,778 |         |  |  |  |  |  | 15,778  |
| 355.08        | Local Share Assessment/Gaming Proceeds                            |        |         |  |  |  |  |  |         |
| 355.09        | Marcellus Shale Impact Fee Distribution                           | 6,415  |         |  |  |  |  |  | 6,415   |

**HARMONY TWP, BEAVER COUNTY**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2020

|  | Governmental Funds |                                                |                  |              | Proprietary Funds |                  | Fiduciary Fund | Total |
|--|--------------------|------------------------------------------------|------------------|--------------|-------------------|------------------|----------------|-------|
|  | General Fund       | Special Revenue (Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise        | Internal Service |                |       |

**REVENUES**

| <b>State</b> |                                                  |         |         |  |  |  |  |         |
|--------------|--------------------------------------------------|---------|---------|--|--|--|--|---------|
| 355.00       | All Other State Shared Revenues and Entitlements |         |         |  |  |  |  |         |
| 356.00       | State Payments in Lieu of Taxes                  |         |         |  |  |  |  |         |
|              | <b>Total State</b>                               | 103,364 | 395,926 |  |  |  |  | 499,290 |

**Local Government Units**

|        |                                                                                 |  |  |  |  |  |  |  |
|--------|---------------------------------------------------------------------------------|--|--|--|--|--|--|--|
| 357.03 | Highways and Streets                                                            |  |  |  |  |  |  |  |
| 357.00 | All Other Local Governmental Units Capital and Operating Grants                 |  |  |  |  |  |  |  |
| 358.00 | Local Government Unit Shared Payments for Contracted Intergovernmental Services |  |  |  |  |  |  |  |
| 359.00 | Local Governmental Units and Authorities Payments in Lieu of Taxes              |  |  |  |  |  |  |  |
|        | <b>Total Local Government Units</b>                                             |  |  |  |  |  |  |  |

**Charges for Service**

|        |                                                                                                            |        |        |  |  |         |  |         |
|--------|------------------------------------------------------------------------------------------------------------|--------|--------|--|--|---------|--|---------|
| 361.00 | General Government                                                                                         | 13,951 |        |  |  |         |  | 13,951  |
| 362.00 | Public Safety                                                                                              | 28,384 |        |  |  |         |  | 28,384  |
| 363.20 | Parking                                                                                                    |        |        |  |  |         |  |         |
| 363.00 | All Other Charges for Highway & Street Services                                                            | 180    | 45,000 |  |  |         |  | 45,180  |
| 364.10 | Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.) |        |        |  |  | 887,164 |  | 887,164 |
| 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                                                                                                   |        |        |  |  |         |  |         |

**HARMONY TWP, BEAVER COUNTY**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
December 31, 2020

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

**REVENUES**

| 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    |        |  |        |  |  | 887,164 |  |         |
|                     | <b>Total Charges for Service</b> | 42,515 |  | 45,000 |  |  |         |  | 974,679 |

**Unclassified Operating Revenues**

|        |                                                  |     |       |     |  |  |         |  |         |
|--------|--------------------------------------------------|-----|-------|-----|--|--|---------|--|---------|
| 383.00 | Special Assessments                              |     |       |     |  |  |         |  |         |
| 386.00 | Escheats (sale of personal property)             |     |       |     |  |  |         |  |         |
| 387.00 | Contributions and Donations from Private Sectors | 100 | 7,401 |     |  |  |         |  | 7,501   |
| 388.00 | Fiduciary Fund Pension Contributions             |     |       |     |  |  | 110,525 |  | 110,525 |
| 389.00 | All Other Unclassified Operating Revenues        |     |       | 600 |  |  |         |  | 600     |
|        | <b>Total Unclassified Operating Revenues</b>     | 100 | 7,401 | 600 |  |  | 110,525 |  | 118,626 |

**Other Financing Sources**

|        |                                             |         |     |         |  |       |  |  |         |
|--------|---------------------------------------------|---------|-----|---------|--|-------|--|--|---------|
| 391.00 | Proceeds of General Fixed Asset Disposition |         |     |         |  |       |  |  | 27,399  |
| 392.00 | Interfund Operating Transfers               | 60,303  | 300 | 275,211 |  | 2,004 |  |  | 337,818 |
| 393.00 | Proceeds of General Long-Term Debt          | 117,761 |     |         |  |       |  |  | 117,761 |
| 394.00 | Proceeds of Short Term-Debt                 |         |     |         |  |       |  |  |         |

HARMONY TWP, BEAVER COUNTY  
STATEMENT OF REVENUES AND EXPENDITURES  
December 31, 2020

| General Fund | Governmental Funds                             |                  |              | Proprietary Funds |                  | Fiduciary Fund | Total |
|--------------|------------------------------------------------|------------------|--------------|-------------------|------------------|----------------|-------|
|              | Special Revenue (Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise        | Internal Service |                |       |

**REVENUES**

| Other Financing Sources |                                      | TOTAL REVENUES |         |
|-------------------------|--------------------------------------|----------------|---------|
| 395.00                  | Refunds of Prior Year Expenditures   | 24,536         | 24,536  |
|                         | <b>Total Other Financing Sources</b> | 229,999        | 507,514 |

| TOTAL REVENUES |  | TOTAL REVENUES |           |
|----------------|--|----------------|-----------|
|                |  | 2,326,465      | 5,206,939 |

**EXPENDITURES**

| General Government |                                              | TOTAL REVENUES |         |
|--------------------|----------------------------------------------|----------------|---------|
| 400.00             | Legislative (Governing) Body                 | 59,052         | 59,052  |
| 401.00             | Executive (Manager or Mayor)                 | 101,273        | 101,273 |
| 402.00             | Auditing Services / Financial Administration | 6,650          | 6,650   |
| 403.00             | Tax Collection                               | 20,529         | 20,529  |
| 404.00             | Solicitor / Legal Services                   | 13,062         | 14,162  |
| 405.00             | Secretary / Clerk                            | 480            | 480     |
| 406.00             | Other General Government Administration      | 32,394         | 41,465  |
| 407.00             | IT-Networking Services-Data Processing       |                |         |
| 408.00             | Engineering Services                         | 5,529          | 20,394  |
| 409.00             | General Government Buildings and Plant       | 12,015         | 12,015  |
|                    | <b>Total General Government</b>              | 250,984        | 276,020 |

| Public Safety |                          | TOTAL REVENUES |         |
|---------------|--------------------------|----------------|---------|
| 410.00        | Police                   | 539,539        | 543,539 |
| 411.00        | Fire                     | 136,554        | 136,554 |
| 412.00        | Ambulance / Rescue       |                |         |
| 413.00        | UCC and Code Enforcement | 150            | 150     |

HARMONY TWP, BEAVER COUNTY  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

|  | 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 |         |
|  | 34,561             |                                                |                  |              |                   |                  |                  |         |
|  |                    |                                                |                  |              |                   |                  |                  |         |
|  |                    |                                                |                  |              |                   |                  |                  |         |
|  |                    |                                                |                  |              |                   |                  |                  |         |
|  |                    |                                                |                  |              |                   |                  |                  |         |
|  |                    |                                                |                  |              |                   |                  |                  |         |
|  | 710,804            | 4,000                                          |                  |              |                   |                  |                  | 714,804 |

**EXPENDITURES**

| Public Safety              |                                         |         |       |  |  |  |  |  |         |
|----------------------------|-----------------------------------------|---------|-------|--|--|--|--|--|---------|
| 414.00                     | Planning and Zoning                     | 34,561  |       |  |  |  |  |  | 34,561  |
| 415.00                     | Emergency Management and Communications |         |       |  |  |  |  |  |         |
| 416.00                     | Militia and Armories                    |         |       |  |  |  |  |  |         |
| 417.00                     | Examination of Licensed Occupations     |         |       |  |  |  |  |  |         |
| 418.00                     | Public Scales (weights and measures)    |         |       |  |  |  |  |  |         |
| 419.00                     | Other Public Safety                     |         |       |  |  |  |  |  |         |
| <b>Total Public Safety</b> |                                         | 710,804 | 4,000 |  |  |  |  |  | 714,804 |

| Health and Human Services              |                           |       |  |  |  |  |  |  |       |
|----------------------------------------|---------------------------|-------|--|--|--|--|--|--|-------|
| 420.00-425.00                          | Health and Human Services | 1,301 |  |  |  |  |  |  | 1,301 |
| <b>Total Health and Human Services</b> |                           | 1,301 |  |  |  |  |  |  | 1,301 |

| Public Works - Sanitation              |                                               |       |  |  |         |  |  |  |         |
|----------------------------------------|-----------------------------------------------|-------|--|--|---------|--|--|--|---------|
| 426.00                                 | Recycling Collection and Disposal             | 3,009 |  |  |         |  |  |  | 3,009   |
| 427.00                                 | Solid Waste Collection and Disposal (garbage) |       |  |  |         |  |  |  |         |
| 428.00                                 | Weed Control                                  |       |  |  |         |  |  |  |         |
| 429.00                                 | Wastewater / Sewage Treatment and Collection  |       |  |  | 572,388 |  |  |  | 572,388 |
| <b>Total Public Works - Sanitation</b> |                                               | 3,009 |  |  | 572,388 |  |  |  | 575,397 |

| Public Works - Highways and Streets |                                   |         |        |        |  |  |  |  |         |
|-------------------------------------|-----------------------------------|---------|--------|--------|--|--|--|--|---------|
| 430.00                              | General Services - Administration | 412,880 | 12,947 | 85,309 |  |  |  |  | 511,136 |
| 431.00                              | Cleaning of Streets and Gutters   |         |        |        |  |  |  |  |         |
| 432.00                              | Winter Maintenance – Snow Removal |         | 17,010 |        |  |  |  |  | 17,010  |
| 433.00                              | Traffic Control Devices           | 897     | 301    |        |  |  |  |  | 1,198   |
| 434.00                              | Street Lighting                   |         | 51,066 |        |  |  |  |  | 51,066  |

