

**MUNICIPAL AUTHORITY OF THE
TOWN OF BLOOMSBURG**

FINANCIAL REPORT

DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Members of the Board
Municipal Authority of the Town of Bloomsburg
Bloomsburg, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activity, and the aggregate remaining fund information of the Municipal Authority of the Town of Bloomsburg, a component unit of the Town of Bloomsburg, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity, and the aggregate remaining fund information of the Municipal Authority of the Town of Bloomsburg as of December 31, 2020 and 2019, and the respective changes in financial position and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 9 and the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads "Boyer & Ritten". The signature is written in a cursive style with a large, sweeping flourish at the end of the word "Ritten".

Camp Hill, Pennsylvania
May 26, 2021

**MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

As management of the Municipal Authority of the Town of Bloomsburg (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2020.

Financial Highlights

The following are key happenings and financial highlights for 2020:

The Authority continued both its administrative and plant operations throughout the pandemic situation of 2020. The administrative office remained closed to the public from March through July however, customers were afforded many alternate communication and payment options. The payment drop box was utilized and bill payment services were also provided over the phone. The administrative staff remained in the office during its closure to provide continued administrative services.

Account collection efforts were dramatically affected by the pandemic. State regulations prohibited water service discontinuation but collection efforts continued, utilizing primarily payment arrangements for delinquent sewer balances. Beginning with the April billing period, the Authority terminated charging penalty and interest on past due sewer balances. Despite the restrictions on collection efforts, staff continued to pursue unpaid balances and approximately \$16,000 in collection service fees were recognized on unpaid sewer balance collection efforts during 2020.

In conjunction with the Town of Bloomsburg Code Enforcement department, the Municipal Authority will have additional assistance in collection of unpaid sewer balances with the adoption of Town of Bloomsburg Ordinance 1008 which stipulates that property owners in the Town can be denied rental licenses if they have unpaid municipal obligations, including delinquent sewer balances. Town of Bloomsburg Code Enforcement staff were unable to begin enforcement of the ordinance until late 2020 but several unpaid sewer accounts were recovered with this method. This process should significantly assist the Authority's future collection efforts.

The Authority did not institute a rate increase during 2020 but has authorized an increase to sewer rates effective January 1, 2021. This increase will result in an approximate 15% increase in residential rates, a 20% increase for most commercial and industrial accounts and a 30% increase for Bloomsburg University who has a unique rate for its consumption in excess of 100,000 gallons because of its capital partnership relationship with the Municipal Authority. The Municipal Authority has authorized its engineering firm, Rettew, Inc., to conduct a comprehensive rate study in 2021 to determine if its current rate schedule will meet future financial obligations.

The Authority met its budgeted expectations for residential sewer bills for 2020 but fell considerably short in its budgeted industrial sewer bill revenue due to its largest industrial customer closing the business for 2-3 months during the pandemic. Other industries reduced operations for a period during the spring of 2020 as well. There was no resolution to the situation with the water consumption data provided by Suez Water PA and used to calculate the billing for Bloomsburg University. The Authority continues to investigate this issue with the University. This situation has also affected the Authority's ability to bill the University for its share of the wastewater treatment plant construction project since the calculated participation percentage is based on consumption data and this data is being questioned by University officials.

The Authority's administrative staff continued the use of QuickBooks for its finances. Many of the initial issues with using the software have been resolved and staff is able to provide accurate reports and financial data utilizing the system. The ability to access the system from a remote location was especially helpful during the pandemic.

The Authority continued use of its contracted services for Information Technology to maintain and back up all of the Authority data, both administrative and at the wastewater treatment plant. Contracting these services provides consistency should any issues arise with the Authority's computers or servers.

The Authority purchased a sewer line televising camera system in 2020 with plans to televise many of the sewer lines within the Town in order to determine the condition of lines so that a comprehensive plan for repairs/replacement can be established. Due to reduced staffing schedules implemented in reaction to the pandemic, this plan was not fully accomplished during 2020. The purchase of the camera system will reduce the Authority's dependence on others to provide camera services and should result in cost savings.

The Authority continues to utilize the services of a management consulting firm to provide supervision and direction at its wastewater treatment plant. Staff from the firm perform job functions previously handled by the Plant Superintendent.

The Authority began construction of its latest capital improvements project at its treatment plant in May. This construction has been coordinated and overseen by the Authority's construction project engineering firm, GHD, Inc. The estimated total cost of the project is expected to be \$10 million dollars. Using financial advisors PFM, Inc., the Authority obtained an obligation note with First Columbia Bank in the amount of \$8.3 million to complete the project at an interest rate of 2.59%. Both Bloomsburg University and Scott Township Authority will contribute to the project based on cost percentage allocations calculated by the Authority's engineer. Scott Township's contribution rate has been calculated to be 19.98% and the Township contributed \$1.2 million to the project during 2020. The University's contribution rate has not been finalized. Progress on the project was approximately 6 months ahead of schedule at year-end. The project is scheduled to be completed by 12/25/21.

During 2020, the Authority also refinanced its two prior debt obligations (2008/2009) to take advantage of historically low interest rates. The notes were combined and an interest rate of 1.1% with TD Bank was approved, saving the Authority approximately \$1 million in interest for the term of the note.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The financial statements report information about the Authority using full accrual accounting methods as utilized by similar business activities in the private sector, however, rate-regulated accounting principles applicable to private sector utilities are not used by government utilities.

The financial statements are comprised of two funds: Proprietary and Fiduciary. The Proprietary or Enterprise Fund, referred to as the Sewer System Operating Fund, is used to account for activities that are usually self-sustaining, principally through user charges for services rendered. The Authority directly maintains the accounting for the Sewer System Operating Fund. Trust Funds (Fiduciary Fund) are used to account for assets held by the Authority in a trustee capacity. The pension trust is accounted for in essentially the same manner as the proprietary fund, using the same measurement focus and basis of accounting.

The financial statements include the statements of net position; statements of revenues, expenses and changes in net position; statements of cash flows; statements of fiduciary net position; statements of changes in fiduciary net position and notes to the financial statements. The statements of net position present the financial position of the Authority on a full accrual historical cost basis. While the statements of net position provide information about the nature and amount of resources and obligations at year-end, the statements of revenues, expenses and changes in net position presents the results of the business activities over the course of the fiscal year and the amount by which the net position changed during the year. All changes in net position are reported concurrently with the occurrence of the underlying event giving rise to the change, regardless of the timing of the related cash flows.

The statements of cash flows reports changes in cash and cash equivalents resulting from operational, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, the timing of any arising obligations, or depreciation of capital assets.

The notes to the financial statements provide required disclosures and other information that is essential to a full understanding of the financial data provided in the statements. The notes present information about the Authority’s accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

Summary of Organization and Business

The Authority is a body, politic and corporate, created pursuant to an ordinance of the Council of the Town of Bloomsburg, Bloomsburg, Pennsylvania under an Act of the General Assembly of the State, approved May 2, 1945, P.L. 382, as amended and supplemented, known as the Municipal Authorities Act of 1945, as amended (the “Act”). This certificate of incorporation of the Authority was issued by the Secretary of the Commonwealth of Pennsylvania on October 7, 1950.

