

TOWN OF BLOOMSBURG

FINANCIAL REPORT

DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Members of Town Council
Town of Bloomsburg
Bloomsburg, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Bloomsburg, Pennsylvania as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial positions of the governmental activities, the business-type activity, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Bloomsburg, as of December 31, 2020, and the respective changes in financial positions, and, where applicable, cash flows thereof for the year 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 4 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 which 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bloomsburg's basic financial statements. The Combining and Individual Fund Statements, listed in the Table of Contents as supplementary information, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements.

The Combining and Individual Fund Statements listed in the Table of Contents as supplementary information, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Statements, listed in the Table of Contents as supplementary information, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*; we have also issued our report dated May 26, 2021, on our consideration of the Town of Bloomsburg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Bloomsburg's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Bloomsburg's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania
May 26, 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS

The following Management’s Discussion and Analysis (MD&A) is intended to help the reader understand the Town of Bloomsburg, its operations and its present environment. The MD&A is provided as a supplement and should be read in conjunction with the financial statements. This analytical overview of the Town’s financial activities is comprised of the government-wide financial statements, fund financial statements, and notes to the financial statements. We hope this, in conjunction with additional information provided within the financial statements, will assist readers in identifying significant issues and changes in the Town’s financial position.

General

The Town of Bloomsburg is a small historic town located within Columbia County and is home to just over 14,000 residents. Bloomsburg is the County seat and is considered the only legally incorporated “town” in Pennsylvania. This incorporation took place on March 4, 1870. The Town is located along Route 11 and is less than five minutes from two exits of Interstate 80 making Bloomsburg a hub of activity for residents and visitors.

Strategic Imperatives

The following strategic imperatives will be the focus of the Town to attempt to ensure the success in the coming years:

- A review of the fixed asset listing is needed to update the records for the Town of Bloomsburg.
- Continued effort to minimize flooding impacts in Bloomsburg to our businesses and residents.
- Continue with renovations to the Norris E. Rock Memorial Pool.
- PennDOT will be upgrading East Street in 2021 and 2022. The Town of Bloomsburg will receive \$1.2M of sidewalk and street lighting improvements.
- Ensuring proper street lighting, sidewalks and paved roads are in place for public use.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town’s basic financial statements. The Town’s basic financial statements are comprised of three components: 1) government - wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

1) Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town’s finances, in a manner similar to a private business. The government-wide financial statements include a *statement of net position* and a *statement of activities*.

- The *statement of net position* presents information on the Town’s entire assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

- The *statement of activities* presents information on how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and activities from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

- The *governmental activities* of the Town include education, general government, public safety, public works, code enforcement, airport, economic development and recreation.
- The *business-type activity* of the Town includes the Recycling Center.

Also included in the statements are the component units of the Town. Component units are described as an organization that raises and holds economic resources for the direct benefit of a governmental unit. Components units of the Town are the Norris E. Rock Memorial Pool and Bloomsburg Municipal Authority.

2) Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: *governmental*, *proprietary* or *fiduciary*.

- ***Governmental Funds*** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances (deficit) for the General, Library, Day Care, UDAG Loan Repayment, Liquid Fuels and CDBG Program Income. The Bloomsburg Municipal Authority also ended the year at a deficit. Along with the Recycling Fund.

The Town of Bloomsburg adopts an annual appropriated budget for the funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budgetary requirement.

- **Proprietary funds** represent charges from customers for provided services, whether to outside customers or to other units of government; these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. Proprietary funds are comprised of two types: 1.) *enterprise funds* and 2.) *internal service funds*. The Town utilizes enterprise funds for its Recycling Center. Internal service funds are an accounting device use to accumulate and allocate costs/internal amounts to the Town's various functions. Any internal service funds are reported within governmental activities in the government-wide financial statements as they predominantly benefit governmental rather than business-type functions.
- **Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs (e.g. pension funds). The accounting used for fiduciary funds is similar to proprietary funds. Information is presented separately in the statement of fiduciary net position and statement of changes in fiduciary net position for the Police Pension and Town Employee Pension

3) Notes to the Financial Statements/Other Information

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. This information can be found at the end of the financials in this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Bloomsburg's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The combining statements of non-major governmental funds are presented immediately following the required supplementary information.

Results of Operations - Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$25,901,320 as of the close of the most recent fiscal year for governmental activities and business-type activities.

CONDENSED STATEMENTS OF NET POSITION - GOVERNMENT WIDE

	December 31,		Variance	
	2020	2019	Amount	%
Assets				
Current assets	\$ 5,485,725	\$ 5,356,775	\$ 128,950	2.41
Capital assets	32,687,759	24,983,321	7,704,438	30.84
Total assets	\$ 38,173,484	\$ 30,340,096	\$ 7,833,388	25.82
Deferred Outflows of Resources	\$ 2,521,967	\$ 2,717,095	\$ (195,128)	(7.18)
Liabilities				
Current liabilities	\$ 2,956,652	\$ 2,285,931	\$ 670,721	29.34
Long-term liabilities	10,244,913	10,024,050	220,863	2.20
Total liabilities	\$ 13,201,565	\$ 12,309,981	\$ 891,584	7.24
Deferred Inflows of Resources	\$ 1,592,566	\$ 1,737,014	\$ (144,448)	(8.32)
Net Position				
Net investment in capital assets	\$ 31,184,585	\$ 23,460,997	\$ 7,723,588	32.92
Restricted	1,006,397	1,105,927	(99,530)	(9.00)
Unrestricted	(6,289,662)	(5,556,728)	(732,934)	13.19
Total net position	\$ 25,901,320	\$ 19,010,196	\$ 6,891,124	36.25

The largest portion of the Town's net position reflects its investments in capital assets of \$31 million. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. It should be noted that the resources needed to repay debt associated with capital assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Town's net position (\$1 million) represents resources that are subject to external restrictions on how they may be used. Below is a four-year comparison of the net positions for the Town.