HARMONY TWP, BEAVER COUNTY  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

|                                                  | Governmental Funds |                                                |                  |              | Proprietary Funds |                  | Fiduciary Fund | Total     |
|--------------------------------------------------|--------------------|------------------------------------------------|------------------|--------------|-------------------|------------------|----------------|-----------|
|                                                  | General Fund       | Special Revenue (Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise        | Internal Service |                |           |
|                                                  |                    |                                                |                  |              |                   |                  |                |           |
|                                                  |                    | 6,045                                          | 169              |              |                   |                  |                | 6,214     |
|                                                  | 7,887              |                                                |                  |              |                   |                  |                | 7,887     |
|                                                  | 13,191             |                                                | 614,156          |              |                   |                  |                | 627,347   |
| <b>Total Public Works - Highways and Streets</b> | 434,855            | 87,369                                         | 699,634          |              |                   |                  |                | 1,221,858 |

**EXPENDITURES**

| <b>Public Works - Highways and Streets</b> |                                                  |
|--------------------------------------------|--------------------------------------------------|
| 435.00                                     | Sidewalks and Crosswalks                         |
| 436.00                                     | Storm Sewers and Drains                          |
| 437.00                                     | Repairs of Tools and Machinery                   |
| 438.00                                     | Maintenance and Repairs of Roads and Bridges     |
| 439.00                                     | Highway Construction and Rebuilding Projects     |
|                                            | <b>Total Public Works - Highways and Streets</b> |

| <b>Other Public Works Enterprises</b> |                                             |
|---------------------------------------|---------------------------------------------|
| 440.00                                | Airports                                    |
| 441.00                                | Cemeteries                                  |
| 442.00                                | Electric System                             |
| 443.00                                | Gas System                                  |
| 444.00                                | Markets                                     |
| 445.00                                | Parking                                     |
| 446.00                                | Storm Water and Flood Control               |
| 447.00                                | Transit System                              |
| 448.00                                | Water System                                |
| 449.00                                | Water Transport and Terminals               |
|                                       | <b>Total Other Public Works Enterprises</b> |

| <b>Culture and Recreation</b> |                                     |
|-------------------------------|-------------------------------------|
| 451.00                        | Culture-Recreation Administration   |
| 452.00                        | Participant Recreation              |
| 453.00                        | Spectator Recreation                |
| 454.00                        | Parks                               |
|                               | <b>Total Culture and Recreation</b> |

**HARMONY TWP, BEAVER COUNTY**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2020

| General Fund | Governmental Funds                             |                  |              | Proprietary Funds |                  | Fiduciary Fund | Total  |
|--------------|------------------------------------------------|------------------|--------------|-------------------|------------------|----------------|--------|
|              | Special Revenue (Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise        | Internal Service |                |        |
|              |                                                |                  |              |                   |                  |                |        |
| 500          |                                                |                  |              |                   |                  |                | 500    |
| 525          |                                                |                  |              |                   |                  |                | 525    |
|              |                                                |                  |              |                   |                  |                |        |
|              |                                                |                  |              |                   |                  |                |        |
| 78,246       | 10                                             |                  |              |                   |                  |                | 78,256 |

**EXPENDITURES**

| <b>Culture and Recreation</b> |                                     |
|-------------------------------|-------------------------------------|
| 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    |
|                               | <b>Total Culture and Recreation</b> |
|                               |                                     |
| <b>Community Development</b>  |                                     |
| 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     |
|                               | <b>Total Community Development</b>  |

| <b>Debt Service</b> |                                           |
|---------------------|-------------------------------------------|
| 471.00              | Debt Principal (short-term and long-term) |
| 472.00              | Debt Interest (short-term and long-term)  |
| 475.00              | Fiscal Agent Fees                         |
|                     | <b>Total Debt Service</b>                 |

| <b>Employer Paid Benefits and Withholding Items</b> |                                                               |
|-----------------------------------------------------|---------------------------------------------------------------|
| 481.00                                              | Employer Paid Withholding Taxes and Unemployment Compensation |
| 482.00                                              | Judgments and Losses                                          |
| 483.00                                              | Pension / Retirement Fund Contributions                       |

HARMONY TWP, BEAVER COUNTY  
STATEMENT OF REVENUES AND EXPENDITURES  
December 31, 2020

| General Fund | Governmental Funds                             |                  |              | Proprietary Funds |                  | Fiduciary Fund | Total |
|--------------|------------------------------------------------|------------------|--------------|-------------------|------------------|----------------|-------|
|              | Special Revenue (Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise        | Internal Service |                |       |

### EXPENDITURES

| Employer Paid Benefits and Withholding Items              |                                | Proprietary Funds |  | Fiduciary Fund |  | Total |         |
|-----------------------------------------------------------|--------------------------------|-------------------|--|----------------|--|-------|---------|
| 484.00                                                    | Worker Compensation Insurance  | 63,684            |  |                |  |       | 63,684  |
| 487.00                                                    | Other Group Insurance Benefits | 364,316           |  |                |  |       | 364,316 |
| <b>Total Employer Paid Benefits and Withholding Items</b> |                                | 615,969           |  |                |  |       | 615,969 |

| Insurance              |                                 | Proprietary Funds |  | Fiduciary Fund |  | Total |        |
|------------------------|---------------------------------|-------------------|--|----------------|--|-------|--------|
| 486.00                 | Insurance, Casualty, and Surety | 10,214            |  |                |  |       | 10,214 |
| <b>Total Insurance</b> |                                 | 10,214            |  |                |  |       | 10,214 |

| Unclassified Operating Expenditures              |                                          | Proprietary Funds |  | Fiduciary Fund |  | Total |         |
|--------------------------------------------------|------------------------------------------|-------------------|--|----------------|--|-------|---------|
| 488.00                                           | Fiduciary Fund Benefits and Refunds Paid |                   |  | 191,084        |  |       | 191,084 |
| 489.00                                           | All Other Unclassified Expenditures      | 6,077             |  | 40,929         |  |       | 47,006  |
| <b>Total Unclassified Operating Expenditures</b> |                                          | 6,077             |  | 232,013        |  |       | 238,090 |

| Other Financing Uses              |                               | Proprietary Funds |        | Fiduciary Fund |         | Total |         |
|-----------------------------------|-------------------------------|-------------------|--------|----------------|---------|-------|---------|
| 491.00                            | Refund of Prior Year Revenues | 2,693             |        |                |         |       | 2,693   |
| 492.00                            | Interfund Operating Transfers | 13,847            | 58,492 | 3,645          | 261,834 |       | 337,818 |
| 493.00                            | All Other Financing Uses      |                   |        |                | 90,348  |       | 90,348  |
| <b>Total Other Financing Uses</b> |                               | 16,540            | 58,492 | 3,645          | 352,182 |       | 430,859 |

|                           |           |         |         |         |         |  |           |
|---------------------------|-----------|---------|---------|---------|---------|--|-----------|
| <b>TOTAL EXPENDITURES</b> | 2,381,902 | 162,435 | 717,510 | 994,786 | 232,013 |  | 4,488,646 |
|---------------------------|-----------|---------|---------|---------|---------|--|-----------|

|                                                     |         |         |          |         |         |  |         |
|-----------------------------------------------------|---------|---------|----------|---------|---------|--|---------|
| <b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b> | -55,437 | 244,474 | -308,682 | -98,651 | 936,589 |  | 718,293 |
|-----------------------------------------------------|---------|---------|----------|---------|---------|--|---------|



**HARMONY TWP**  
December 31, 2020

**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)<br>Capital Lease (C)<br>Lease Rental (L)<br>Note (N) | Issue Year<br>(yyyy) | Maturity<br>Year<br>(yyyy) | Original<br>Amount of<br>Issue | Outstanding<br>Beginning of<br>Year (1) | Principal<br>Incurred<br>This Year | Principal<br>Paid This<br>Year | Current Year<br>Accretion on<br>Compound Interest<br>Bonds | Outstanding at<br>Year End (1) | Plus (less)<br>Unamortized<br>Premium<br>(Discount) | Total<br>Balance |
|-------------------------------------------|---------------------------------------------------------------|----------------------|----------------------------|--------------------------------|-----------------------------------------|------------------------------------|--------------------------------|------------------------------------------------------------|--------------------------------|-----------------------------------------------------|------------------|
| <b>General Obligation Bonds and Notes</b> |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                           |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
| FNB 2015 Street Sweeper                   | Note                                                          | 2016                 | 2021                       | 139,361                        | 41,187                                  |                                    | 28,943                         |                                                            | 12,244                         |                                                     | 12,244           |
| Series of 2018                            | Note                                                          | 2018                 | 2032                       | 2,185,000                      | 2,050,000                               |                                    | 135,000                        |                                                            | 1,915,000                      |                                                     | 1,915,000        |
| <b>Revenue Bonds and Notes</b>            |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                           |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
| <b>Lease Rental Debt</b>                  |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                           |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
| 2019 F350 TRUCK                           | Note                                                          | 2019                 | 2022                       | 41,674                         | 33,941                                  |                                    | 13,661                         |                                                            | 20,280                         |                                                     | 20,280           |
| 2019 FORD POLICE INTERCEPTOR              | Note                                                          | 2019                 | 2022                       | 34,914                         | 27,545                                  |                                    | 11,555                         |                                                            | 15,990                         |                                                     | 15,990           |
| FNB Maintenance Tractor                   | Note                                                          | 2020                 | 2027                       | 117,761                        | 0                                       | 117,761                            | 9,964                          |                                                            | 107,797                        |                                                     | 107,797          |
| <b>Other</b>                              |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                           |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
| USDA Loan                                 | Bond                                                          | 2008                 | 2048                       | 1,509,000                      | 1,326,673                               |                                    | 23,041                         |                                                            | 1,303,632                      |                                                     | 1,303,632        |