The governing body of the Authority is a Board consisting of five members appointed by the Council of the Town of Bloomsburg. The terms of the members of the Board have been staggered so that the term of one member expires annually. The Board is authorized to exercise any and all powers conferred by the aforementioned Act necessary for the acquisition, construction, improvement, extension, maintenance and operation of the system facilities.

The Authority does not have taxing power; ongoing operations are funded from customer revenues. The acquisition and construction of capital assets are funded by capital (cash and systems), contributions from customers, including other utilities and developers, Federal and State grants and loans, and customer revenues. The Authority’s average customer base as of December 31, 2020, was 3,723, 8 of which are industrial customers. The Authority’s customer base has not changed significantly over the past five years.

Wastewater services are provided and include sanitary sewer services and industrial pretreatment programs.

	2020	2019	Change	
			Amount	%
Average number of customers	3,723	3,721	2	0%
Wastewater treated (millions of gallons)	659	835	(176)	-21%
Revenues per thousand gallons treated	5.78	4.49	1.29	29%

General Trends and Significant Events

Population in the Town of Bloomsburg did not change significantly. One new sewer permit was approved in 2020 for a duplex property within the Town (2 EDU). Municipal Authority processed over 146 million gallons of wastewater for Scott Township which represents 23% of the total wastewater treated in 2020.

The revenue per thousand gallons of wastewater treated increased significantly from 2020 figures due to a substantial decrease in the amount of wastewater treated. This can at least partially be attributed to less significant rainfall events in 2020, and a decrease in industrial water consumption and University water consumption due to the pandemic.

Financial Condition

The Authority's financial condition remained strong at year-end with adequate liquid assets, reliable plant and systems to meet current demand, and a reasonable level of unrestricted net position. The current financial condition, technical support staff capabilities, and operating and expansion plans undertaken to meet anticipated customer needs are well balanced and under control.

Total assets increased due to the ongoing capital additions at the wastewater treatment plant.

CONDENSED STATEMENTS OF NET POSITION - PROPRIETARY FUND

	December 31		Variance	
	2020	2019	Amount	%
Assets				
Current Assets	\$ 5,699,206	\$ 6,597,489	\$ (898,283)	(13.62)
Capital Assets				
Land and construction-in-process	6,731,448	1,037,015	5,694,433	549.12
Assets being depreciated	40,473,684	40,337,038	136,646	0.34
Less accumulated depreciation	(23,750,392)	(21,662,465)	(2,087,927)	9.64
Total assets	\$ 29,153,946	\$ 26,309,077	\$ 2,844,869	10.81
Deferred Outflows of Resources				
Deferred amounts on pension and OPEB liability	\$ 576,946	\$ 565,357	\$ 11,589	2.05
Liabilities				
Current Liabilities	\$ 4,084,183	\$ 2,960,972	\$ 1,123,211	37.93
Long-term liabilities	9,940,605	8,060,000	1,880,605	23.33
Total liabilities	\$ 14,024,788	\$ 11,020,972	\$ 3,003,816	27.26
Deferred Inflows of Resources				
Deferred amounts on pension and OPEB liability	\$ 438,493	\$ 438,784	\$ (291)	(0.07)
Net Position				
Net investment in capital assets	\$ 12,172,135	\$ 10,851,588	\$ 1,320,547	12.17
Unrestricted	3,095,476	4,563,090	(1,467,614)	(32.16)
Total net position	\$ 15,267,611	\$ 15,414,678	\$ (147,067)	(0.95)

CONDENSED STATEMENTS OF FIDUCIARY NET POSITION - FIDUCIARY FUND

	December 31		Variance	
	2020	2019	Amount	%
Total Assets	\$ 1,012,511	\$ 903,292	\$ 109,219	12.09
Total Liabilities	\$ 4,797	\$ 1,466	\$ 3,331	227.22
Net Position				
Restricted - held in trust for pension benefits	\$ 1,007,714	\$ 901,826	\$ 105,888	11.74

CONDENSED STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND

	December 31		Variance	
	2020	2019	Amount	%
Additions				
Contributions	\$ 64,247	\$ 57,572	\$ 6,675	11.59
Investment income (loss)	67,939	144,790	(76,851)	(53.08)
Total additions	132,186	202,362	(70,176)	(34.68)
Deductions				
Member distributions	7,390	7,390	-	-
Administrative expense	18,908	12,336	6,572	53.27
Total deductions	26,298	19,726	6,572	53.27
Changes in net position	105,888	182,636	(76,748)	(42.02)
Net Position - Beginning	901,826	719,190	182,636	25.39
Net Position - Ending	\$ 1,007,714	\$ 901,826	\$ 105,888	11.74

Results of Operations

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND

	December 31		Variance	
	2020	2019	Amount	%
Revenues				
Total operating revenues	\$ 3,809,614	\$ 3,749,818	\$ 59,796	1.59
Expenses				
Operating expenses				
Sewage treatment	3,931,574	3,894,303	(37,271)	(0.96)
Operations and maintenance	263,360	254,986	(8,374)	(3.28)
General administration	449,537	402,202	(47,335)	(11.77)
Total operating expenses	4,644,471	4,551,491	(92,980)	(2.04)
Operating loss	(834,857)	(801,673)	(33,184)	4.14
Other Revenues (Expenses) - Net	687,790	(363,980)	1,051,770	(288.96)
Changes in net position	(147,067)	(1,165,653)	1,018,586	(87.38)
Net Position - January 1	15,414,678	16,580,331	(1,165,653)	(7.03)
Net Position - December 31	\$ 15,267,611	\$ 15,414,678	\$ (147,067)	(0.95)

Operating Revenues: Revenues from operations fall into two categories: wastewater service and ancillary charges. Ancillary charges include tapping fees, account set-up and penalty fees, and charges for miscellaneous billed services. The Authority has two classes of wastewater customers: domestic (residential/commercial) and industrial.

The Authority instituted a 15% rate increase effective June 1, 2017, which established the monthly minimum charge for up to 2,000 gallons of consumption at \$26.06. A rate increase has been approved for 2021 increasing the minimum sewer charge to \$30.00 and instituting an approximate 15% increase in residential rates and a 20% increase in industrial rates.

Expenses: The Authority operates and maintains a wastewater collection and treatment system.

Total operating expenses of the Authority increased slightly from 2019. The increase is due, in part, to additional safety and scheduling measures implemented in response to the pandemic.

	2020	2019	Variance	%
Sewage treatment plant and pumping stations	\$ 3,931,574	\$ 3,894,303	\$ 37,271	0.96
Collection and intercepting sewer maintenance and improvements	263,360	254,986	8,374	3.28
Administrative expenses	449,537	402,202	47,335	11.77
Total operating expenses	\$ 4,644,471	\$ 4,551,491	\$ 92,980	2.04

Cash Flow Activity

The following table indicates the Authority's ability to generate net operating cash. The net cash provided by operating activities is shown both in total dollars and as a percentage of operating revenues.

	2020	2019	Variance
Total operating revenues	\$ 3,809,614	\$ 3,749,818	\$ 59,796
Net cash provided by operations	\$ 1,976,425	\$ 1,448,148	\$ 528,277

Net cash provided by operations increased from 2019, despite the ongoing pandemic. This may be attributed in part to the significant decrease in the amount of wastewater treated at the wastewater treatment plant due to the temporary closure of several local industries and Bloomsburg University. Total operating revenues also increased slightly.

