MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

FINANCIAL REPORT

DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the Municipal Authority of the Town of Bloomsburg (Authority), a component unit of the Town of Bloomsburg, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the fiduciary activities of the Municipal Authority of the Town of Bloomsburg as of December 31, 2023 and 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information as listed in the Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Boyer & Ritter

Camp Hill, Pennsylvania
April 17, 2024

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

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, 2023.

Financial Highlights

The following are key happenings and financial highlights for 2023:

> The Authority instituted a sewer rate restructuring effective January 1, 2023. As part of the continuing rate study being conducted by Authority engineering firm Rettew, the board determined that establishing a minimum service fee and charging customers for all water consumption was the most equitable method for billing. For that reason, the previous gallons of consumption that were included with the minimum service fee (2,000 gallons) were eliminated and a base service fee of $30.00 was established for all customers connected to the Bloomsburg sanitary sewer system, regardless of the status of their water service. The base fee includes no consumption. This fee is for the ability to provide sewer service at each property. Four rate structures were established: 1-2,000 gallons of consumption, 2,001-10,000 gallons, 10,001-100,000 gallons and over 100,000 gallons. The special rate for Bloomsburg University (now Commonwealth University) was eliminated. While the new restructuring resulted in a monthly billing decrease for those customers whose usage is less than 2,000 gallons per month, overall the restructuring was projected to increase sewer service revenue by 11%. Revenue figures fell short of budgeted projections and the board authorized Rettew to reexamine the rate study to ensure that projected revenue is calculating accurately. Rettew will work with staff to refine the rate study during 2024. The Authority did institute a nominal rate increase effective January 1, 2024.
>
> In conjunction with the Town of Bloomsburg Code Enforcement department, the Municipal Authority had continued assistance with the 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 continued enforcement efforts of the Ordinance throughout 2023, and in conjunction with the Authority office, several unpaid long-standing delinquent sewer accounts were able to be recovered via this Ordinance.
>
> 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 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 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.
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> .

In November 2023 the Authority's financial institution, First Columbia Bank merged with another local bank to form Journey Bank. The merger did not necessitate any changes to Authority account information but will result in the elimination of the repurchase agreement (sweep) account. This account structure, which was established as a method for earning interest on checking account funds has been eliminated as part of the merger and replaced by a business checking account structure that allows for accrual of interest. Formal termination of the account is expected in early 2024.

Authority administrative staff and treatment plant management staff were assisted by a local legal firm specializing in labor and employee relations to develop an employee handbook and comprehensive FMLA policy for Authority employees during 2023. This handbook was created for non-unionized employees as unionized staff are covered by their Collective Bargaining Agreement (CBA) however, certain policies and procedures which are not covered in the CBA will be distributed to unionized staff. The handbook and FMLA policy were completed in July, 2023, and approved by the Authority board. All employees received copies and were required to sign documentation of their receipt of the materials. Work continues on preparation of the related document for unionized staff members.

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, 2023, was 3,770, 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.

			Change	
	2023	2022	Amount	%
Average number of customers	3,769	3,770	(1)	0%
Wastewater treated (millions of gallons)	738	789	(51)	-6%
Revenues per thousand gallons treated	6.32	6.01	0.31	5%

General Trends and Significant Events

Population in the Town of Bloomsburg did not change significantly. Three sewer permits were issued during 2023, two for single EDU (equivalent dwelling unit) and one for connections only for a proposed three lot development. The Municipal Authority processed close to 150 million gallons of wastewater for Scott Township which represents 20% of the total wastewater treated in 2023.

Financial Condition - Operations

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 decreased due to the reduction of construction in progress and increased depreciation at the wastewater treatment plant.

CONDENSED STATEMENTS OF NET POSITION - PROPRIETARY FUND

	December 31		Variance	
	2023	2022	Amount	%
Assets				
Current Assets	$ 5,146,642	$ 5,024,019.00	$ 122,623	2.44
Capital Assets				
Land and construction-in-process	27,334	319,132	(291,798)	(91.43)
Assets being depreciated	52,364,636	51,317,044	1,047,592	2.04
Less accumulated depreciation	(30,451,968)	(27,946,140)	(2,505,828)	8.97
Total assets	$ 27,086,644	$ 28,714,055	$ (1,627,411)	(5.67)
Deferred Outflows of Resources				
Deferred amounts on pension and OPEB liability	$ 730,148	$ 961,484	$ (231,336)	(24.06)
Liabilities				
Current Liabilities	$ 3,841,132	$ 4,094,563	$ (253,431)	(6.19)
Long-term liabilities	7,227,147	8,620,147	(1,393,000)	(16.16)
Total liabilities	$ 11,068,279	$ 12,714,710	$ (1,646,431)	(12.95)
Deferred Inflows of Resources				
Deferred amounts on pension and OPEB liability	$ 876,518	$ 723,273	$ 153,245	21.19
Net Position				
Net investment in capital assets	$ 13,067,196	$ 13,351,817	$ (284,621)	(2.13)
Unrestricted	2,804,799	2,885,739	(80,940)	(2.80)
Total net position	$ 15,871,995	$ 16,237,556	$ (365,561)	(2.25)