(1) - excludes unamortized premium/discount

**Total bonds and notes outstanding**

3,374,943

**Capitalized lease obligations**

0

**Net debt**

3,374,943

**HARMONY TWP, BEAVER COUNTY  
STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2020

| Category                          | Capital Purchases | Capital Construction | Total   |
|-----------------------------------|-------------------|----------------------|---------|
| Community Development             |                   |                      |         |
| Electric                          |                   |                      |         |
| Fire                              |                   |                      |         |
| Gas System                        |                   |                      |         |
| General Government                |                   |                      |         |
| Health                            |                   |                      |         |
| Housing                           |                   |                      |         |
| Libraries                         |                   |                      |         |
| Mass Transit                      |                   |                      |         |
| Parks                             |                   |                      |         |
| Police                            |                   |                      |         |
| Recreation                        |                   |                      |         |
| Sewer                             |                   |                      |         |
| Solid Waste                       |                   |                      |         |
| Streets / Highways                | 203,070           |                      | 203,070 |
| Water                             |                   |                      |         |
| Other: _____                      |                   |                      |         |
| <b>TOTAL CAPITAL EXPENDITURES</b> | 203,070           |                      | 203,070 |

**EMPLOYEE COMPENSATION**

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

867,511

**HARMONY TOWNSHIP**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

Harmony Township was incorporated under the provisions governing the creation of municipal corporations in the Commonwealth of Pennsylvania. Members of Township Board of Commissioners are elected by the voting public. These Board of Commissioners have complete authority over the operations and administration of the Township's activities. The major functions of the Township include public safety, maintenance of Township infrastructure (roads), maintenance of parks and other recreational facilities for use by Township residents and general administrative functions necessary to facilitate Township resident needs and responsibilities.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of Harmony Township consists of all funds, departments, boards and agencies that are not legally separate from the Township. As defined by generally accepted accounting standards, component units are legally separate entities that are included in the Township's reporting entity because of the significance of their operating or financial relationships with the Township. Based on the application of these criteria, Harmony Township has no component units.

**FINANCIAL STATEMENT PRESENTATION**

The accompanying 2020 Municipal Annual Audit and Financial Report (special purpose financial report) was prepared in conformity with the accounting practices and procedures prescribed by the Commonwealth of Pennsylvania's Department of Community and Economic Development (DCED), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accounting practices and procedures of the DCED permit the preparation of the special purpose financial report without certain financial statement note disclosures, management's discussion and analysis, government-wide financial statements, and budget to actual statements, as required by accounting principles generally accepted in the United States of America. The effects on the special purpose financial report, as a result of the differences between the DCED accounting practices and procedures and accounting principles generally accepted in the United States of America, are not reasonably determinable.

**FUND ACCOUNTING**

The Township uses funds to report on its financial position and the results of its operations during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Township functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds utilized by Harmony Township are classified into three categories: governmental, proprietary and fiduciary. Fund categories are defined as follows:

**Governmental Funds** – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Township's governmental funds:

**HARMONY TOWNSHIP**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**GENERAL FUND** - Established under 'The First-Class Township Code' of the Commonwealth of Pennsylvania and is used for the general operations of the Township. Income in this fund is derived mainly from assessed revenues such as real estate taxes, local taxes established under Act 511, and other miscellaneous revenues not designated for other restricted fund purposes. These revenues are used for general ongoing government services such as public safety, public works, general administration of the Township and other miscellaneous operating expenses.

**HIGHWAY AID FUND** (SPECIAL REVENUE FUND) - Established and restricted under Act 655 of the Commonwealth of Pennsylvania. Funding is received from the Commonwealth and is restricted in use for the maintenance, repair and construction of roads, streets and bridges for which the Township is responsible.

**POLICE DRUG TASK FORCE FUND** (SPECIAL REVENUE FUND) - Established to account for monies to be used for police drug task force expenses.

**RECREATION GRANT FUND** (SPECIAL REVENUE FUND) - Established to account for grant monies to be used for playground expenses.

**BUILDING RENOVATION GRANT FUND** (SPECIAL REVENUE FUND) - Established to account for grant monies to be used for building renovation expenses.

**CAPITAL PROJECT FUND** - Established to account for annual appropriations transferred from the Township's General Fund for capital projects as deemed appropriate by the management of the Township.

**DEBT SERVICE FUND** - Established to account for a portion of the Township's real estate tax millage dedicated for road repairs in the Township.

**Proprietary Funds** – Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary and useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies within the Township (internal service funds). The following is the only proprietary fund maintained by the Township:

**SEWER FUND** - Established to account for user fees charged to Township customers for providing wastewater treatment services and other services related to the operations of the Township's sanitary sewer system.

**Fiduciary Funds** – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Township's own programs. Agency funds are custodial in nature and do not involve measuring income or any other results from operations. Although the Township has two pension funds (police and non-uniform), the Municipal Annual Audit and Financial Report only presents the activity of the Township's police pension plan for which financial information is available.

**HARMONY TOWNSHIP**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BUDGETS**

In December of 2019 Harmony Township adopted its 2020 annual budget for its General Fund totaling \$2,703,496, in accordance with the provisions of the Commonwealth of Pennsylvania Township Code. The budget is prepared utilizing the modified accrual basis of accounting in accordance with generally accepted accounting principles. The original and final budgetary amounts are reflected in these financial statements (Schedules 1 and 2). All annual appropriations of the general fund lapse at year-end.

The Township uses the following procedures in establishing this budgetary data:

- a. In accordance with the Township Code, beginning at least 20 days prior to the adoption of the budget, which shall not be later than December 31, a proposed budget for the ensuing year shall be prepared. The proposed budget shall be kept on file with the Township manager and made available for public inspection for a period of ten days. Notice that the proposed budget is available for inspection is published in a newspaper of general circulation. After expiration of the ten days, the Board of Commissioners makes such revisions in the budget as deemed advisable and shall adopt the budget by motion.
- b. Transfers of budget amounts are authorized between departments within any fund. However, any revisions that alter the total appropriations of any fund must be approved by the Board of Commissioners.

**CASH AND INVESTMENTS**

Cash includes amounts in demand deposit accounts. Provisions of the Township Code authorize the following investments:

- I. Obligations of (a) the United States of American or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- II. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.
- III. U.S. government obligations, short-term commercial paper issued by a public corporation, and banker's acceptances.

Fiduciary fund type investments include U.S. Treasury Money Market Funds, Equity Securities, and Mutual Funds invested by the Township's designated asset managers (Wells Fargo Advisors). Investments are recorded at fair value.

**HARMONY TOWNSHIP**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as 'due from/to other funds' on the balance sheet.

**CAPITAL ASSETS AND DEPRECIATION**

The historical cost of governmental fund-type fixed assets purchased by Harmony Township is not accumulated, maintained and depreciated. Accordingly, the Township does not maintain a General Fixed Asset Account Group. The Township does capitalize and depreciate the cost of fixed assets acquired by its proprietary fund (Sewer Fund). These assets, which generally consist of sewer infrastructure such as lines and flow meters, are depreciated over a period of 40 years.

**PROPERTY AND EARNED INCOME TAX REVENUE**

Property tax and earned income tax revenues are recognized based on the amounts levied to the extent collected during the year. Interest and penalty charges accrued on unpaid taxes are recognized as revenue only when received.

**ESTIMATES**

The preparation of financial statements in conformity with the modified cash basis of accounting, in particular the life of fixed assets purchased by the Township's Sewer Fund, requires Township management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**ADOPTION OF GASB PRONOUNCEMENTS**

The requirements of the following GASB Statements were adopted for the Township's 2020 financial statements where applicable. Except where noted, the adoption of these pronouncements did not have a significant impact on the Township's financial statements.

**GASB Statement No. 84, 'Fiduciary Activities'.** The primary objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries.

**GASB Statement No. 90, 'Majority Equity Interests (an amendment of GASB Statements No. 14 and No. 61).'** The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units.

**PENDING GASB PRONOUNCEMENTS**

**GASB Statement No. 87, 'Leases'.** The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The provisions of this Statement are effective for the Township's December 31, 2022 financial statements.

**HARMONY TOWNSHIP**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS (Continued)**

**GASB Statement No. 89, 'Accounting for Interest Cost Incurred before the end of a Construction Period'.** The primary objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and, (b) to simplify accounting for certain interest costs. The provisions of this Statement are effective for the Township's December 31, 2021 financial statements.

**GASB Statement No. 91, 'Conduit Debt Obligations'.** The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement are effective for the Township's December 31, 2022 financial statements.