Capital Assets

The investment in plant and equipment increased from 2019 due to the ongoing capital improvements project at the wastewater treatment plant. Depreciation is calculated and recorded over the estimated useful life of the plant and equipment using straight-line depreciation.

Final Comments

The Authority has adopted a Long-Term Capital Plan that guides its Board and staff actions toward its mission of providing affordable, efficient, and reliable wastewater services. Part of this Plan is continued capital investment in plant and equipment. The Authority continues to examine its work practices to find more efficient and productive methods of service delivery.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

STATEMENTS OF NET POSITION - PROPRIETARY FUND TYPE - SEWER
SYSTEM OPERATING FUND

December 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	\$ 3,216,202	\$ 3,145,188
Cash and cash equivalents - restricted for construction projects	476,327	1,306,104
Investments - certificate of deposit	1,434,825	1,420,321
Sewer receivable	507,938	628,192
Prepaid expenses	63,914	97,684
Capital assets		
Land, improvements and construction-in-progress	6,731,448	1,037,015
Other capital assets, net of depreciation	16,723,292	18,674,573
Total capital assets	<u>23,454,740</u>	<u>19,711,588</u>
Total assets	<u><u>\$ 29,153,946</u></u>	<u><u>\$ 26,309,077</u></u>
Deferred Outflows of Resources		
Deferred amounts on pension liability	\$ 218,535	\$ 248,745
Deferred amounts on OPEB liability	358,411	316,612
Total Deferred Outflows of Resources	<u><u>\$ 576,946</u></u>	<u><u>\$ 565,357</u></u>
Liabilities		
Accounts payable	\$ 722,771	\$ 213,728
Accrued expenses	43,510	32,507
Long-term liabilities		
Notes payable due within one year	1,342,000	800,000
Notes payable due in more than one year	9,940,605	8,060,000
Net pension liability	350,239	327,266
OPEB liability	1,625,663	1,587,471
Total long-term liabilities	<u>13,258,507</u>	<u>10,774,737</u>
Total liabilities	<u><u>\$ 14,024,788</u></u>	<u><u>\$ 11,020,972</u></u>
Deferred Inflows of Resources		
Deferred amounts on pension liability	\$ 166,695	\$ 199,257
Deferred amounts on OPEB liability	271,798	239,527
Total Deferred Inflows of Resources	<u><u>\$ 438,493</u></u>	<u><u>\$ 438,784</u></u>
Net Position		
Net investment in capital assets	\$ 12,172,135	\$ 10,851,588
Unrestricted	3,095,476	4,563,090
Total net position	<u><u>\$ 15,267,611</u></u>	<u><u>\$ 15,414,678</u></u>

See Notes to Financial Statements.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
 PROPRIETARY FUND TYPE - SEWER SYSTEM OPERATING FUND
 Years Ended December 31, 2020 and 2019**

	2020	2019
Operating Revenues		
Sewer charges and penalties	\$ 3,809,614	\$ 3,749,818
Operating Expenses		
Sewage Treatment Plant and Pumping Station	3,931,574	3,894,303
Collection and intercepting sewer maintenance and improvements	263,360	254,986
Administrative expenses	449,537	402,202
Total operating expenses	4,644,471	4,551,491
Operating loss	(834,857)	(801,673)
Nonoperating Revenues (Expenses)		
Intergovernmental revenues	1,239,398	-
Rental income	315	315
Interest income	32,363	102,579
Interest expense	(462,805)	(459,640)
Debt issuance costs	(121,481)	-
Refund of prior years' (receipts) expenses - net	-	(7,234)
Total nonoperating expenses - net	687,790	(363,980)
Changes in net position	(147,067)	(1,165,653)
Net Position - Beginning	15,414,678	16,580,331
Net Position - Ending	\$ 15,267,611	\$ 15,414,678

See Notes to Financial Statements.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

STATEMENTS OF CASH FLOWS - PROPRIETARY FUND TYPE -
SEWER SYSTEM OPERATING FUND
Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows From Operating Activities		
Cash received from customers	\$ 3,929,868	\$ 3,835,109
Cash payments for goods and services	(745,760)	(1,318,968)
Cash payments to employees for services	(1,207,683)	(1,067,993)
Net cash provided by operating activities	1,976,425	1,448,148
Cash Flows From Noncapital Financing Activities		
Intergovernmental revenue	1,239,398	-
Cash Flows From Capital and Related Financing Activities		
Proceeds from issuance of long-term debt	11,282,605	-
Repayment of long-term debt	(8,860,000)	(760,000)
Purchases and construction of property, plant and equipment	(5,831,079)	(921,948)
Cash and cash equivalents - restricted for construction projects	829,777	367,095
Net cash used in capital and related financing activities	(2,578,697)	(1,314,853)
Cash Flows From Investing Activities		
Rental income	315	315
Interest income	32,363	102,579
Interest expense	(462,805)	(459,640)
Debt issuance costs	(121,481)	-
Refund of prior years' expenses (receipts)	-	(7,234)
Change in investments - net	(14,504)	(25,814)
Net cash used in investing activities	(566,112)	(389,794)
Net increase (decrease) in cash and cash equivalents	71,014	(256,499)
Cash and Cash Equivalents:		
Beginning	3,145,188	3,401,687
Ending	\$ 3,216,202	\$ 3,145,188

(Continued)

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

**STATEMENTS OF CASH FLOWS - PROPRIETARY FUND TYPE -
SEWER SYSTEM OPERATING FUND (Continued)
Years Ended December 31, 2020 and 2019**

	2020	2019
Reconciliation of Operating Loss to Net Cash		
Provided by Operating Activities		
Operating loss	\$ (834,857)	\$ (801,673)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	2,087,927	2,093,424
Changes in assets and liabilities:		
(Increase) decrease in:		
Receivables	120,254	85,291
Prepaid expenses	33,770	(39,900)
Deferred outflows of resources	(11,589)	(440,358)
(Decrease) increase in:		
Accounts payable	509,043	47,583
Accrued expenses	11,003	(9,739)
Net pension liability	22,973	28,911
OPEB liability	38,192	222,196
Deferred inflows of resources	(291)	262,413
Net cash provided by operating activities	\$ 1,976,425	\$ 1,448,148

See Notes to Financial Statements.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

**STATEMENTS OF FIDUCIARY NET POSITION - FIDUCIARY FUND TYPE -
PENSION FUND
December 31, 2020 and 2019**

	2020	2019
Assets		
Cash and cash equivalents	\$ 84,772	\$ 16,386
Investments	923,411	884,603
Contribution receivable	2,593	-
Accrued interest receivable	1,735	2,303
Total assets	\$ 1,012,511	\$ 903,292
Liabilities		
Accounts payable	\$ 4,797	\$ 1,466
Total liabilities	\$ 4,797	\$ 1,466
Net Position		
Restricted - held in trust for pension benefits	\$ 1,007,714	\$ 901,826
Total net position	\$ 1,007,714	\$ 901,826

See Notes to Financial Statements.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY

FUND TYPE - PENSION FUND

Years Ended December 31, 2020 and 2019

	2020	2019
Additions		
Contributions		
Employees	\$ 27,445	\$ 24,643
Employer	36,802	32,929
Total contributions	64,247	57,572
Investment Income		
Interest and dividends	25,178	25,565
Net appreciation in fair value of investments	39,401	120,876
Gain (loss) on sale of investments	3,360	(1,651)
Total investment income	67,939	144,790
Total additions	132,186	202,362
Deductions		
Member distributions	7,390	7,390
Administrative expenses	18,908	12,336
Total deductions	26,298	19,726
Changes in net position	105,888	182,636
Net Position - Beginning	901,826	719,190
Net Position - Ending	\$ 1,007,714	\$ 901,826

See Notes to Financial Statements.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Nature of Activities:

The Municipal Authority of the Town of Bloomsburg (Authority) was incorporated on October 7, 1950, under the Municipality Authorities Act of 1945, P.L. 382, as amended, pursuant to an ordinance of the Town Council of the Town of Bloomsburg, Columbia County, Pennsylvania.