Results of Operations

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

	December 31		Variance	
	2023	2022	Amount	%
Revenues				
Total operating revenues	$ 4,666,905	$ 4,743,630	$ (76,725)	(1.62)
Expenses				
Operating expenses				
Sewage treatment	4,189,084	4,125,798	(63,286)	(1.53)
Operations and maintenance	345,421	331,986	(13,435)	(4.05)
General administration	506,824	524,521	17,697	3.37
Total operating expenses	5,041,329	4,982,305	(59,024)	(1.18)
Operating loss	(374,424)	(238,675)	(135,749)	56.88
Other Revenues - Net	8,863	(97,489)	106,352	(109.09)
Change in net position	(365,561)	(336,164)	(29,397)	8.74
Net Position - Beginning	16,237,556	16,573,720	(336,164)	(2.03)
Net Position - Ending	$ 15,871,995	$ 16,237,556	$ (365,561)	(2.25)

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 rate restructuring effective January 1, 2023, which established the monthly minimum charge at $30.00. Consumption previously included with this minimum fee was eliminated. Customers now pay per gallon for all consumption. The minimum service fee is charged to all customers regardless of the status of water service and/or water consumption.

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

Total operating expenses of the Authority increased slightly from 2022. The increase is due, in part, to overall cost increases as a result of economic conditions and supply chain issues.

	2023	2022	Variance	%
Sewage treatment plant and pumping stations	$ 4,189,084	$ 4,125,798	$ 63,286	1.53
Collection and intercepting sewer maintenance and improvements	345,421	331,986	13,435	4.05
Administrative expenses	506,824	524,521	(17,697)	(3.37)
Total operating expenses	$ 5,041,329	$ 4,982,305	$ 59,024	1.18

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.

	2023	2022	Variance
Total operating revenues	$ 4,666,905	$ 4,743,630	$ (76,725)
Net cash provided by operations	$ 2,329,144	$ 1,799,825	$ 529,319

While total operating revenues decreased slightly, net cash provided by operations increased significantly from the prior year.

Financial Position and Activity - Fiduciary

CONDENSED STATEMENTS OF FIDUCIARY NET POSITION - FIDUCIARY FUND

	December 31		Variance	
	2023	2022	Amount	%
Total Assets	$ 1,103,030	$ 946,271	$ 156,759	16.57
Total Liabilities	$ 3,902	$ 5,404	$ (1,502)	(27.79)
Net Position				
Restricted - held in trust for pension benefits	$ 1,099,128	$ 940,867	$ 158,261	16.82

CONDENSED STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND

	December 31		Variance	
	2023	2022	Amount	%
Additions				
Contributions	$ 121,897	$ 116,477	$ 5,420	4.65
Investment income (loss)	80,942	(85,184)	166,126	(195.02)
Total additions	202,839	31,293	171,546	548.19
Deductions				
Member distributions	29,522	247,249	(217,727)	(88.06)
Administrative expense	15,056	21,868	(6,812)	(31.15)
Total deductions	44,578	269,117	(224,539)	(119.21)
Change in net position	158,261	(237,824)	396,085	(166.55)
Net Position - Beginning	940,867	1,178,691	(237,824)	(20.18)
Net Position - Ending	$ 1,099,128	$ 940,867	$ 158,261	16.82

Capital Assets and Debt Administration

Capital Assets: Depreciation is calculated and recorded over the estimated useful life of the plant and equipment using straight-line depreciation. Additional information about the Authority's capital assets can be found in Note 4 of this report.

Long-Term Debt: As of December 31, 2023, the Authority had $10,477,950 in long-term debt outstanding versus $12,504,071 outstanding in the prior year. Long-term debt includes the Authorities Guaranteed Sewer Revenue Notes, leases payable and financed purchase agreements payable. Additional information about the Authority's long-term debt can be found in Note 5 of this report.