**GASB Statement No. 92, 'Omnibus 2020'.** The primary objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of GASB Statement Nos. 73, 74, 84, and 87. In addition the Statement addresses various topics and includes specific provisions concerning the following:

- Measurement of liabilities (and assets, if any) related to asset retirement obligations (ARO) in a government acquisition
- Reporting by entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The provisions of this Statement are effective for the Township's December 31, 2022 financial statements.

**GASB Statement No. 93, 'Replacement of Interbank Offered Rates'.** The primary objectives of this Statement are to address the accounting and financial reporting implications that result from the replacement of an interbank offering rate (IBOR). The provisions of this Statement are effective for the Township's December 31, 2021 financial statements.

**GASB Statement No. 94, 'Public-Private and Public-Public Partnerships and Availability Payment Arrangements'.** The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs), and provide guidance for accounting and financial reporting for availability payment arrangements (APAs). The provisions of this Statement are effective for the Township's December 31, 2023 financial statements.

**GASB Statement No. 96, 'Subscription-Based Information Technology Arrangements (SBITA)'.** The primary objectives of this Statement are as follows:

- Defines a SBITA
- Establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability
- Provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA
- Requires note disclosures regarding a SBITA

The provisions of this Statement are effective for the Township's December 31, 2023 financial statements.

**HARMONY TOWNSHIP**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS (Continued)**

**GASB Statement No. 97**, ‘*Certain Component Unit Criteria and Accounting and Financial Report for Internal Revenue Code Section 457 Deferred Compensation Plans*’. The primary objectives of this Statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement are effective for the Township’s December 31, 2022 financial statements.

The implementation dates of the aforementioned pending GASB Statements have been updated to include the delayed implementation dates as set forth in recently issued (May 2020) GASB Statement No. 95. The effects of implementing these Statements on the Township’s financial statements have not yet been determined.

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS:**

At December 31, 2020, Harmony Township had the following carrying values on its cash and cash equivalent accounts:

|                      | <b><u>Bank Balance</u></b> | <b>(Memo Only)<br/><u>Book Balance</u></b> |
|----------------------|----------------------------|--------------------------------------------|
| General Fund         | \$ 447,373                 | \$ 432,661                                 |
| Special Revenue Fund | 395,318                    | 395,318                                    |
| Capital Project Fund | 730,339                    | 730,254                                    |
| Proprietary Fund     | 883,665                    | 880,779                                    |
| Fiduciary Fund       | 13,452                     | 13,452                                     |
| <b>Total</b>         | <b><u>\$ 2,470,147</u></b> | <b><u>\$ 2,452,464</u></b>                 |

The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government account \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.



**HARMONY TOWNSHIP**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2020**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS: (Continued)**

**Custodial Credit Risk:**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a separate policy for custodial credit risk in addition to the requirements of the Township Code. As of December 31, 2020, \$2,220,147 of the Township's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits over the FDIC threshold collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Township's name. In accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, the aforementioned deposits, in excess of \$250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

**INVESTMENTS:**

The fair value and maturity term of the Township's investments as of December 31, 2020 is as follows:

|                                          | <b>Fair Value</b>   | <b>No Stated<br/>Maturity</b> |
|------------------------------------------|---------------------|-------------------------------|
| <b>Fiduciary Funds (Police Pension):</b> |                     |                               |
| Money Market Funds                       | \$ 1,015,605        | \$ 1,015,605                  |
| Equity Securities                        | 3,316,435           | 3,316,435                     |
| Mutual Funds                             | 495,563             | 495,563                       |
|                                          | <b>\$ 4,827,603</b> | <b>\$ 4,827,603</b>           |

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that in the event of failure of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Township fiduciary fund investments in money market and mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The Township does not have a specific policy, beyond the requirements of the First-Class Township Code that would limit its investment choices to those with certain credit ratings.

**Interest Rate Risk:**

The Township has no formal investment policy, beyond the requirements of the First-Class Township Code that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk:**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township has no formal investment policy, in addition to the requirements of the First-Class Township Code and the Intergovernmental Cooperation Act, that limits its investment choices based on credit ratings by nationally recognized rating organizations.

**HARMONY TOWNSHIP**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2020**

**NOTE 3 - PROPERTY TAXES**

Harmony Township levies property taxes in February of each calendar year. The approximate calendar dates for payment of these taxes are as follows:

**PAYMENT PERIOD**

|                           |                   |
|---------------------------|-------------------|
| February – March 31, 2020 | (Discount period) |
| April 1 – May 31, 2020    | (Face period)     |
| June 1 and after          | (Penalty period)  |

Taxpayers are entitled to a 2% discount if taxes are paid prior to April 1st. Collections after May 31st are assessed a 10% penalty. Unpaid taxes are remitted to the Beaver County Tax Claim Bureau. Total unpaid real estate taxes totaling \$86,817 for calendar year 2020 represents 6.9% of the total assessed property taxes for 2020.

The tax millage assessment for the 2020 calendar year is 30 mills on the assessed value of land and buildings, which represents \$30 of revenue for every \$1,000 of assessed value. Of this total millage rate, 21.75 mills are for general operating purposes and 8.25 mills are dedicated for Township road repairs.

**NOTE 4 – INTER-FUND OBLIGATIONS AND TRANSFERS**

Due to/from other funds on the balance sheet represents the balance of monies due between the Township’s General Fund and Sewer Fund totaling \$164,136 which includes \$39,136 for a 2016 loan from the Sewer Fund to the General Fund for operations. The amount due from the Sewer Fund to the General Fund totaling \$1,631 represents Sewer Fund expenses paid out of the General Fund.

Inter-fund transfers are as follows:

|                             | <b><u>TO</u></b>         | <b><u>FROM</u></b>       |
|-----------------------------|--------------------------|--------------------------|
| General Fund                | \$ 60,303                | \$ 13,847                |
| Police Drug Task Force Fund | -                        | 3,071                    |
| Recreation Grant Fund       | 300                      | 55,421                   |
| Capital Project Fund        | 275,212                  | 3,646                    |
| Sewer Fund                  | 2,004                    | 261,834                  |
|                             | <b><u>\$ 337,819</u></b> | <b><u>\$ 337,819</u></b> |

The Sewer Fund transferred \$261,834 to the Capital Project Fund for future capital projects. The remaining transfers to other funds were for expenses paid out of that fund.

**HARMONY TOWNSHIP**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2020**

**NOTE 5 – LONG-TERM DEBT**

**DIRECT BORROWINGS**

**NOTES PAYABLE – SERIES OF 2018**

In July of 2018, Harmony Township issued General Obligation Notes, Series of 2018, in the amount of \$2,185,000 to refund, on a current refunding basis, a \$585,000 portion of the Township's General Obligations Notes, Series of 2008, to fund the 2018 Capital Program, and to pay all costs and expenses incurred in connection with issuance and sale of the Notes. Interest rates range between 1.75% and 3.125% and are payable on March 1 and September 1 each year through maturity. The notes provide for early redemption options as detailed in the official statement of issue. The notes are scheduled to mature on September 1, 2032.

**DEFAULT PROVISIONS ON NOTES PAYABLE – SERIES OF 2018**

In the Noteholder Rights and Remedies section, remedies available to the holders of the notes for any failure to pay principal of, and the interest on the notes, when due, include those prescribed by the Pennsylvania Local Government Debt Act of 1996. If such failure should continue for a period of time in excess of thirty days, any holder of the Notes will, subject to certain priorities, have the right to bring suit for the amount due in the Court of Common Pleas of Beaver County, Pennsylvania. The Act provides that if the Township defaults in the payment of the principal of, and the interest on the Notes, and such default continues for a period of time in excess of thirty days, or if the Township fails to comply with any provision of either the Notes or the Ordinance, then the holders of 25% in aggregate principal amount of the notes may appoint a trustee to represent the holders of the Notes. Such trustee may, and upon request of the holders of 25% in aggregate principal amount of the Notes and being furnished with satisfactory indemnity, must take one or more of the following actions, which will preclude similar action by individual holders: 1) Bring suit to enforce all rights of the note holders, 2) Bring suit on the Notes, 3) Petition the Court to levy the amount due plus estimated costs of collection as an assessment upon all taxable real estate and other property subject ad valorem taxation in the Township (any such assessment will have the same priority and preference as to the liens or security interests as a lien for unpaid taxes), and 4) by suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders, all as set forth more fully in the Act. Enforcement of a claim for payment of the principal or premium, if any or the interest on the Notes may be subject to the provisions of the federal bankruptcy laws and to the provisions of other statutory laws enacted by the Congress or the General Assembly of the Commonwealth, or common law developed by competent courts having jurisdiction extending the time for payment or imposing other constraints upon enforcement insofar as such laws may be constitutionally applied.

**LOAN PAYABLE – USDA RURAL DEVELOPMENT**

On September 22, 2008, the U.S. Department of Agriculture issued Harmony Township a Rural Development loan in the amount of \$1,509,000 for sewer infrastructure improvements. The terms of the loan call for semi-annual payments in March and September of \$41,226 at an interest rate of 4.5% through maturity in September of 2048. This loan is an obligation of the Township's proprietary (Sewer) Fund.

**DEFAULT PROVISIONS ON LOAN PAYABLE – USDA RURAL DEVELOPMENT**

The loan is secured by a guaranteed revenue bond, a pledge of the system's revenues and other agreements between the Township and USDA Rural Development as set forth in the bond resolution. In addition, Harmony Township will further secure the bond by a general obligation pledge of income from all sources including the full faith, credit and taxing power of the Township as security for the loan.