The Authority is an operating authority responsible for acquiring, holding, constructing, improving, owning and leasing sewer, sewer systems or parts thereof.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criterion provided in Government Accounting Standards Board Statement No. 14 has been considered and there are no agencies or entities which should be presented with the Authority.

Basis of Accounting: The Authority has adopted the accrual basis of accounting for operations that are financed and operated in a manner similar to private business enterprises. Revenue is recognized when earned, and expenses are recognized when incurred.

Government-Wide Financial Statements: The government-wide financial statements report information on the non-fiduciary activities of the primary government. The business-type activity, which relies to a significant extent on fees and charges for support, is reported on the government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation: The government-wide financial statements are reported using the economic resources management focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related to cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Accounting: The Authority uses funds to report its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain government functions or activities. A fund is a separate self-balancing set of accounts. Funds are classified into two categories: proprietary and fiduciary. Each category, in turn, is divided into separate "fund types". The following is a general description of the "fund types" used by the Authority.

The government reports the following major proprietary fund:

Enterprise Fund

The Enterprise Fund, herein referred to as the Sewer System Operating Fund, is used to account for activities that are usually self-sustaining, principally through user charges for services rendered.

The Authority directly maintains the accounting for the Sewer System Operating Fund.

Additionally, the government reports the following fiduciary fund:

Fiduciary Fund

Trust and Agency Funds are used to account for assets held by the Authority in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The pension trust fund is accounted for in essentially the same manner as the proprietary fund, using the same measurement focus and basis of accounting.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to customers for sales and services. The Authority also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Cash Equivalents: For purposes of the Statements of Cash Flows, the Authority considers time deposits, certificates of deposit, and all highly-liquid debt instruments with original maturities of three months or less to be cash equivalents.

Investments: Investments are recorded at fair value or at amortized cost, depending on the investment type, consistent with generally accepted accounting principles.

Sewer System: The Sewer System is stated at cost, except for sewer line extensions contributed to the Authority, which are valued at fair market value on the date contributed. Depreciation has been provided over the estimated useful life using the straight-line method.

Compensated Absences: The Authority's employees are able to earn up to 12 hours of sick leave each month. Employees receive no benefit or pay for unused sick leave upon termination. For non-union employees who are employed under the new agreement, vacation time is received at the beginning of each year and is based on the number of years of service. At the end of each year, any unused vacation up to 40 hours is paid to the employee. Under the union agreement, vacation time is received at each individual's anniversary date of employment. On each employee's anniversary date of hire, any unused vacation up to 40 hours is paid to the employee. Accumulated vacation is paid upon termination. Since substantially all accrued vacation will be paid within one year, the Authority has reflected the accrual as a current liability.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications: Prior year amounts have been reclassified where appropriate to conform with the current year presentation.

Subsequent Events: In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through May 26, 2021, the date the financial statements were available to be issued. See Note 10 for subsequent event disclosures.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments - Enterprise Fund

Statutes authorize the Authority to invest in the following:

- U. S. Treasury Bills
- Short-term obligations of the U. S. Government and Federal agencies
- Insured savings and checking accounts and certificates of deposit in banks, savings and loan associations and credit unions
- General obligation bonds of the Federal Government, the Commonwealth of Pennsylvania or any state agency or of any Pennsylvania political subdivision
- Shares of investment companies whose investments are restricted to the above categories

The deposit and investment policies of the Authority adhere to state statutes and prudent business practices. There were no deposit or investment transactions during the year that violated either state statutes or Authority policies.

Deposits: Custodial-Credit Risk

Custodial-credit risk is the risk that in the event of a bank failure, the Authority's deposits and/or investments may not be returned to it. A summary of the Authority's deposits at December 31, 2020, are shown below:

	Carrying Amount	Bank Balance	Financial Institution
Insured (FDIC)	\$ 250,000	\$ 250,000	First Columbia Bank & Trust
Uninsured, collateralized in accordance with Act 72	3,442,265	3,476,965	First Columbia Bank & Trust
	<u>\$ 3,692,265</u>	<u>\$ 3,726,965</u>	

All the deposits of the Authority are either insured or collateralized. All deposits that exceed the federal depository insurance coverage level are collateralized under the Pooling Method. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities maintained in conformity with Act 72 of 1971. Act 72 of 1971 is an act standardizing the procedures for pledges of assets to secure deposits of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis; and authorizing the appointment of custodians to act as pledgors of the assets. The Authority has no policy regarding custodial credit risk for deposits.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments - Enterprise Fund (Continued)

Investments

The Authority categorizes its fair value measures within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of December 31, 2020, the Authority does not hold any investments in the Enterprise Fund, which are subject to the fair value measurements and valuation input classifications.

Weighted-Average Maturity

The weighted-average maturity (WAM) method expresses investment time horizons - the time when investments become due and payable - in years or months, weighted to reflect the dollar size of individual investments within an investment type. In this illustration, WAMs are computed for each investment type. The portfolio's WAM is derived by dollar-weighting the WAM for each investment type.

Interest-Rate Risk

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentrations of Credit Risk

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

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 3. Property, Plant and Equipment

Capital asset activity for the Proprietary Fund for the years ended December 31, 2020 and 2019, was as follows:

	January 1, 2020	Increases	Decreases	December 31, 2020
Capital assets, not being depreciated				
Land	\$ 27,334	\$ -	\$ -	\$ 27,334
Construction-in-progress	1,009,681	5,694,433	-	6,704,114
Total capital assets, not being depreciated	1,037,015	5,694,433	-	6,731,448
Capital assets being depreciated				
Land improvements	47,029	-	-	47,029
Buildings and improvements	35,759,516	6,300	-	35,765,816
Machinery and equipment	1,164,010	130,346	-	1,294,356
Vehicles	301,816	-	-	301,816
Improvements to sewage system	3,064,667	-	-	3,064,667
Total capital assets being depreciated	40,337,038	136,646	-	40,473,684
Less accumulated depreciation for:				
Land improvements	(45,545)	(374)	-	(45,919)
Buildings and improvements	(19,655,744)	(1,936,008)	-	(21,591,752)
Machinery and equipment	(831,175)	(76,031)	-	(907,206)
Vehicles	(266,027)	(11,716)	-	(277,743)
Improvements to sewage system	(863,974)	(63,798)	-	(927,772)
Total accumulated depreciation	(21,662,465)	(2,087,927)	-	(23,750,392)
Total capital assets being depreciated, net	18,674,573	(1,951,281)	-	16,723,292
Capital Assets - Net	\$ 19,711,588	\$ 3,743,152	\$ -	\$ 23,454,740