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.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances to the users of such data. Requests for additional copies of this report, questions concerning any of the information in this report and requests for additional financial information should be addressed to Amber Kenney, Office Manager/Secretary, Municipal Authority of the Town of Bloomsburg, 1000 Market Street, Suite 9, Bloomsburg, PA 17815.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

STATEMENTS OF NET POSITION - PROPRIETARY FUND TYPE - SEWER SYSTEM OPERATING FUND
December 31, 2023 and 2022

		2023		2022
Assets				
Cash and cash equivalents	**$**	**2,901,755**	$	2,816,855
Investments - certificate of deposit		**1,486,885**		1,454,985
Sewer receivable		**738,034**		739,572
Prepaid expenses		**19,968**		12,607
Capital assets				
Land, improvements and construction-in-progress		**27,334**		319,132
Other capital and right-to-use assets, net of depreciation/amortization		**21,912,668**		23,370,904
Total capital assets		**21,940,002**		23,690,036
Total assets	**$**	**27,086,644**	$	28,714,055
Deferred Outflows of Resources				
Deferred amounts on pension liability	**$**	**445,356**	$	544,087
Deferred amounts on OPEB liability		**284,792**		417,397
Total deferred outflows of resources	**$**	**730,148**	$	961,484
Liabilities				
Short-term liabilities				
Accounts payable	**$**	**455,084**	$	80,473
Accrued expenses		**40,083**		37,752
Leases payable due within one year		**21,903**		21,566
Financed purchase agreements due within one year		**73,259**		70,848
Notes payable due within one year		**1,393,000**		1,373,000
Long-term liabilities				
Leases payable due in more than one year		**81,746**		103,649
Financed purchase agreements due in more than one year		**75,751**		149,009
Notes payable due in more than one year		**7,227,147**		8,620,147
Net pension liability		**419,020**		772,353
Other post-employment benefits (OPEB) liability		**1,281,286**		1,485,913
Total long-term liabilities		**10,477,950**		12,504,071
Total liabilities	**$**	**11,068,279**	$	12,714,710
Deferred Inflows of Resources				
Deferred amounts on pension liability	**$**	**409,649**	$	131,844
Deferred amounts on OPEB liability		**466,869**		591,429
Total deferred inflows of resources	**$**	**876,518**	$	723,273
Net Position				
Net investment in capital assets	**$**	**13,067,196**	$	13,351,817
Unrestricted		**2,804,799**		2,885,739
Total net position	**$**	**15,871,995**	$	16,237,556

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, 2023 and 2022

	2023	2022
Operating Revenues		
Sewer charges and penalties	**$ 4,666,905**	$ 4,743,630
Operating Expenses		
Sewage Treatment Plant and Pumping Station	**4,189,084**	4,125,798
Collection and intercepting sewer maintenance and improvements	**345,421**	331,986
Administrative expenses	**506,824**	524,521
Total operating expenses	**5,041,329**	4,982,305
Operating loss	**(374,424)**	(238,675)
Nonoperating Revenues (Expenses)		
Intergovernmental revenues	**-**	50,039
Rental income	**700**	315
Interest income	**183,866**	56,758
Interest expense	**(175,703)**	(204,601)
Total nonoperating revenues (expenses) - net	**8,863**	(97,489)
Change in net position	**(365,561)**	(336,164)
Net Position - Beginning - (see Note 2)	**16,237,556**	16,573,720
Net Position - Ending	**$ 15,871,995**	$ 16,237,556

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, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Cash received from customers	**$ 4,668,443**	$ 4,727,801
Cash payments for goods and services	**(828,711)**	(1,460,969)
Cash payments to employees for services	**(1,510,588)**	(1,467,007)
Net cash provided by operating activities	**2,329,144**	1,799,825
Cash Flows From Noncapital Financing Activities		
Intergovernmental revenue	**-**	50,039
Cash Flows From Capital and Related Financing Activities		
Proceeds from issuance of long-term debt	**-**	584,274
Principal paid on long-term debt	**(1,465,413)**	(2,839,660)
Interest paid on long-term debt	**(175,703)**	(204,601)
Purchases and construction of property, plant and equipment	**(755,794)**	(1,042,723)
Cash and cash equivalents - restricted for construction projects	**-**	1,426,966
Net cash used in capital and related financing activities	**(2,396,910)**	(2,075,744)
Cash Flows From Investing Activities		
Rental income	**700**	315
Interest income	**183,866**	56,758
Change in investments - net	**(31,900)**	(11,527)
Net cash provided by investing activities	**152,666**	45,546
Net change in cash and cash equivalents	**84,900**	(180,334)
Cash and Cash Equivalents:		
Beginning	**2,816,855**	2,997,189
Ending	**$ 2,901,755**	$ 2,816,855

(Continued)

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

STATEMENTS OF CASH FLOWS - PROPRIETARY FUND TYPE - SEWER SYSTEM OPERATING FUND (Continued)
Years Ended December 31, 2023 and 2022

	2023	2022
Reconciliation of Operating Loss to Net Cash		
Provided by Operating Activities		
Operating loss	**$ (374,424)**	$ (238,675)
Adjustments to reconcile operating loss to		
net cash provided by operating activities		
Depreciation	**2,505,828**	2,268,524
Changes in assets and liabilities:		
(Increase) decrease in:		
Receivables	**1,538**	(15,829)
Prepaid expenses	**(7,361)**	101,458
Deferred outflows of resources	**231,336**	(104,068)
(Decrease) increase in:		
Accounts payable	**374,611**	(250,187)
Accrued expenses	**2,331**	(7,471)
Net pension liability	**(353,333)**	376,134
OPEB liability	**(204,627)**	(680,680)
Deferred inflows of resources	**153,245**	350,619
Net cash provided by operating activities	**$ 2,329,144**	$ 1,799,825