**HARMONY TOWNSHIP**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2020**

**NOTE 5 – LONG-TERM DEBT (Continued)**

**DEFAULT PROVISIONS ON LOAN PAYABLE – USDA RURAL DEVELOPMENT (Continued)**

In the event of default, the outstanding principal balance under the Ordinance may become due and payable upon the conditions and in the manner and with the effect provided in the Ordinance. The holder of the Bond shall have the right to enforce the provisions of the Ordinance and to institute such action to enforce to covenants thereof and to take any action with regard to any Event of Default as provided in the Ordinance and by the Pennsylvania Local Government Debt Act of 1996, as amended and supplemented.

A summary of the debt service requirements on the Township's above outstanding note and loan obligations at December 31, 2020 is as follows:

| <b>Year End<br/>31-Dec</b> | <b>2018<br/>Note<br/>Principal</b> | <b>2008<br/>USDA<br/>Principal</b> | <b>Interest</b>            | <b>Total</b>               |
|----------------------------|------------------------------------|------------------------------------|----------------------------|----------------------------|
| 2021                       | \$ 140,000                         | \$ 24,055                          | \$ 115,310                 | \$ 279,365                 |
| 2022                       | 145,000                            | 25,149                             | 110,015                    | 280,164                    |
| 2023                       | 150,000                            | 26,294                             | 104,521                    | 280,815                    |
| 2024                       | 155,000                            | 27,490                             | 98,825                     | 281,315                    |
| 2025                       | 160,000                            | 28,741                             | 93,699                     | 282,440                    |
| 2026-2030                  | 850,000                            | 164,557                            | 376,922                    | 1,391,479                  |
| 2031-2035                  | 315,000                            | 205,564                            | 220,445                    | 741,009                    |
| 2036-2040                  | -                                  | 256,792                            | 155,468                    | 412,260                    |
| 2041-2045                  | -                                  | 320,786                            | 92,474                     | 413,260                    |
| 2046-2048                  | -                                  | 224,204                            | 17,688                     | 241,892                    |
|                            | <b><u>\$ 1,915,000</u></b>         | <b><u>\$ 1,303,632</u></b>         | <b><u>\$ 1,385,367</u></b> | <b><u>\$ 4,603,999</u></b> |

**GENERAL OBLIGATION NOTE – FIRST NATIONAL BANK - 2016**

On May 27, 2016, Harmony Township issued a general obligation note to First National Bank in the amount of \$139,361 for the purchase of a 2015 Diesel Street Sweeper. The note calls for monthly principal and interest payments of \$2,474.37 at an interest rate of 2.48% for a period of 60 months. The note is scheduled to mature on May 27, 2021.

**GENERAL OBLIGATION NOTE – FIRST NATIONAL BANK - 2019**

On March 28, 2019, Harmony Township issued a general obligation note to First National Bank in the amount of \$34,914 for the purchase of a 2019 Ford Police Interceptor. The note calls for monthly principal and interest payments of \$1,029.67 at an interest rate of 3.75% for a period of 36 months. The note is scheduled to mature on April 1, 2022.

**GENERAL OBLIGATION NOTE – FIRST NATIONAL BANK - 2019**

On May 24, 2019, Harmony Township issued a general obligation note to First National Bank in the amount of \$41,674 for the purchase of a Ford F350 Truck. The note calls for monthly principal and interest payments of \$1,226.92 at an interest rate of 3.75% for a period of 36 months. The note is scheduled to mature on May 24, 2022.

**HARMONY TOWNSHIP**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2020**

**NOTE 5 – LONG-TERM DEBT (Continued)**

**DIRECT BORROWINGS (Continued)**

**GENERAL OBLIGATION NOTE – FIRST NATIONAL BANK - 2020**

On March 18, 2020, Harmony Township issued a general obligation note to First National Bank in the amount of \$117,761 for the purchase of a maintenance tractor. The note calls for monthly principal and interest payments of \$1,570.54 at an interest rate of 3.19% for a period of 84 months. The note is scheduled to mature on April 1, 2027.

**DEFAULT PROVISIONS ON GENERAL OBLIGATION NOTES – FIRST NATIONAL BANK**

The notes are secured by the general tax collections and revenues of Harmony Township. In the event of default, the entire unpaid principal balance plus all accrued unpaid interest, shall become due and payable to First National Bank immediately. The equipment purchased serves as collateral on the Notes in the event of default as well.

A summary of the debt service requirements on the Township's above general obligation notes outstanding with First National Bank at December 31, 2020 is as follows:

| <b>Year End<br/>31-Dec</b> | <b>2015<br/>Street<br/>Sweeper</b> | <b>2019<br/>Police<br/>Interceptor</b> | <b>2019<br/>F350<br/>Truck</b> | <b>2020<br/>Maintenance<br/>Tractor</b> | <b>Total<br/>Interest</b> | <b>Total</b>             |
|----------------------------|------------------------------------|----------------------------------------|--------------------------------|-----------------------------------------|---------------------------|--------------------------|
| 2021                       | \$ 12,244                          | \$ 14,198                              | \$ 11,953                      | \$ 15,586                               | \$ 4,264                  | \$ 58,245                |
| 2022                       | -                                  | 6,082                                  | 4,037                          | 16,098                                  | 2,838                     | 29,055                   |
| 2023                       | -                                  | -                                      | -                              | 16,627                                  | 2,219                     | 18,846                   |
| 2024                       | -                                  | -                                      | -                              | 17,169                                  | 1,677                     | 18,846                   |
| 2025                       | -                                  | -                                      | -                              | 17,738                                  | 1,108                     | 18,846                   |
| 2026-2027                  | -                                  | -                                      | -                              | 24,579                                  | 568                       | 25,147                   |
|                            | <b><u>\$ 12,244</u></b>            | <b><u>\$ 20,280</u></b>                | <b><u>\$ 15,990</u></b>        | <b><u>\$ 107,797</u></b>                | <b><u>\$ 12,674</u></b>   | <b><u>\$ 168,985</u></b> |

**CHANGES IN LONG-TERM DEBT**

The following represents the changes in the Township's debt obligations during 2020:

|                           | <b>Balance<br/>1/1/20</b>  | <b>Additions</b>         | <b>Deletions</b>           | <b>Balance<br/>12/31/20</b> | <b>Due Within<br/>One Year</b> |
|---------------------------|----------------------------|--------------------------|----------------------------|-----------------------------|--------------------------------|
| <b>Direct Borrowings:</b> |                            |                          |                            |                             |                                |
| Notes                     | \$ 2,152,673               | \$ 117,761               | \$ (199,122)               | \$ 2,071,312                | \$ 193,981                     |
| USDA Loan                 | 1,326,673                  | -                        | (23,041)                   | 1,303,632                   | 24,055                         |
|                           | <b><u>\$ 3,479,346</u></b> | <b><u>\$ 117,761</u></b> | <b><u>\$ (222,163)</u></b> | <b><u>\$ 3,374,944</u></b>  | <b><u>\$ 218,036</u></b>       |

**HARMONY TOWNSHIP**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2020**

**NOTE 6 - TOWNSHIP PENSION PLANS**

**POLICE PENSION PLAN** - Harmony Township's police pension plan, established on December 9, 1958, is a single-employer defined benefit pension plan established to provide retirement and death benefits to qualified police department employees under the provisions governing pension plans in the Commonwealth of Pennsylvania and Township ordinances. The Plan was amended and restated by Ordinance No. 355 effective January 1, 2005. The plan is governed by the members of the Township's Board of Commissioners who are responsible for the management of plan assets. The Commissioners have delegated the authority to manage certain plan assets to Wells Fargo Advisors.

Plan membership as of January 1, 2019 was comprised of:

|                                                                         |                         |
|-------------------------------------------------------------------------|-------------------------|
| Active employees                                                        | 5                       |
| Retirees and beneficiaries currently receiving benefits                 | 5                       |
| Terminated employees entitled to benefits<br>but not yet receiving them | -                       |
| <b>Total</b>                                                            | <b><u><u>10</u></u></b> |

A summary of the certain of the plan's provisions are as follows:

- PARTICIPANTS** - All permanent members of the Harmony Township police department.
- ELIGIBILITY** - All participants are eligible for retirement benefits provided that they have completed 25 years of aggregate service as a full-time Township employee and have attained the age of 55. Early retirement is available at the completion of 20 years of service.
- BENEFITS** - Based on one-half of final monthly average salary plus service increment, if any.
- FUNDING** - Employee contributions are currently not required. Township contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program. The Township contributed \$110,525 to the plan in 2020, \$78,781 of which was Municipal Pension State Aid.

**FUNDING REQUIREMENTS**

On December 18, 1984, act 205 was passed into law, and is known as the "Municipal Pension Plan Funding Standard and Recovery Act." The act mandates actuarial funding standards, establishes a recovery program for financially distressed pension plans and provides for the distribution of the tax on the premiums of foreign fire insurance companies.

The act requires minimum funding standards based on the most recent actuarial valuation report, including normal cost and administrative expense requirements and an amortization contribution of the unfunded actuarial accrued liability. For financially distressed pension plans, the act provides for delayed implementation of this funding standard over either 10 or 15 years. In addition, supplemental state aid is available to all eligible municipalities and will be paid from the supplemental state assistance account.