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 3. Property, Plant and Equipment (Continued)

	January 1, 2019	Increases	Decreases	December 31, 2019
Capital assets, not being depreciated				
Land	\$ 27,334	\$ -	\$ -	\$ 27,334
Construction-in-progress	700,189	338,348	28,856	1,009,681
Total capital assets, not being depreciated	727,523	338,348	28,856	1,037,015
Capital assets being depreciated				
Land improvements	47,029	-	-	47,029
Buildings and improvements	35,702,416	57,100	-	35,759,516
Machinery and equipment	1,107,660	56,350	-	1,164,010
Vehicles	277,214	24,602	-	301,816
Improvements to sewage system	2,590,263	474,404	-	3,064,667
Total capital assets being depreciated	39,724,582	612,456	-	40,337,038
Less accumulated depreciation for:				
Land improvements	(45,136)	(409)	-	(45,545)
Buildings and improvements	(17,687,803)	(1,967,941)	-	(19,655,744)
Machinery and equipment	(772,098)	(59,077)	-	(831,175)
Vehicles	(255,131)	(10,896)	-	(266,027)
Improvements to sewage system	(808,873)	(55,101)	-	(863,974)
Total accumulated depreciation	(19,569,041)	(2,093,424)	-	(21,662,465)
Total capital assets being depreciated, net	20,155,541	(1,480,968)	-	18,674,573
Capital Assets - Net	\$ 20,883,064	\$ (1,142,620)	\$ 28,856	\$ 19,711,588

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 3. Property, Plant and Equipment (Continued)

Depreciation expense was charged to operating expenses as follows:

	2020	2019
Sewage Treatment Plant and Pumping Station	\$ 1,986,620	\$ 2,009,448
Collection and intercepting sewer maintenance and improvements	96,020	75,916
Administrative expenses	5,287	8,060
	\$ 2,087,927	\$ 2,093,424

Note 4. Long-Term Debt

During the year ended December 31, 2020, long-term obligations changed as follows:

	Balances January 1, 2020	Increases	Decreases	Balances December 31, 2020	Due within One Year
Long-Term Debt					
General Obligation Bonds					
Series of 2008	\$ 5,910,000	\$ -	\$(5,910,000)	\$ -	\$ -
Guaranteed Sewer Revenue					
Note - Series of 2009	2,950,000	-	(2,950,000)	-	-
Guaranteed Sewer Revenue					
Note - Sewer Rev 2020	-	3,102,605	-	3,102,605	350,000
Guaranteed Sewer Revenue					
Note - Sewer Rev 2020A	-	8,180,000	-	8,180,000	992,000
Total Long-Term Debt	\$ 8,860,000	\$ 11,282,605	\$(8,860,000)	\$ 11,282,605	\$ 1,342,000

Guaranteed Sewer Revenue Note - Series of 2008

On October 14, 2008, the Authority issued Guaranteed Sewer Revenue Note - Series of 2008 in the principal amount of \$10,000,000. Proceeds from the Note are received when the Authority draws on them from the bank that purchased the Note. Annual principal payments will commence October 14, 2009, and range from \$5,000 to \$795,000. The Guaranteed Sewer Revenue Note - Series of 2008 was fully refunded during the year ended December 31, 2020 with the issuance of Guaranteed Sewer Revenue Note - Series A of 2020.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-Term Debt (Continued)

Guaranteed Sewer Revenue Note - Series of 2009

On January 29, 2009, the Authority issued Guaranteed Sewer Revenue Note - Series of 2009 in the principal amount of \$5,000,000. Proceeds from the Note are received when the Authority draws on them from the bank that purchased the Note. Annual principal payments will commence October 15, 2010, and range from \$160,000 to \$395,000. The Guaranteed Sewer Revenue Note - Series of 2009 was fully refunded during the year ended December 31, 2020, with the issuance of Guaranteed Sewer Revenue Note - Series A of 2020.

Guaranteed Sewer Revenue Note - Series of 2020

On May 19, 2020, the Authority issued Guaranteed Sewer Revenue Note - Series of 2020 in the principal amount of \$8,300,000. Proceeds from the Note are received when the Authority draws on them from the purchaser of the Note. Total anticipated drawdown on the note is approximately \$8,300,000. Total outstanding principal at December 31, 2020 and 2019, was \$3,102,605 and \$0, respectively. Annual principal payments will commence October 15, 2021, and range from \$340,000 to \$544,000. The Note will mature on October 15, 2040, bearing a fixed interest rate for a 7-year period ending October 15, 2027, at the rate of 2.59% per annum. For the period beginning on October 16, 2027, through the maturity of the note, there will be a rate reset at the maximum cap rate of 4.00%. The note is prepayable anytime without penalty.

Guaranteed Sewer Revenue Note - Series A of 2020

On November 20, 2020, the District issued Guaranteed Sewer Revenue Note - Series A of 2020, in the principal amount of \$8,180,000. The proceeds were used to fully refund the Series of 2008 and Series of 2009 Guaranteed Sewer Revenue Notes. The economic gain on the refunding was \$1,109,767. The bonds bear annual interest rate of 1.10%. Interest is payable semi-annually and the bonds mature serially in amounts ranging from \$992,000 to \$1,051,000. The bonds mature on October 15, 2028.

The following is a schedule by years and in the aggregate of future minimum principal and interest payments at December 31, 2020:

Year ending December 31:	Principal	Interest	Total
2021	\$ 1,342,000	\$ 157,127	\$ 1,499,127
2022	1,354,000	150,360	1,504,360
2023	1,373,000	130,102	1,503,102
2024	1,393,000	109,501	1,502,501
2025	1,415,000	88,546	1,503,546
2026-2029	4,405,605	146,793	4,552,398
	<u>\$ 11,282,605</u>	<u>\$ 782,429</u>	<u>\$ 12,065,034</u>

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 5. Pension Plan

Plan Description

Plan Administration

The Retirement Board administers the Town of Bloomsburg Municipal Authority Pension Plan - a single-employer defined benefit pension plan that covers all employees holding an office, position or full-time employment whether hired, elected or approved, in any capacity other than as a Member of the Authority Board.

Plan Membership

For the 2020 measurement period, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	1
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	11
	<hr/>
	14
	<hr/> <hr/>

Benefits Provided

The Town of Bloomsburg Municipal Authority Pension Plan provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated as 1.25 percent of the member's highest 3-year average salary times the member's years of service. Plan members with 15 years of service are eligible to retire at age 60. All plan members are eligible for disability benefits after 5 years of service, and not required if disability is service connected. Disability retirement benefits are equal to the accrued benefit payable immediately. Death benefits are available for a member who dies with at least 5 years of service. A plan member who leaves with less than 5 years of service will receive a refund of his or her contributions, plus any accumulated interest.

On an ad hoc basis, cost-of-living adjustments to each member's retirement benefit may be given. The adjustment, should the Authority elect to give one, is a percentage of the change in the Consumer Price Index.