See Notes to Financial Statements.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

STATEMENTS OF FIDUCIARY NET POSITION - FIDUCIARY FUND TYPE - PENSION FUND

December 31, 2023 and 2022

		2023		2022
Assets				
Cash and cash equivalents	**$**	**81,719**	$	96,109
Investments		**1,015,409**		845,148
Contribution receivable		**2,494**		2,754
Accrued interest receivable		**3,408**		2,260
Total assets	**$**	**1,103,030**	$	946,271
Liabilities				
Accounts payable	**$**	**3,902**	$	5,404
Total liabilities	**$**	**3,902**	$	5,404
Net Position				
Restricted - held in trust for pension benefits	**$**	**1,099,128**	$	940,867
Total net position	**$**	**1,099,128**	$	940,867

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, 2023 and 2022

	2023	2022
Additions		
Contributions		
Employees	$ 32,075	$ 30,253
Employer	89,822	86,224
Total contributions	121,897	116,477
Investment Income		
Interest and dividends	32,900	27,309
Net appreciation (depreciation) in fair value of investments	39,958	(133,491)
Gain on sale of investments	8,084	20,998
Total investment income (loss)	80,942	(85,184)
Total additions	202,839	31,293
Deductions		
Member distributions	29,522	247,249
Administrative expenses	15,056	21,868
Total deductions	44,578	269,117
Change in net position	158,261	(237,824)
Net Position - Beginning	940,867	1,178,691
Net Position - Ending	$ 1,099,128	$ 940,867

See 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 by standards issued by the Government Accounting Standards Board Statement have been considered and there are no agencies or entities which should be presented with the Authority.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (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.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Cash Equivalents: The Authority's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the Authority's proprietary fund considers its demand deposits and all highly liquid investments with an original maturity of three months or less when purchased 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.

Prepaid Expenses: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items (consumption method) in both the government-wide and fund financial statements.

Capital Assets and Depreciation: Capital assets, are tangible and intangible assets, including property, plant, equipment, infrastructure and right-to-use lease assets, are reported in the financial statements. Capital assets are defined by the Authority as assets with an initial, individual costs of more than $5,000 and an estimated useful life in excess of one year.

As the Authority constructs or acquires capital assets each period they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in a subsequent note relating to leases). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant and equipment, the right-to-use lease assets and infrastructure of the Authority are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Class	Years
Land improvements	15
Buildings and improvements	20-40
Machinery and equipment	5-10
Vehicles	5
Improvements to sewage system	50
Right-to-use leased asset	5-10

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Deferred Outflows of Resources - Pension and Other Post-Employment Benefits: The Authority recognizes deferred outflows of resources, which represent a consumption of net assets that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The Authority has identified these items in subsequent notes to the financial statements.

Leases: The Authority is a lessee for non-cancellable leases of assets. A lease liability and an intangible right-to-use lease asset (lease asset) is recognized in the financial statements. The Authority considers all leases above their capitalization policy for recognition. Leases that are material individually or in aggregate are recognized.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments. The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise. The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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. 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. Non-union employees, which are not covered by an agreement, are afforded benefits similar to union employees. 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.

Deferred Inflows of Resources - Pensions and Other Post-Employment Benefits: The Authority recognizes deferred inflows of resources, which represent an acquisition of net assets that is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has identified these items in subsequent notes to the financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements

The following list reflects only those pronouncements initially effective in the current or upcoming reporting periods which based on our review, may be applicable to the Authority's reporting requirements.

Following are descriptions of significant pronouncements that were considered or initially selected during the year ended December 31, 2023:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* improves financial reporting by addressing issues related to public-private and public-public partnerships. The adoption of this pronouncement was determined not to have a material impact on the Authority's beginning balances and current year results.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The adoption of this pronouncement was determined not to have a material impact on the Authority's beginning balances and current year results.

GASB Statement No. 99, *Omnibus 2022*, is effective for the Authority in fiscal years ending between December 31, 2023 and 2024, depending on the topics addressed and their relation to other standards. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The adoption of this pronouncement was determined not to have a material impact on the Authority's beginning balances and current year results.

The following are descriptions of accounting pronouncements which will be considered for implementation during subsequent fiscal years, with modified effective dates as established by GASB Statement No. 95:

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, will be effective for the Authority beginning with its year ending December 31, 2024 (fiscal years beginning after June 15, 2023). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

Note 1. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements (Continued)

GASB Statement No. 101, *Compensated Absences*, will be effective for the Authority beginning with its year ending December, 31, 2024 (fiscal years beginning after December 15, 2023). This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for the Authority beginning with its year ending December 31, 2025. This Statement provides users of government financial statements with essential information about risk related to a government's vulnerabilities due to certain concentrations or constraints.