**HARMONY TOWNSHIP**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2020**

**NOTE 6 - TOWNSHIP PENSION PLAN (Continued)**

**POLICE PENSION PLAN (Continued)**

In addition to member contributions, the pension plan may also receive an annual allocation from the General Municipal Pension System State Aid Program. The entire proceeds of the insurance premium tax on foreign casualty insurance companies and any investment income earned on those proceeds, and the portion of the proceeds of the insurance premium tax on foreign fire insurance companies which represents the amount of the distributions applicable to paid firefighters, and any investment income earned on the amount of those distributions are specifically designated for municipal pension plans. Any remaining obligation with respect to the pension plan shall be paid by the municipality.

The plan's investment income was used to fund administrative costs. There are no long-term contracts for contributions as of December 31, 2020. In addition, there are no assets legally reserved for purposes other than the payment of plan member benefits.

**NON-UNIFORM EMPLOYEES PENSION PLAN** - The non-uniform employee's pension plan of Harmony Township is established through the Western Pennsylvania Teamsters and Employers Pension Plan. This plan is a defined contribution plan. During calendar year 2020, the Township contributed \$42,112 into the Western Pennsylvania Teamsters and Employers Pension Plan.

**NOTE 7 – RISK MANAGEMENT**

Harmony Township is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks, if applicable, have not exceeded commercial insurance coverage for the past three years.

**NOTE 8 – COMMITMENTS AND CONTINGENT LIABILITIES**

**LEGAL MATTERS**

Harmony Township, in the normal course of operations, is party to various legal matters normally associated with municipalities such as real estate tax assessment appeals, personnel wage and benefits, and other miscellaneous legal matters. Legal Counsel for the Township has stated that any matters which exceed the amount of \$5,000 have been accepted by the Township's insurance carrier as an insured risk and therefore the Township is not at financial risk relevant to these claims.

**FEDERAL AND STATE FUNDING**

Harmony Township's state and federally funded programs, including its pension funds, are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The Township is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**HARMONY TOWNSHIP**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2020**

**NOTE 8 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)**

**COVID-19**

Early in 2020, a new strain of the coronavirus (COVID-19) began its global pandemic spread, including to the United States, negatively affecting many aspects of society and the economy. The impact of the virus is on-going and varies from region to region and from day to day, and any significant additional spreading of the virus could adversely affect the Township's operations and finances. The outbreak of the COVID-19 virus is likely to have a negative impact in 2021 on the global and local economy and, might impact the Township's financial results in 2021 and beyond. Given the dynamic nature of this pandemic, however, the extent to which the COVID-19 virus impacts the Township's results will depend on future developments, which remain highly uncertain and cannot be predicted at this time.

**NOTE 9 – SUBSEQUENT EVENTS**

The Township is not aware of any events subsequent to December 31, 2020 and through the August 2, 2021 date of this special purpose financial report, that would require disclosure in the notes to the financial statements.



***SUPPLEMENTARY  
INFORMATION***

**HARMONY TOWNSHIP**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL RECEIPTS - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                    | BUDGET              | ACTUAL              | (OVER) UNDER<br>BUDGET |
|------------------------------------|---------------------|---------------------|------------------------|
| <b>TAXES:</b>                      |                     |                     |                        |
| Real Estate Tax - Current          | \$ 1,130,000        | \$ 1,146,788        | \$ (16,788)            |
| Real Estate Tax - Prior            | -                   | 46,148              | (46,148)               |
| Real Estate Tax - Delinquent       | 110,000             | 52,707              | 57,293                 |
| Per Capital Tax - Delinquent       | 50                  | 21                  | 29                     |
| Real Estate Transfer Tax           | 35,000              | 40,558              | (5,558)                |
| Earned Income Tax                  | 415,000             | 435,815             | (20,815)               |
| Mercantile Tax                     | 55,000              | 85,614              | (30,614)               |
| Mercantile - Delinquent            | 1,000               | -                   | 1,000                  |
| Local Service Tax                  | 54,000              | 45,367              | 8,633                  |
| <b>TOTAL TAXES</b>                 | <b>\$ 1,800,050</b> | <b>\$ 1,853,018</b> | <b>\$ (52,968)</b>     |
| <b>LICENSES AND PERMITS:</b>       |                     |                     |                        |
| Cable TV                           | \$ 55,000           | \$ 53,651           | \$ 1,349               |
| Mechanical Devices                 | 600                 | 350                 | 250                    |
| Demolition Permit                  | 100                 | 101                 | (1)                    |
| Dumpster Permit                    | 100                 | 225                 | (125)                  |
| Street Opening Permits             | 5,000               | 10,000              | (5,000)                |
| <b>TOTAL LICENSES AND PERMITS</b>  | <b>\$ 60,800</b>    | <b>\$ 64,327</b>    | <b>\$ (3,527)</b>      |
| <b>FINES AND FORFEITURES:</b>      |                     |                     |                        |
| Traffic Fines                      | \$ 16,000           | \$ 13,219           | \$ 2,781               |
| DUI Fines                          | 2,000               | 4,865               | (2,865)                |
| Non Traffic Fines                  | 2,000               | 4,656               | (2,656)                |
| Parking Violation Fines            | 50                  | 15                  | 35                     |
| State Police Fines                 | -                   | 847                 | (847)                  |
| Restitution                        | 2,000               | 2,446               | (446)                  |
| Judicial Sale Proceeds             | 500                 | -                   | 500                    |
| <b>TOTAL FINES AND FORFEITURES</b> | <b>\$ 22,550</b>    | <b>\$ 26,048</b>    | <b>\$ (3,498)</b>      |
| <b>INTEREST AND RENTS:</b>         |                     |                     |                        |
| GF Interest                        | \$ 6,000            | \$ 6,496            | \$ (496)               |
| Fire Escrow Interest               | -                   | 96                  | (96)                   |
| <b>TOTAL INTEREST AND RENTS</b>    | <b>\$ 6,000</b>     | <b>\$ 6,592</b>     | <b>\$ (592)</b>        |
| <b>INTERGOVERNMENTAL:</b>          |                     |                     |                        |
| PURTA                              | \$ 7,000            | \$ 1,790            | \$ 5,210               |
| Municipal Pension State Aid        | 85,000              | 78,781              | 6,219                  |
| Foreign Fire Insurance Tax         | 15,000              | 15,778              | (778)                  |
| Liquor Licenses                    | 600                 | 600                 | -                      |
| Drug Task Force Revenue            | 1,000               | -                   | 1,000                  |
| ACT 13 Impact Fees                 | -                   | 6,415               | (6,415)                |
| <b>TOTAL INTERGOVERNMENTAL</b>     | <b>\$ 108,600</b>   | <b>\$ 103,364</b>   | <b>\$ 5,236</b>        |

The accompanying notes are an integral part of these financial statements

**HARMONY TOWNSHIP  
 DETAIL SCHEDULE OF BUDGETED AND ACTUAL RECEIPTS - CASH BASIS  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                           | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>(OVER) UNDER<br/>BUDGET</u> |
|-------------------------------------------|---------------------|---------------------|--------------------------------|
| <b>CHARGES FOR SERVICES:</b>              |                     |                     |                                |
| Municipal Letters and Copies              | \$ 2,000            | \$ 3,040            | \$ (1,040)                     |
| Reproduction of Records                   | 75                  | -                   | 75                             |
| Special Police Services                   | 500                 | 1,126               | (626)                          |
| Zoning/Land Development                   | -                   | 3,025               | (3,025)                        |
| Fees - Engineering Review                 | 500                 | 541                 | (41)                           |
| Hearing Fees                              | 3,000               | -                   | 3,000                          |
| Sale of Police Reports                    | 600                 | 241                 | 359                            |
| DUI Reimbursement                         | 2,000               | -                   | 2,000                          |
| Building Permits                          | 7,000               | 1,095               | 5,905                          |
| Zoning Permits                            | 1,500               | 820                 | 680                            |
| Use and Occupancy Permits                 | 11,000              | 450                 | 10,550                         |
| Rental Registration Fee                   | 3,000               | 5,015               | (2,015)                        |
| PM Inspection-Sale                        | 3,000               | 4,995               | (1,995)                        |
| Smoke & Dye Certifications                | 6,500               | 11,077              | (4,577)                        |
| Charges for Services - Other              | -                   | 180                 | (180)                          |
| Special Public Work Service               | 500                 | -                   | 500                            |
| Sale of Recyclable Material               | 100                 | -                   | 100                            |
| <b>TOTAL CHARGES FOR SERVICES</b>         | <b>\$ 41,275</b>    | <b>\$ 31,604</b>    | <b>\$ 9,671</b>                |
| <b>MISCELLANEOUS:</b>                     |                     |                     |                                |
| Miscellaneous Revenue                     | \$ 5,000            | \$ 10,036           | \$ (5,036)                     |
| Donations Police                          | -                   | 100                 | (100)                          |
| Sale of Township Property                 | 30,000              | 27,399              | 2,601                          |
| Insurance Dividends                       | 20,000              | 24,142              | (4,142)                        |
| Developers Escrow Revenue                 | -                   | 875                 | (875)                          |
| <b>TOTAL MISCELLANEOUS</b>                | <b>\$ 55,000</b>    | <b>\$ 62,553</b>    | <b>\$ 11,790</b>               |
| <b>OTHER FINANCING SOURCES:</b>           |                     |                     |                                |
| Transfer From Sewer Account               | \$ 135,000          | \$ -                | \$ 135,000                     |
| Transfer from Drug Task Force Fund        | 20,000              | 3,071               | 16,929                         |
| Transfer from Recreation Grant Fund       | -                   | 55,421              | (55,421)                       |
| Transfer from Capital Improvement Fund    | -                   | 1,811               | (1,811)                        |
| Note Proceeds                             | 20,270              | -                   | 20,270                         |
| Tax Anticipation Note                     | 200,000             | -                   | 200,000                        |
| Refund of Prior Year Expenditures - Other | -                   | 394                 | (394)                          |
| <b>TOTAL OTHER FINANCIAL SOURCES</b>      | <b>\$ 493,031</b>   | <b>\$ 178,458</b>   | <b>\$ 314,573</b>              |
| <b>TOTAL RECEIPTS</b>                     | <b>\$ 2,587,306</b> | <b>\$ 2,326,463</b> | <b>\$ 260,843</b>              |