Contributions

An actuarially determined contribution is recommended by the plan actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For the 2020 measurement period, the active member contribution rate was 4.0 percent of annual pay, and the Authority average contribution rate was 5.80 percent of annual payroll.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 5. Pension Plan (Continued)

Deposits and Investments

Deposits

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the Authority's Pension Plan deposits and/or investments may not be returned to it. At December 31, 2020 and 2019, the Authority's Pension Plan had deposits with financial institutions with a carrying amount of \$84,772 and \$16,386, respectively. Of the December 31, 2020 balance, \$87,772 was covered by federal depository insurance and \$-0- was covered by collateralized assets maintained in conformity with Act 72 of 1971. Of the December 31, 2019 balance, \$16,386 was covered by federal depository insurance and \$-0- was covered by collateralized assets maintained in conformity with Act 72 of 1971.

Investments

Method used to value investments: Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. By contract, an independent appraisal is obtained once every year to determine the fair market value of the real estate assets. The Authority's Pension Plan categorizes its fair value measures within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investment policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's asset allocation policy for the 2020 measurement period:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	55 - 65%
International equity	5 - 10%
Fixed income	25 - 30%
Real estate	0%
Cash	5 - 10%
	<u>100%</u>

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 5. Pension Plan (Continued)

Investments (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation for the 2020 measurement period (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.4 - 6.4%
International equity	5.5 - 6.5%
Fixed income	1.3 - 3.3%
Real estate	4.5 - 5.5%
Cash	0.0 - 1.0%

As of December 31, 2020, the Authority's Pension Plan had the following investments:

Investment Type	Percent of Total	Fair Value	Investment Maturities (in years)		
			Less Than 1	1-5	6-10
<u>Debt Securities</u>					
Negotiable Certificates of Deposit	10.62%	\$ 98,093	\$ 32,207	\$ 65,886	\$ -
Municipal Bonds	2.98%	27,490	-	27,490	-
Corporate Bonds and Notes	14.35%	132,538	-	106,360	26,178
		\$ 258,121	\$ 32,207	\$ 199,736	\$ 26,178
<u>Other Investments</u>					
Income Mutual Funds	6.82%	\$ 62,989			
Equity Mutual Funds	12.76%	117,864			
Equity Securities	52.46%	484,437			
Total Investments		\$ 923,411			

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 5. Pension Plan (Continued)

Investments (Continued)

As of December 31, 2019, the Authority’s Pension Plan had the following investments:

Investment Type	Percent of Total	Fair Value	Investment Maturities (in years)		
			Less Than 1	1-5	6-10
<u>Debt Securities</u>					
Negotiable Certificates of Deposit	10.79%	\$ 95,407	\$ -	\$ 95,407	\$ -
Municipal Bonds	2.98%	26,369	-	26,369	-
Corporate Bonds and Notes	24.53%	216,949	39,811	106,496	70,642
		<u>\$ 338,725</u>	<u>\$ 39,811</u>	<u>\$ 228,272</u>	<u>\$ 70,642</u>
<u>Other Investments</u>					
Income Mutual Funds	3.11%	\$ 27,531			
Equity Mutual Funds	11.05%	97,750			
Equity Securities	47.55%	420,597			
Total Investments		<u>\$ 884,603</u>			

The investment objective of the Authority’s Pension Plan is to maintain a balanced portfolio comprised of various securities. The Authority’s Pension Plan places no limit on the amounts invested in any one issuer.

Negotiable Certificates of Deposit - The Authority invests in certificates of deposit through First Columbia Bank, which holds the certificates in a nominee account with a counterparty custodian for trading convenience. There are two (2) brokered certificates of deposit. The certificates are insured by the FDIC up to \$250,000. There are no certificates that are in excess of \$250,000. These certificates are subject to custodial credit risk.

U.S. Government Agencies - The Authority does not hold any U.S. Government Agencies at this time.

Municipal Bonds - The Authority is invested in one (1) Pennsylvania municipal bond issue: Trinity Area School District Taxable, the yield is 4.16%, maturity 11/1/24 and the bond represents 3.78% of the total portfolio.

Corporate Bonds - The Authority is invested in corporate bond issues as follows: see Bond Maturity Projections Issues dated 12/31/20 which includes the corporate bond issues.

Investment policy updated per the 5/10/16 minutes which requires all fixed-income securities held in the portfolio shall have a Moody’s and/or Standard & Poor’s credit rating of no less than BBB. Guidelines require the exposure of the portfolio to any one issuer, other than securities of the U.S. Government or agencies, shall not exceed five (5%) percent of the market value of the portfolio of each account.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 5. Pension Plan (Continued)

Investments (Continued)

Income Mutual Funds - There are two (2) Income Mutual Funds: Vanguard Short-Term Investment Grade Fund Adm (Ticker: VFSUX) and Vanguard Fixed Income FGNMA Portfolio (Ticker: VFIIX). As of 12/31/20, the Vanguard Short-Term Investment Grade Fund is rated 4 stars by Morningstar and is a short-term corporate-focused fund. In addition, as of 12/31/20, the Vanguard Fixed Income FGNMA Portfolio fund is rated 3 stars by Morningstar. Minimum guidelines require that a fund has to be in existence for at least 5 years, have a Morningstar rating of at least 3 stars and a fund manager of record for a minimum of 3 years. Per Trust Department Policy, funds dropping below this rating will be reviewed by the Trust Committee for continued retention.

Equity Mutual Funds - The Authority has seven (7) investments in Equity Mutual Funds. Three of the funds, Dodge & Cox Fund (Ticker: DODGX) (4 star), Federated Strategic Value Dividend Fund (Ticker: SVAIX) (3 star), and the Vanguard Windsor II Fund (Ticker: VWNFX) (4 star) represent the Large Cap Value Category, and Growth Fund of America (Ticker: GFAFX) (3 star) represents the Large Cap Growth Category. The Vanguard Small Cap Index (Ticker: VSMAX) (5 star), Vanguard Mid Cap Index Fund (Ticker: VIMAX) (5 star) and the Dodge & Cox International Fund (Ticker: DODFX) (3 star) represent the Small, Mid and International sectors. Ratings were obtained through Morningstar as of 12/31/20. Minimum guidelines require that a fund has to be in existence for at least 5 years, have a Morningstar rating of at least 3 stars and a fund manager of record for a minimum of 3 years. Per Trust Department Policy, funds dropping below these ratings will be reviewed by the Trust Committee for continued retention.

Common Stocks - These investments represent banking, business services, chemicals and allied products, communication, electronics, electric, gas, food, machinery, oil and gas extraction, transportation, and wholesale trade. Guidelines require that no one stock exceed 5% of the total portfolio. It is the goal of the Trustee to invest in high-grade blue chip stocks that mirror the S&P 500.

Interest-Rate Risk - The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial-Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority's Pension Plan will not be able to recover the value of its investments or collateral security that are in the possession of an outside party.

Credit Risk - The Authority's Pension Plan has an investment policy which limits investment choices to those with specific credit ratings.

Concentration Risk - The percentages of the concentrations of the Authority's Pension Plan investments at December 31, 2020 and 2019, are included on the tables on pages 27 and 28 respectively.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 5. Pension Plan (Continued)

Investments (Continued)

Rate of Return - For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions:

The net pension liability reported at December 31, 2020, was measured as of December 31, 2020, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2019. No significant events or changes in assumptions occurred between the valuation date and the calendar year end. The Authority reported a liability of \$350,239 as of December 31, 2020.