Other

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 April 17, 2024, the date the financial statements were available to be issued.

Note 3. Deposits and Investments - Proprietary 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, 2023, are shown below:

	Carrying Amount	Bank Balance	Financial Institution
Insured (FDIC)	$ 250,000	$ 250,000	Journey Bank
Uninsured, collateralized in accordance with Act 72	2,651,491	2,663,910	Journey Bank
	$ 2,901,491	$ 2,913,910	

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.

Note 3. Deposits and Investments - Proprietary 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, 2023, the Authority does not hold any investments in the Proprietary 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.

Note 4. Capital and Right-to-use Assets

Capital and right-to-use asset activity for the Authority for the years ended December 31, 2023 and 2022, was as follows:

	January 1, 2023	Increases	Decreases	December 31, 2023
Capital assets, not being depreciated/amortized				
Land	$ 27,334	$ -	$ -	$ 27,334
Construction-in-progress	291,798	554,866	846,664	-
Total capital assets, not being depreciated/amortized	319,132	554,866	846,664	27,334
Capital and right-to-use assets being depreciated/amortized				
Land improvements	350,738	846,663	-	1,197,401
Buildings and improvements	45,838,330	-	-	45,838,330
Machinery and equipment	1,341,079	131,124	-	1,472,203
Vehicles	576,141	69,805	-	645,946
Improvements to sewage system	3,064,667	-	-	3,064,667
Right-to-use leased asset	146,089	-	-	146,089
Total capital and right-to-use assets being depreciated/amortized	51,317,044	1,047,592	-	52,364,636
Less accumulated depreciation/amortization for:				
Land improvements	(56,614)	(45,276)	-	(101,890)
Buildings and improvements	(25,529,015)	(2,194,488)	-	(27,723,503)
Machinery and equipment	(1,062,813)	(84,907)	-	(1,147,720)
Vehicles	(219,855)	(94,884)	-	(314,739)
Improvements to sewage system	(1,055,368)	(63,798)	-	(1,119,166)
Right-to-use leased asset	(22,475)	(22,475)	-	(44,950)
Total accumulated depreciation/amortization	(27,946,140)	(2,505,828)	-	(30,451,968)
Total capital and right-to-use assets being depreciated/amortized	23,370,904	(1,458,236)	-	21,912,668
Capital and Right-to-use Assets - Net	$ 23,690,036	$ (903,370)	$ 846,664	$ 21,940,002

Note 4. Capital and Right-to-use Assets (Continued)

	January 1, 2022 (restated)	Increases	Decreases	December 31, 2022
Capital assets, not being depreciated				
Land	$ 27,334	$ -	$ -	$ 27,334
Construction-in-progress	10,214,014	426,610	10,348,826	291,798
Total capital assets, not being depreciated	10,241,348	426,610	10,348,826	319,132
Capital and right-to-use assets being depreciated/amortized				
Land improvements	47,029	303,709	-	350,738
Buildings and improvements	35,777,917	10,060,413	-	45,838,330
Machinery and equipment	1,324,536	16,543	-	1,341,079
Vehicles	301,816	438,185	163,860	576,141
Improvements to sewage system	3,064,667	-	-	3,064,667
Right-to-use leased asset	146,089	-	-	146,089
Total capital and right-to-use assets being depreciated/amortized	40,662,054	10,818,850	163,860	51,317,044
Less accumulated depreciation/amortization for:				
Land improvements	(46,268)	(10,346)	-	(56,614)
Buildings and improvements	(23,527,996)	(2,001,019)	-	(25,529,015)
Machinery and equipment	(986,183)	(76,630)	-	(1,062,813)
Vehicles	(289,459)	(94,256)	(163,860)	(219,855)
Improvements to sewage system	(991,570)	(63,798)	-	(1,055,368)
Right-to-use leased asset	-	(22,475)	-	(22,475)
Total accumulated depreciation	(25,841,476)	(2,268,524)	(163,860)	(27,946,140)
Total capital and right-to-use assets being depreciated/amortized	14,820,578	8,550,326	-	23,370,904
Capital and Right-to-use Assets - Net	$ 25,061,926	$ 8,976,936	$ 10,348,826	$ 23,690,036

Depreciation/amortization expense was charged to operating expenses as follows:

	2023	2022
Sewage Treatment Plant and Pumping Station	$ 2,303,359	$ 2,056,379
Collection and intercepting sewer maintenance and improvements	178,962	187,687
Administrative expenses	23,507	24,458
	$ 2,505,828	$ 2,268,524

Note 5. Long-Term Obligations

During the year ended December 31, 2023, long-term obligations changed as follows:

	January 1, 2023 (restated)	Increases	Decreases	December 31, 2023	Due within One Year
Long-Term Obligations					
Guaranteed Sewer Revenue Note - Sewer Rev 2020	$ 3,799,147	$ -	$ (369,000)	$ 3,430,147	$ 378,000
Guaranteed Sewer Revenue Note - Sewer Rev 2020A	6,194,000	-	(1,004,000)	5,190,000	1,015,000
Leases payable	125,215	-	(21,566)	103,649	21,903
Financed purchase agreements payable	219,857	-	(70,847)	149,010	73,259
Total Long-Term Obligations	$ 10,338,219	$ -	$(1,465,413)	$ 8,872,806	$ 1,488,162

Notes Payable

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. Annual principal payments began 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 seven-year period ending October 15, 2027, 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 Authority 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 note matures 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, 2023:

Year ending December 31:	Principal	Interest	Total
2024	$ 1,393,000	$ 145,931	$ 1,538,931
2025	1,415,000	124,976	1,539,976
2026	1,436,000	103,629	1,539,629
2027	1,458,000	81,903	1,539,903
2028	1,061,000	11,671	1,072,671
2029-2033	1,857,147	149,414	2,006,561
	$ 8,620,147	$ 617,524	$ 9,237,671

Note 5. Long-Term Debt (Continued)

Leases Payable

The Authority leases building space for its administrative office. The term of the lease, including renewal, is seven years.

The Authority's office lease contains scheduled yearly payments with expiration dates extending through 2028. Leases payable are fully funded by the Proprietary Fund.

The following is a schedule of future minimum lease payments for the lease with initial or remaining terms in excess of one year as of December 31, 2023:

Year ending December 31,	Principal	Interest	Total
2024	$ 21,903	$ 1,451	$ 23,354
2025	23,065	1,106	24,171
2026	24,016	739	24,755
2027	24,391	365	24,756
2028	10,274	40	10,314
	$ 103,649	$ 3,701	$ 107,350

Financed Purchase Agreements Payable

The Authority financed a truck which is used for work at the sewer plant. The related financed purchase agreement is recorded at the present value of related future, minimum payments as of the inception date. All financed purchase agreements are funded by the Proprietary Fund.

The asset acquired through the financed purchase agreement is as follows:

	Amount
Assets	
Truck	$ 438,185
Less accumulated depreciation	(175,274)
Total truck - net book value	$ 262,911

The following is a schedule of the future, minimum payments due under the financed purchase agreement as of December 31, 2023:

Year ending December 31:		Amount
2024	$	78,328
2025		78,328
Total minimum payments		156,656
Less: amount representing interest		(7,646)
Total present value of net minimum payments	$	149,010

Note 6. 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 2023 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	13
	16

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.

Note 6. Pension Plan (Continued)

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 2023 measurement period, the active member contribution rate was 4.0 percent of annual pay, and the Authority average contribution rate was 11.19 percent of annual payroll.

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, 2023 and 2022, the Authority's Pension Plan had deposits with financial institutions with a carrying amount of $81,719 and $96,109, respectively. Of the December 31, 2023, balance, $81,719 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, 2022, balance, $96,109 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. All investments are reported at fair value as Level 1 investments under GASB Statement No. 72.

Note 6. Pension Plan (Continued)

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 2023 measurement period:

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

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.

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. Minimum guidelines require that a mutual 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. Guidelines require that no one equity security 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.

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 2023 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/alternative	4.5 - 5.5%
Cash	0.0 - 1.0%

Note 6. Pension Plan (Continued)

Investments (Continued)

As of December 31, 2023, 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
Debt Securities					
Negotiable Certificates of Deposit	5.85%	$ 59,445	$ 59,445	$ -	$ -
U.S. Government Agencies	15.19%	154,272	-	154,272	-
Municipal Bonds	2.44%	24,787	24,787	-	-
Corporate Bonds and Notes	9.77%	99,219	-	99,219	-
		$ 337,723	$ 84,232	$ 253,491	$ -
Other Investments					
Income Mutual Funds	10.83%	$ 109,973			
Equity Mutual Funds	10.60%	107,672			
Equity Securities	45.31%	460,041			
Total Investments		$1,015,409			

As of December 31, 2022, 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
Debt Securities					
Negotiable Certificates of Deposit	7.74%	$ 78,587	$ 19,857	$ 58,730	$ -
Municipal Bonds	4.31%	43,798	-	43,798	-
Corporate Bonds and Notes	11.52%	116,960	19,683	97,277	-
		$ 239,345	$ 39,540	$ 199,805	$ -
Other Investments					
Income Mutual Funds	10.65%	$ 108,107			
Equity Mutual Funds	9.35%	94,968			
Equity Securities	39.66%	402,728			
Total Investments		$ 845,148			

Concentration Risk - The percentages of the concentrations of the Authority's Pension Plan investments at December 31, 2023 and 2022, are included on the tables above.