The accompanying notes are an integral part of these financial statements

**HARMONY TOWNSHIP**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

| <b>GENERAL GOVERNMENT:</b>         | <b>BUDGET</b>     | <b>ACTUAL</b>     | <b>(OVER) UNDER<br/>BUDGET</b> |
|------------------------------------|-------------------|-------------------|--------------------------------|
| <b>ADMINISTRATION:</b>             |                   |                   |                                |
| Commissioner Salary                | \$ 9,375          | \$ 9,062          | \$ 313                         |
| Supplies and Services              | 7,500             | 3,701             | 3,799                          |
| Postage Expense                    | 500               | 1,672             | (1,172)                        |
| Travel Expenses                    | 1,100             | 140               | 960                            |
| Advertising                        | 4,500             | 7,222             | (2,722)                        |
| Liability Insurance                | 35,000            | 33,989            | 1,011                          |
| Dues/Subscriptions                 | 2,000             | 2,646             | (646)                          |
| Training/Conference                | 2,000             | 620               | 1,380                          |
| Manager Salary                     | 72,500            | 75,096            | (2,596)                        |
| Secretary Salary                   | 17,550            | -                 | 17,550                         |
| Admin Asst.                        | 31,200            | 26,177            | 5,023                          |
| Supplies                           | 3,000             | 6,505             | (3,505)                        |
| Postage Expense                    | 2,000             | 405               | 1,595                          |
| Computer                           | 3,000             | 4,375             | (1,375)                        |
| Telephone                          | -                 | 888               | (888)                          |
| Telephone/Fax/Toll-Monthly         | 3,200             | 3,521             | (321)                          |
| Printing                           | 1,840             | -                 | 1,840                          |
| Equipment Rental                   | 6,200             | 794               | 5,406                          |
| Pension Contribution               | -                 | 12,567            | (12,567)                       |
| Gen Services Pension - Non-Uniform | -                 | 550               | (550)                          |
| Capital Purchase                   | 13,000            | 40                | 12,960                         |
| Training/Conference                | 500               | 150               | 350                            |
| Office Equipment                   | 13,269            | 2,095             | 11,175                         |
| Professional Services              | 2,000             | -                 | 2,000                          |
| Auditing Services                  | 5,250             | 6,650             | (1,400)                        |
| Bank Fees-General Fund             | 600               | 503               | 97                             |
| <b>TOTAL ADMINISTRATION</b>        | <b>\$ 237,084</b> | <b>\$ 199,369</b> | <b>\$ 37,715</b>               |
| <b>TAX COLLECTION:</b>             |                   |                   |                                |
| Treasurer Salary                   | \$ -              | \$ 18,306         | \$ (18,306)                    |
| Supplies and Forms                 | 1,000             | 1,271             | (271)                          |
| Computer                           | 500               | -                 | 500                            |
| Postage for Tax Collection         | 1,000             | -                 | 1,000                          |
| Tax Collector - Other              | 18,306            | -                 | 18,306                         |
| Tax Collector Bond                 | 900               | 952               | (52)                           |
| <b>TOTAL TAX COLLECTION</b>        | <b>\$ 21,706</b>  | <b>\$ 20,529</b>  | <b>\$ 1,177</b>                |
| <b>LAW:</b>                        |                   |                   |                                |
| Legal Services - Other             | \$ -              | \$ 3,067          | \$ (3,067)                     |
| Solicitor Retainer                 | 4,200             | 4,000             | 200                            |
| Other Legal Fees                   | 30,000            | 5,995             | 24,005                         |
| <b>TOTAL LEGAL SERVICES</b>        | <b>\$ 34,200</b>  | <b>\$ 13,062</b>  | <b>\$ 21,138</b>               |
| <b>SEWER FUND:</b>                 |                   |                   |                                |
| Sewer Clerk Wages                  | \$ -              | \$ 480            | \$ (480)                       |
| <b>TOTAL SEWER FUND</b>            | <b>\$ -</b>       | <b>\$ 480</b>     | <b>\$ (480)</b>                |
| <b>ENGINEER:</b>                   |                   |                   |                                |
| Engineer Retainer                  | \$ 3,000          | \$ 1,600          | \$ 1,400                       |
| Other Engineering Fees             | 30,000            | 3,929             | 26,071                         |
| <b>TOTAL ENGINEER</b>              | <b>\$ 33,000</b>  | <b>\$ 5,529</b>   | <b>\$ 27,471</b>               |

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**HARMONY TOWNSHIP**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                 | BUDGET            | ACTUAL            | (OVER) UNDER<br>BUDGET |
|---------------------------------|-------------------|-------------------|------------------------|
| <b>BUILDING:</b>                |                   |                   |                        |
| Boiler Insurance                | \$ 160            | \$ 166            | \$ (6)                 |
| Janitorial Services             | 3,200             | 600               | 2,600                  |
| Part Time Cleaner               | -                 | 1,010             | (1,010)                |
| Supplies                        | 250               | 160               | 90                     |
| Maintenance Supplies            | 1,200             | 287               | 913                    |
| Electricity                     | 4,500             | 1,925             | 2,575                  |
| Gas                             | 3,200             | 2,754             | 446                    |
| Water                           | 1,100             | 1,166             | (66)                   |
| Repairs/Maintenance             | 1,500             | 2,429             | (929)                  |
| Plumbing/Heating Contract       | 500               | -                 | 500                    |
| Security Contract               | 504               | 1,419             | (915)                  |
| <b>TOTAL MUNICIPAL BUILDING</b> | <b>\$ 16,114</b>  | <b>\$ 11,915</b>  | <b>\$ 4,199</b>        |
| <b>TOTAL GENERAL GOVERNMENT</b> | <b>\$ 342,104</b> | <b>\$ 250,983</b> | <b>\$ 91,121</b>       |
| <b>PUBLIC SAFETY:</b>           |                   |                   |                        |
| <b>POLICE PROTECTION:</b>       |                   |                   |                        |
| Police Chief Salary             | \$ 81,110         | \$ 81,729         | \$ (619)               |
| Patrolmans Salary               | 280,197           | 330,270           | (50,073)               |
| Part Time Patrolman             | 22,792            | 9,678             | 13,114                 |
| Longevity Pay                   | 3,480             | 3,820             | (340)                  |
| Overtime Pay                    | 27,481            | 36,813            | (9,332)                |
| Court & Hearing Pay             | 34,226            | 983               | 33,244                 |
| Vacation Bonus                  | 1,100             | 1,500             | (400)                  |
| Holiday Pay                     | 19,313            | 3,918             | 15,395                 |
| Year End Completion Bonus       | 5,614             | 14,050            | (8,436)                |
| Vacation Bonus - Police         | 1,100             | 1,199             | (99)                   |
| Longevity Pay - Police          | 3,480             | 746               | 2,734                  |
| Uniform Allowance               | 4,000             | 3,500             | 500                    |
| Year End Completion Bonus       | 5,614             | -                 | -                      |
| Office Supplies                 | 2,000             | 370               | 1,630                  |
| Police Postage Expense          | 500               | 49                | 451                    |
| Vehicle Fuel                    | 11,500            | 7,670             | 3,830                  |
| Oil/Lubricants                  | 1,000             | -                 | 1,000                  |
| Guns & Ammunition               | 1,000             | 50                | 950                    |
| Vehicle Repair/Maintenance      | 6,500             | 2,738             | 3,762                  |
| Minor Equipment                 | 2,000             | -                 | 2,000                  |
| Computers                       | 3,000             | 192               | 2,808                  |
| Lab Testing Fees                | 3,000             | -                 | 3,000                  |
| Prior Lab Testing Fees          | -                 | 492               | (492)                  |
| Traffic Signal Repair           | -                 | 405               | (405)                  |
| Telephone                       | 5,500             | 5,435             | 65                     |
| Radio Equipment Maint           | 1,590             | -                 | 1,590                  |
| Police Professional Liability   | 13,000            | 14,216            | (1,216)                |
| Repairs/Maint Traffic Control   | 2,000             | 244               | 1,756                  |
| Traffic Control Electricity     | 4,000             | 4,101             | (101)                  |
| Police Subscriptions/Dues       | 2,000             | 1,419             | 581                    |
| Drug Task Force Expenses        | -                 | 13                | (13)                   |
| Training                        | -                 | 427               | (427)                  |
| Police Contracted Services      | 5,000             | 8,015             | (3,015)                |
| Capital Purchases               | 40,470            | 1,000             | 39,470                 |
| Humane Society                  | 4,500             | 4,500             | -                      |
| <b>TOTAL POLICE PROTECTION</b>  | <b>\$ 598,067</b> | <b>\$ 539,540</b> | <b>\$ 52,913</b>       |