Changes in the total pension liability, plan fiduciary net position, and net pension liability during the current year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2019	\$ 1,230,558	\$ 903,292	\$ 327,266
Service cost	47,762	-	47,762
Interest	89,228	-	89,228
Contributions - employer	-	36,802	(36,802)
Contributions - members	-	24,852	(24,852)
Net investment income	-	67,940	(67,940)
Benefit payments, including refunds	(7,390)	(7,390)	-
Administrative expenses	-	(15,577)	15,577
Net changes	129,600	106,627	22,973
Balances at December 31, 2020	\$ 1,360,158	\$ 1,009,919	\$ 350,239

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 5. Pension Plan (Continued)

For the year ended December 31, 2020, the Authority recognized pension expense of \$57,423. At December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,652	\$ 102,988
Changes of assumptions	168,915	-
Net difference between projected and actual investment earnings	31,968	63,707
	<u>\$ 218,535</u>	<u>\$ 166,695</u>

The amounts reported as deferred outflows of resources and deferred inflows or resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	Amount
2021	\$ (5,391)
2022	(1,804)
2023	(17,789)
2024	1,353
2025	2,027
Thereafter	73,444
	<u>\$ 51,840</u>

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation for the 2020 measurement period at January 1, 2019, and rolled-forward to December 31, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary Increases	4.5% (average including inflation)
Investment rate of return	7.0% (net of pension plan investment expense, including inflation)

Mortality rates were based on the PubG-2010 Mortality Table with MP2019 projection.

The actuarial assumptions used in the valuation for the 2020 measurement period were based on past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience under the plan. No ad hoc post-employment benefit changes were included in future liability.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 5. Pension Plan (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (i.e. no depletion date is projected to occur).

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the new pension liability of the Authority, calculated using the discount rate of 7.0%, as well as what the Authority's net pension would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net pension liability	\$ 542,707	\$ 350,239	\$ 182,361

Note 6. Other Post-Employment Benefits

Effective January 1, 2018, the Authority adheres to Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, for certain postemployment healthcare benefits and life insurance benefits provided by the Authority. The Authority's healthcare plan is a single-employer defined benefit healthcare plan. The plan provides medical insurance benefits to eligible retirees and their spouses. The Authority does not maintain or accumulate any assets within a trust in accordance with paragraph 4 of GASB Statement No. 75. The plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

Plan Description:

The Municipal Authority provides access to retiree health benefits, including prescription drug coverage, to eligible retired employees and qualified spouses, when applicable. The Plan also provides for retirement benefits as outlined in the Authority Pension Plan Document and employment contracts (for unionized employees). This is a single employer defined benefit plan administered by Korn Ferry. Benefits are provided to all full-time staff who meet the following requirements: employees are eligible for early retirement upon attainment of age 60 with 15 years of serviced with the Municipal Authority and meet normal plan eligibility requirements for retirement upon attainment of age 65 with 5 years of service with the Municipal Authority. Currently, the Plan has 9 members.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 6. Other Post-Employment Benefits (Continued)

Plan Description (Continued):

Eligibility for post-retirement health insurance benefits is as follows: employees who retire under the provisions of the retirement plan at age 62 or later will have health insurance premiums paid for the employee and family until the retiree reaches age 65, at which time the Municipal Authority will pay 100% of the premium (employee only) for life for all employees hired prior to January 1, 2005, 50% of the premium (employee only) for life for all employees hired between January 1, 2005 and December 31, 2007. Employees hired after January 1, 2008, are not entitled to any post-retirement health benefits. Employees that retire prior to age 60 are not eligible to have health insurance premiums paid by the Municipal Authority but are permitted to continue their membership in the Municipal Authority's group health insurance plan and are responsible for payment of all premiums.

Funding Policy:

The Municipal Authority's medical plan is insured, and premiums are updated annually based on several factors determined by the plan underwriters. The Municipal Authority funds payment of the full premium for all eligible employees.

Employees Covered by Benefit Terms:

For the year ended December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	5
	<hr/>
	9
	<hr/> <hr/>

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 6. Other Post-Employment Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEB:

At December 31, 2020, the Authority reported a liability of \$1,625,663 for the total OPEB liability. The total OPEB liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2019. The OPEB liability is composed of the following:

	Amount
Total OPEB Liability, beginning	<u>\$ 1,587,471</u>
Changes for the year	
Service cost	40,595
Interest	43,625
Differences between Expected and Actual Experience	(105,142)
Changes in assumptions	131,403
Estimated benefit payments	<u>(72,289)</u>
Net Changes	<u>38,192</u>
Total OPEB Liability, ending	<u><u>\$ 1,625,663</u></u>

For the year ended December 31, 2020, the Authority recognized OPEB expense of \$100,953. At December 31, 2020, the Authority reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 212,735
Changes of assumptions	358,411	59,063
	<u>\$ 358,411</u>	<u>\$ 271,798</u>

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 6. Other Post-Employment Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEB (Continued):

Of the total amount reported as deferred outflows of resources related to OPEB, \$-0-, resulting from Authority benefit payments subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the OPEB liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in the Authority's OPEB expense as follows:

Year ending December 31:	Total
2021	\$ 16,733
2022	16,733
2023	16,734
2024	36,413
	<u>\$ 86,613</u>

Actuarial Assumptions:

The total OPEB liability was determined by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Inflation - 2.40%
- Salary Increases - 4.50%
- Discount Rate - 2.12%
- Health Care Cost Trend - Known premium increases from 2019 to 2020, followed by 5.40% in 2020 decreasing to an ultimate rate of 3.94% by 2075

Mortality rates were based on the Pub-2010 General Headcount-Weighted Mortality table projected fully generationally using MP-2019 improvement scale.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 6. Other Post-Employment Benefits (Continued)

Sensitivity of the Authority's Total OPEB Liability to Changes in the Discount Rate:

The following presents the total OPEB liability of the Authority calculated using the discount rate of 2.12% as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.12%) or one percentage point higher (3.12%) than the current discount rate:

	1% Decrease 1.12%	Current Discount Rate 2.12%	1% Increase 3.12%
Total OPEB liability	\$ 1,874,163	\$ 1,625,663	\$ 1,421,017

The discount rate used to measure the total OPEB liability decreased from 2.74% to 2.12% as of December 31, 2020.

Sensitivity of the Authority's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following presents the total OPEB liability of the Authority calculated using the health care cost trend rates of 5.40% decreasing to 3.94%, as well as what the total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 1,351,948	\$ 1,625,663	\$ 1,966,589

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 7. Related Party Transactions

During the years ended December 31, 2020 and 2019, the Authority paid approximately \$71,051 and \$1,150 respectively, to the Town of Bloomsburg (the "Town"). The expenditures during 2020 were made up of a paving project (\$12,150), a building permit (\$58,221), and engineering fees (\$680). The expenditures during 2019 were made up of engineering fees (\$860) and minor equipment (\$290).

In 2018, the Authority began billing the Town for sewer usage. During the years ended 2020 and 2019, the Authority recognized \$702 and \$2,587, respectively, of revenue from the Town for sewer usage. As of April 2020, the Town no longer gets billed for sewer charges.