Note 6. Pension Plan (Continued)

Investments (Continued)

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.

Rate of Return - For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.49%. 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, 2023, was measured as of December 31, 2023, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023. No significant events or changes in assumptions occurred between the valuation date and the calendar year end. The Authority reported a liability of $419,020 as of December 31, 2023.

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

	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances, beginning	$ 1,715,871	$ 943,518	$ 772,353
Service cost	68,292	-	68,292
Interest	100,392	-	100,392
Differences between experience	(335,477)	-	(335,477)
Contributions - employer	-	89,822	(89,822)
Contributions - members	-	32,335	(32,335)
Net investment income	-	80,941	(80,941)
Benefit payments, including refunds	(29,522)	(29,522)	-
Administrative expenses	-	(16,558)	16,558
Net changes	(196,315)	157,018	(353,333)
Balances, ending	$ 1,519,556	$ 1,100,536	$ 419,020

Note 6. Pension Plan (Continued)

For the year ended December 31, 2023, the Authority recognized pension expense of $113,025. At December 31, 2023, 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	$ 81,676	$ 376,262
Changes of assumptions	131,010	3,946
Net difference between projected and actual investment earnings	232,670	29,441
	$ 445,356	$ 409,649

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
2024	$ 47,924
2025	48,597
2026	58,877
2027	(11,418)
2028	(8,961)
Thereafter	(99,312)
	$ 35,707

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation for the 2023 measurement period at January 1, 2023, and rolled-forward to December 31, 2023, 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 MP2020 projection.

The actuarial assumptions used in the valuation for the 2023 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.

Note 6. Pension Plan (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.0%. 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	$ 638,962	$ 419,020	$ 230,023

Note 7. Other Post-Employment Benefits

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 10 members.

Note 7. 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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	6
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	4
	10

Note 7. Other Post-Employment Benefits (Continued)

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

At December 31, 2023, the Authority reported a liability of $1,281,286 for the total OPEB liability. The total OPEB liability was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2023. The OPEB liability is composed of the following:

	Amount
Total OPEB Liability, beginning	$ 1,485,913
Changes for the year	
Service cost	26,229
Interest	63,521
Differences between Expected and Actual Experience	(271,496)
Changes in assumptions	54,596
Estimated benefit payments	(77,477)
Net Changes	(204,627)
Total OPEB Liability, ending	$ 1,281,286

For the year ended December 31, 2023, the Authority recognized OPEB expense of $(119,105). At December 31, 2023, 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	$ 143,449	$ 301,215
Changes of assumptions	141,343	165,654
	$ 284,792	$ 466,869

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

Year ending December 31:	Total
2024	$ (189,175)
2025	7,098
	$ (182,077)

Note 7. Other Post-Employment Benefits (Continued)

Actuarial Assumptions:

The total OPEB liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Inflation - 2.60%
- Salary Increases - 4.50%
- Discount Rate – 4.00%
- Health Care Cost Trend – Actual premium change from 2023 to 2024, followed by 6.50% from 2024 to 2025, decreasing gradually to an ultimate rate of 4.14% by 2075.

Mortality rates were based on the Pub-2010 General Headcount-Weighted Mortality table projected fully generationally using MP-2021 improvement scale.

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 4.00% as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.00%) or one percentage point higher (5.00%) than the current discount rate:

	1% Decrease 3.00%	Current Discount Rate 4.00%	1% Increase 5.00%
Total OPEB liability	$ 1,445,383	$ 1,281,286	$ 1,143,845

The discount rate used to measure the total OPEB liability decreased from 4.31% to 4.00% as of December 31, 2023.

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 6.50% decreasing to 4.14%, 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	$ 1,122,504	$ 1,281,286	$ 1,472,063

Note 8. Related Party Transactions

During the years ended December 31, 2023 and 2022, the Authority paid approximately $29,513 and $-0- respectively, to the Town of Bloomsburg (the "Town"). The expenditures during 2023 were made of up the 6th Street sewer project $6,428, an engineering reimbursement for unauthorized work $158, a reimbursement for engineering fees $185, and paving project share $22,743.

Note 9. 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 10. 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.