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**HARMONY TOWNSHIP**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                        | BUDGET            | ACTUAL            | (OVER) UNDER<br>BUDGET |
|----------------------------------------|-------------------|-------------------|------------------------|
| <b>FIRE DEPT.</b>                      |                   |                   |                        |
| VFD Contracted Services                | \$ 97,500         | \$ 107,216        | \$ (9,716)             |
| State Works Insurance Fund             | 14,000            | 13,560            | 440                    |
| VFD Fire Relief Aid                    | 15,000            | 15,778            | (778)                  |
| <b>TOTAL FIRE DEPT.</b>                | <b>\$ 126,500</b> | <b>\$ 136,554</b> | <b>\$ (10,054)</b>     |
| <b>PROTECTIVE INSPECTION</b>           |                   |                   |                        |
| Code Enforcement Supplies              | \$ 250            | \$ 134            | \$ 116                 |
| Court Reporter                         | 500               | -                 | 500                    |
| Code Enforcement Postage               | 250               | 16                | 234                    |
| <b>TOTAL PROTECTIVE INSPECTION</b>     | <b>\$ 1,000</b>   | <b>\$ 150</b>     | <b>\$ 850</b>          |
| <b>PLANNING AND ZONING:</b>            |                   |                   |                        |
| Zoning Hearing Board                   | \$ -              | \$ 180            | \$ (180)               |
| Code Enforcement Salary                | 27,542            | 31,133            | (3,591)                |
| Special Legal Services                 | 2,500             | 1,289             | 1,211                  |
| UCC Inspections                        | -                 | 860               | (860)                  |
| Mileage Reimbursement                  | -                 | 394               | (394)                  |
| Advertising                            | 500               | 704               | (204)                  |
| <b>TOTAL PLANNING AND ZONING</b>       | <b>\$ 30,542</b>  | <b>\$ 34,561</b>  | <b>\$ (4,019)</b>      |
| <b>RECYCLING:</b>                      |                   |                   |                        |
| Recycling Collection & Disposal        | \$ 1,200          | \$ 3,009          | \$ (1,809)             |
| Professional Services                  | 1,200             | -                 | 1,200                  |
| <b>TOTAL RECYCLING</b>                 | <b>\$ 2,400</b>   | <b>\$ 3,009</b>   | <b>\$ (609)</b>        |
| <b>HEALTH AND HUMAN SERVICES:</b>      |                   |                   |                        |
| Welfare/Covid 19 Supplies              | \$ -              | \$ 1,301          | \$ (1,301)             |
| <b>TOTAL HEALTH AND HUMAN SERVICES</b> | <b>\$ -</b>       | <b>\$ 1,301</b>   | <b>\$ (1,301)</b>      |
| <b>TOTAL PUBLIC SAFETY</b>             | <b>\$ 758,509</b> | <b>\$ 715,115</b> | <b>\$ 43,394</b>       |
| <b>PUBLIC WORKS:</b>                   |                   |                   |                        |
| <b>HIGHWAYS:</b>                       |                   |                   |                        |
| Road Foreman Salary                    | \$ 62,524         | \$ 70,677         | \$ (8,153)             |
| Ft Laborer Salary                      | 154,752           | 177,318           | (22,566)               |
| Overtime                               | 19,751            | -                 | 19,751                 |
| Clothing Allowance                     | 900               | 1,860             | (960)                  |
| Holiday Double Time                    | 1,686             | -                 | 1,686                  |
| Hazard Pay                             | 7,200             | -                 | 7,200                  |
| Pension (Teamsters)                    | 22,844            | 23,580            | (736)                  |
| Wells Fargo Pension                    | 6,600             | 8,148             | (1,548)                |
| Union Pension Reporting                | -                 | 550               | (550)                  |
| Office Supplies                        | -                 | 461               | (461)                  |
| Vehicle Fuel-Gasoline                  | 7,000             | 2,918             | 4,082                  |
| Vehicle Fuel-Diesel                    | 1,500             | 1,501             | (1)                    |
| Vehicle Repair/Maint.                  | 7,500             | 6,155             | 1,345                  |
| Purchase Minor Equipment               | 1,000             | -                 | 1,000                  |
| Electricity                            | 1,000             | 237               | 763                    |
| Gas 2801 Woodland                      | -                 | 765               | (765)                  |
| Electricity-Bus Barn                   | -                 | 1,263             | (1,263)                |
| Electric-2400 Beaver Rd                | -                 | 257               | (257)                  |
| 2801 Water                             | -                 | 39                | (39)                   |
| Rental of Equipment                    | -                 | 144               | (144)                  |
| Continuing Education                   | 500               | -                 | 500                    |
| Road Dept Capital Purchases            | 117,761           | 118,074           | (313)                  |
| Repairs & Maintenance                  | -                 | 897               | (897)                  |
| MS 4 Supplies                          | 1,500             | 104               | 1,396                  |
| Professional Services                  | 5,000             | -                 | 5,000                  |
| Engineering Services                   | 5,000             | 4,453             | 547                    |
| NPDES Permit                           | 500               | 500               | -                      |
| Reparis Tools and Machinery            | 2,000             | 1,732             | 268                    |
| Highway Repairs/Supplies               | 10,000            | 13,191            | (3,191)                |
| Public Works - Other                   | -                 | 30                | (30)                   |
| <b>TOTAL HIGHWAYS</b>                  | <b>\$ 436,518</b> | <b>\$ 434,855</b> | <b>\$ 1,663</b>        |
| <b>TOTAL PUBLIC WORKS</b>              | <b>\$ 436,518</b> | <b>\$ 434,855</b> | <b>\$ 1,663</b>        |

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**HARMONY TOWNSHIP**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                                         | BUDGET              | ACTUAL              | (OVER) UNDER<br>BUDGET |
|---------------------------------------------------------|---------------------|---------------------|------------------------|
| <b>CULTURE AND RECREATION:</b>                          |                     |                     |                        |
| Parks & Recreation                                      | \$ 1,000            | \$ 76,743           | \$ (75,743)            |
| Recreation Contribution                                 | -                   | 190                 | (190)                  |
| Playgrounds                                             | 500                 | 288                 | 212                    |
| Library Contributions                                   | -                   | 500                 | (500)                  |
| Veterans Center Contributions                           | 1,275               | 525                 | 750                    |
| <b>TOTAL CULTURE AND RECREATION</b>                     | <b>\$ 2,775</b>     | <b>\$ 78,246</b>    | <b>\$ (75,471)</b>     |
| <b>DEBT SERVICE</b>                                     |                     |                     |                        |
| Debt Principal - Recycling                              | \$ 135,000          | \$ 135,000          | \$ -                   |
| 2020 PW Tractor                                         | 16,620              | -                   | 16,620                 |
| 2020 Drug Investigation Vehicle                         | 9,000               | -                   | 9,000                  |
| Debt Principal-2015 Tymco                               | 29,692              | 28,943              | 749                    |
| Debt Principal-F350 Truck                               | 14,723              | 13,661              | 1,062                  |
| Debt Principal - 2019 Ford Sedan - Police               | 12,356              | 11,555              | 802                    |
| Debt Interest - Recycling                               | 60,962              | 60,928              | 34                     |
| Debt Interest - 2015 Tymco                              | -                   | 750                 | (750)                  |
| Debt Interest - F350 PW Truck                           | -                   | 1,062               | (1,062)                |
| Debt Interest - 2019 Ford Police                        | -                   | 802                 | (802)                  |
| Debt Principal TAN                                      | 200,000             | -                   | 200,000                |
| TAN Interest                                            | 6,000               | -                   | 6,000                  |
| Fiscal Agent Fees                                       | 916                 | 1,203               | (287)                  |
| <b>TOTAL DEBT SERVICE</b>                               | <b>\$ 485,269</b>   | <b>\$ 253,903</b>   | <b>\$ 231,366</b>      |
| <b>INSURANCE: AND BENEFITS:</b>                         |                     |                     |                        |
| Payroll Expenses-Employer Taxes                         | \$ 70,000           | \$ 66,365           | \$ 3,635               |
| Police Pension Fund Payments                            | 110,525             | 112,453             | (1,928)                |
| Other Insurance Premiums                                | 5,396               | 10,214              | (4,818)                |
| Workers Compensation                                    | 48,000              | 63,684              | (15,684)               |
| Hospitalization                                         | 405,000             | 364,316             | 40,684                 |
| PA Unemployment                                         | 20,000              | 9,151               | 10,849                 |
| <b>TOTAL INSURANCE PREMIUM</b>                          | <b>\$ 658,921</b>   | <b>\$ 626,183</b>   | <b>\$ 32,738</b>       |
| <b>MISCELLANEOUS:</b>                                   |                     |                     |                        |
| Miscellaneous Expense                                   | \$ 4,900            | \$ 6,077            | \$ (1,177)             |
| <b>TOTAL MISCELLANEOUS</b>                              | <b>\$ 4,900</b>     | <b>\$ 6,077</b>     | <b>\$ (1,177)</b>      |
| <b>OTHER FINANCING USES:</b>                            |                     |                     |                        |
| Transfer to Sewer Fund                                  | \$ -                | \$ 170              | \$ (170)               |
| Transfer to Recreation Fund                             | 14,000              | 300                 | 13,700                 |
| Transfer to Capital Improvement Fund                    | -                   | 13,377              | (13,377)               |
| Refund Prior Year Revenue                               | 500                 | 2,693               | (2,193)                |
| <b>TOTAL DISBURSEMENTS AND OTHER<br/>FINANCING USES</b> | <b>\$ 2,703,496</b> | <b>\$ 2,381,902</b> | <b>\$ 321,594</b>      |

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