Note 8. Significant Group Concentrations of Credit Risk

The Authority's operations are located in Bloomsburg, Pennsylvania. Its service area is located within the geographical bounds of the Town of Bloomsburg and Scott Township. The Authority assesses residents within its service area, based upon usage, connection and assessment charges. The ability of the Authority's customers to honor their obligations to the Authority is dependent upon economic and other factors affecting the customers.

Note 9. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets and errors or omissions. Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in settlement coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 10. Subsequent Events and Commitments

The wastewater treatment plant improvement construction project is ongoing at December 31, 2020. The project has contracted amounts of \$8.6 million and expended about \$5.0 million as of December 31, 2020. The approximate \$3.6 million remains as an outstanding commitment of the Authority.

After year end, the Authority has drawn an additional \$1,830,000 on the Sewer Revenue Note - Series of 2020 bringing the total draws on the note to \$4,932,605. The Sewer Revenue Note - Series of 2020 is described in further detail in Note 4.

Recent developments arising from the coronavirus pandemic and efforts to mitigate the disease's domestic and global impacts have disrupted operations of companies in many industries. Facility closings, labor and personnel layoffs, curtailments of supply lines and increased materials costs, contracted production, dislocations of product-delivery methods and reduced markets enhance local government's risk factors as they have significant reliance on charges for service revenues from citizens to fund portions of their operations. These factors adversely impact revenue recognition, cash flows and liquidity, contingencies, and in some instances, the going-concern assumption. Presently, the ultimate, effects of this crisis on financial position, results of operations, and cash flows are indeterminable because the duration of the crisis is also indeterminable; however, management continues to monitor developments.

REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

SCHEDULES OF CHANGES IN THE NET PENSION
LIABILITY AND RELATED RATIOS
Years Ended December 31,

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 47,762	\$ 47,762	\$ 35,828	\$ 35,828	\$ 25,355	\$ 25,355
Interest	89,228	70,055	71,487	60,869	65,653	66,717
Differences between expected and actual experience	-	(60,895)	-	24,012	-	(100,153)
Changes of assumptions	-	163,481	-	32,247	-	4,109
Benefit payments, including refunds of member contributions	(7,390)	(7,390)	(13,943)	(9,515)	(207,194)	(7,390)
Net Change in Total Pension Liability	<u>129,600</u>	<u>213,013</u>	<u>93,372</u>	<u>143,441</u>	<u>(116,186)</u>	<u>(11,362)</u>
Total pension liability, beginning	<u>1,230,558</u>	<u>1,017,545</u>	<u>924,173</u>	<u>780,732</u>	<u>896,917</u>	<u>908,279</u>
Total pension liability, ending (a)	<u>\$ 1,360,158</u>	<u>\$ 1,230,558</u>	<u>\$ 1,017,545</u>	<u>\$ 924,173</u>	<u>\$ 780,732</u>	<u>\$ 896,917</u>
Plan Fiduciary Net Position						
Contributions, employer	\$ 36,802	\$ 32,929	\$ 36,974	\$ 20,825	\$ 27,425	\$ 27,071
Contributions, member	24,852	26,407	23,580	22,075	20,091	19,277
Net investment income	67,940	147,302	(25,203)	66,089	54,862	10,387
Benefit payments, including refunds of members contributions	(7,390)	(7,390)	(13,943)	(9,515)	(207,194)	(7,390)
Administrative expense	(15,577)	(15,146)	(17,549)	(11,629)	(14,313)	(10,404)
Other	-	-	-	(3,651)	133	-
Net Change in Plan Fiduciary Net Position	<u>106,627</u>	<u>184,102</u>	<u>3,859</u>	<u>84,194</u>	<u>(118,996)</u>	<u>38,941</u>
Plan fiduciary net position, beginning	<u>903,292</u>	<u>719,190</u>	<u>715,331</u>	<u>631,137</u>	<u>750,133</u>	<u>711,192</u>
Plan fiduciary net position, ending (b)	<u>\$ 1,009,919</u>	<u>\$ 903,292</u>	<u>\$ 719,190</u>	<u>\$ 715,331</u>	<u>\$ 631,137</u>	<u>\$ 750,133</u>
Net pension liability, ending (a)-(b)	<u>\$ 350,239</u>	<u>\$ 327,266</u>	<u>\$ 298,355</u>	<u>\$ 208,842</u>	<u>\$ 149,595</u>	<u>\$ 146,784</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>74.25%</u>	<u>73.41%</u>	<u>70.68%</u>	<u>77.40%</u>	<u>80.84%</u>	<u>83.63%</u>
Covered Payroll	<u>\$ 634,781</u>	<u>\$ 604,553</u>	<u>\$ 587,611</u>	<u>\$ 562,307</u>	<u>\$ 502,675</u>	<u>\$ 478,738</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>55.17%</u>	<u>54.13%</u>	<u>50.77%</u>	<u>37.14%</u>	<u>29.76%</u>	<u>30.66%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

SCHEDULES OF PENSION PLAN CONTRIBUTIONS

Years Ended December 31,

	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 36,802	\$ 32,929	\$ 36,974	\$ 20,825	\$ 27,425	\$ 27,071
Contributions in Relation to the Actuarially Determined Contribution	<u>36,802</u>	<u>32,929</u>	<u>36,974</u>	<u>20,825</u>	<u>27,557</u>	<u>27,071</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (132)</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 634,781</u>	<u>\$ 604,553</u>	<u>\$ 587,611</u>	<u>\$ 562,307</u>	<u>\$ 502,675</u>	<u>\$ 478,738</u>
Contribution as a Percentage of Covered Payroll	<u>5.80%</u>	<u>5.45%</u>	<u>6.29%</u>	<u>3.70%</u>	<u>5.48%</u>	<u>5.65%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN

Years Ended December 31,

Valuation Date January 1, 2019

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization method	21 years
Asset valuation method	Market value
Inflation	3.0%
Salary increases	4.5% average, including inflation
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Retirement age	Age 65 or 60 with 15 years' service
Mortality	PubG-2010 Mortality Table with MP2019 projection

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

SCHEDULES OF PENSION PLAN INVESTMENT RETURNS

Years Ended December 31,

	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	<u>7.45%</u>	<u>19.87%</u>	<u>(3.49)%</u>	<u>10.45%</u>	<u>NA</u>	<u>NA</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Years Ended December 31,**

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 40,595	\$ 29,196	\$ 33,991
Interest	43,625	56,290	50,132
Difference between expected and actual experience	(105,142)	(192,931)	-
Changes of assumptions	131,403	379,935	(118,127)
Benefit payments	<u>(72,289)</u>	<u>(50,294)</u>	<u>(47,709)</u>
Net change in total OPEB liability	38,192	222,196	(81,713)
Total OPEB Liability - beginning	<u>1,587,471</u>	<u>1,365,275</u>	<u>1,446,988</u>
Total OPEB Liability - ending	<u><u>\$ 1,625,663</u></u>	<u><u>\$ 1,587,471</u></u>	<u><u>\$ 1,365,275</u></u>
Covered-employee payroll	<u>\$ 335,786</u>	<u>\$ 303,337</u>	<u>\$ 329,492</u>
Total OPEB liability as a percentage of covered-employee payroll	484.14%	523.34%	414.36%

Notes to Schedule:

Changes of Assumptions: The discount rate changed from 2.74% in 2019 to 2.12% in 2020. Health care trend rates were also updated.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.