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,

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	$ 68,292	$ 56,306	$ 56,306	$ 47,762	$ 47,762	$ 35,828	$ 35,828	$ 25,355	$ 25,355
Interest	100,392	113,235	104,412	89,228	70,055	71,487	60,869	65,653	66,717
Differences between expected and actual experience	(335,477)	-	89,641	-	(60,895)	-	24,012	-	(100,153)
Changes of assumptions	-	-	(5,143)	-	163,481	-	32,247	-	4,109
Benefit payments, including refunds of member contributions	(29,522)	(29,522)	(29,522)	(7,390)	(7,390)	(13,943)	(9,515)	(207,193)	(7,390)
Net Change in Total Pension Liability	(196,315)	140,019	215,694	129,600	213,013	93,372	143,441	(116,185)	(11,362)
Total pension liability, beginning	1,715,871	1,575,852	1,360,158	1,230,558	1,017,545	924,173	780,732	896,917	908,279
Total pension liability, ending (a)	$ 1,519,556	$ 1,715,871	$ 1,575,852	$ 1,360,158	$ 1,230,558	$ 1,017,545	$ 924,173	$ 780,732	$ 896,917
Plan Fiduciary Net Position									
Contributions, employer	$ 89,822	$ 86,224	$ 67,480	$ 36,802	$ 32,929	$ 36,974	$ 20,825	$ 27,425	$ 27,071
Contributions, member	32,335	30,361	27,731	24,852	26,407	23,580	22,075	20,091	19,277
Net investment income	80,941	(302,911)	119,774	67,940	147,302	(25,203)	66,089	54,862	10,387
Benefit payments, including refunds of members contributions	(29,522)	(29,522)	(29,522)	(7,390)	(7,390)	(13,943)	(9,515)	(207,194)	(7,390)
Administrative expense	(16,558)	(20,267)	(15,749)	(15,577)	(15,146)	(17,549)	(11,629)	(14,313)	(10,404)
Other		-	-	-	-	-	(3,651)	133	-
Net Change in Plan Fiduciary Net Position	157,018	(236,115)	169,714	106,627	184,102	3,859	84,194	(118,996)	38,941
Plan fiduciary net position, beginning	943,518	1,179,633	1,009,919	903,292	719,190	715,331	631,137	750,133	711,192
Plan fiduciary net position, ending (b)	$ 1,100,536	$ 943,518	$ 1,179,633	$ 1,009,919	$ 903,292	$ 719,190	$ 715,331	$ 631,137	$ 750,133
Net pension liability, ending (a)-(b)	$ 419,020	$ 772,353	$ 396,219	$ 350,239	$ 327,266	$ 298,355	$ 208,842	$ 149,595	$ 146,784
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.42%	54.99%	74.86%	74.25%	73.41%	70.68%	77.40%	80.84%	83.63%
Covered Payroll	$ 802,779	$ 726,643	$ 692,041	$ 634,781	$ 604,553	$ 587,611	$ 562,307	$ 502,675	$ 478,738
Net Pension Liability as a Percentage of Covered Payroll	52.20%	106.29%	57.25%	55.17%	54.13%	50.77%	37.14%	29.76%	30.66%

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,

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 89,822	$ 86,224	$ 67,480	$ 36,802	$ 32,929	$ 36,974	$ 20,825	$ 27,425	$ 27,071
Contributions in Relation to the Actuarially Determined Contribution	89,822	86,224	67,480	36,802	32,929	36,974	20,825	27,557	27,071
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (132)	$ -
Covered Payroll	$ 802,779	$ 726,643	$ 692,041	$ 634,781	$ 604,553	$ 587,611	$ 562,307	$ 502,675	$ 478,738
Contribution as a Percentage of Covered Payroll	11.19%	11.87%	9.75%	5.80%	5.45%	6.29%	3.70%	5.48%	5.65%

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.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN
Years Ended December 31,

Valuation Date	January 1, 2023

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	16 years
Asset valuation method	Smoothed asset 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 MP2020 projection

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

SCHEDULES OF PENSION PLAN INVESTMENT RETURNS
Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	8.49%	(7.68%)	11.84%	7.45%	19.87%	(3.49)%	10.45%	NA	NA

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,

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	$ 26,229	$ 52,898	$ 46,596	$ 40,595	$ 29,196	$ 33,991
Interest	63,521	44,682	34,937	43,625	56,290	50,132
Changes of Benefit Terms	-	-	111,274	-	-	-
Difference between expected and actual experience	(271,496)	(201,096)	358,624	(105,142)	(192,931)	-
Changes of assumptions	54,596	(496,964)	38,366	131,403	379,935	(118,127)
Benefit payments	(77,477)	(80,200)	(48,867)	(72,289)	(50,294)	(47,709)
		-				
Net change in total OPEB liability	(204,627)	(680,680)	540,930	38,192	222,196	(81,713)
Total OPEB Liability - beginning	1,485,913	2,166,593	1,625,663	1,587,471	1,365,275	1,446,988
Total OPEB Liability - ending	$ 1,281,286	$ 1,485,913	$ 2,166,593	$ 1,625,663	$ 1,587,471	$ 1,365,275
Covered-employee payroll	$ 284,450	$ 325,372	$ 329,276	$ 335,786	$ 303,337	$ 329,492
Total OPEB liability as a percentage of covered-employee payroll	450.44%	456.68%	657.99%	484.14%	523.34%	414.36%

Notes to Schedule:
Changes of Assumptions: The discount rate changed from 4.31% in 2022 to 4.00% in 2023. 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.