	December 31,			
	2020	2019	2018	2017
Governmental Activities	\$ 25,387,644	\$ 18,337,459	\$ 13,087,779	\$ 13,388,785
Business-Type Activities	513,676	672,737	749,673	818,511
Total net position	\$ 25,901,320	\$ 19,010,196	\$ 13,837,452	\$ 14,207,296

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined fund balances of \$1.9 million, a decrease of approximately \$409 thousand in comparison with the prior year.

Shown below is the activity in the General Fund for each department.

2020 GENERAL FUND BUDGET VS ACTUAL

	Budget	Actual	Variance
Administration			
Revenue	\$ 4,274,682	\$ 5,171,852	\$ 897,170
Expenses	1,185,821	2,415,544	1,229,723
Street Excavation			
Revenue	55,000	85,291	30,291
Expenses	75,000	46,934	(28,066)
Town Buildings			
Expenses	77,800	58,502	(19,298)
Tax Collector			
Expenses	22,098	18,283	(3,815)
Police Department			
Revenue	1,134,486	845,981	(288,505)
Expenses	2,860,236	2,737,610	(122,626)
Airport			
Revenue	94,465	140,063	45,598
Expenses	157,707	155,717	(1,990)
Fire Department			
Revenue	60,000	64,710	4,710
Expenses	60,000	64,710	4,710
Codes Department			
Revenue	372,522	412,975	40,453
Expenses	510,872	466,240	(44,632)
Emergency Management			
Expenses	5,242	4,069	(1,173)
Public Works			
Revenue	11,440	72,869	61,429
Expenses	1,028,419	1,102,197	73,778
Town Park			
Revenue	5,000	-	(5,000)
Expenses	37,000	30,606	(6,394)
Shade Tree			
Expenses	3,900	1,958	(1,942)
Downtown Economic Dev. & Assist.			
Expenses	3,500	6,071	2,571
Community Garden			
Revenue	-	235	235
Expenses	-	439	439
Total Revenue	6,007,595	6,793,976	786,381
Total Expenses	6,027,595	7,108,880	1,081,285
Deficiency of revenues over expenditures	\$ (20,000)	\$ (314,904)	\$ (294,904)

Of the \$314,904, \$53,581 of revenue was dedicated for restricted purposes leaving the General Fund deficit at \$368,485.

Proprietary Funds

The Town of Bloomsburg's proprietary fund continues to decrease. The rising competition for recyclable goods is a factor. The decreasing numbers of private industry drop-offs also contributes. In an effort to minimize costs, the Recycling Center's recycling fees went in house in 2016. With joint efforts from the Finance and Recycling Departments and the Town's financial institution, this project was accomplished. The switch allowed the Recycling Center to see an immediate cost savings. Since July 2013, the Town partnered with Bloomsburg University to pick up recyclable collections. Management remains confident in its ability to generate collection growth in a highly competitive environment, but also understands that some competitors have greater financial resources and could use these resources to take measures which could adversely affect the Town's competitive position. The Town switched credit collection agencies in 2020 and experienced an increased rate of collection compared to the prior collector. In the upcoming calendar year, businesses and residents will see an increased cost to service.

Original Budget vs. Final Budget

There were no significant differences in budgets made during the 2020 year.

Request for Information

This financial report is designed to provide a general overview of the Town of Bloomsburg's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to The Town of Bloomsburg, 301 East Second Street, Bloomsburg PA 17815.

TOWN OF BLOOMSBURG

STATEMENT OF NET POSITION

December 31, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activity	Total	Norris Rock Pool	Municipal Authority
Assets					
Cash and cash equivalents	\$ 2,390,989	\$ 504,588	\$ 2,895,577	\$ 1	\$ 3,692,529
Investments	-	-	-	-	1,434,825
Receivables	2,378,042	62,850	2,440,892	1,848	507,938
Internal balances	11,692	(11,692)	-	-	-
Prepaid expenses	141,832	7,424	149,256	-	63,914
Capital Assets					
Land and construction-in-progress	16,713,411	-	16,713,411	54,205	6,731,448
Other capital assets, net of depreciation	15,296,786	677,562	15,974,348	17,111	16,723,292
Total capital assets	32,010,197	677,562	32,687,759	71,316	23,454,740
Total assets	\$ 36,932,752	\$ 1,240,732	\$ 38,173,484	\$ 73,165	\$ 29,153,946
Deferred Outflows of Resources					
Deferred amounts on pension liabilities	\$ 1,369,835	\$ 141,472	\$ 1,511,307	\$ -	\$ 218,535
Deferred amounts on OPEB liability	950,316	60,344	1,010,660	-	358,411
Total deferred outflows of resources	\$ 2,320,151	\$ 201,816	\$ 2,521,967	\$ -	\$ 576,946
Liabilities					
Accounts payable and accrued expenses	\$ 2,003,407	\$ 12,133	\$ 2,015,540	\$ 285	\$ 766,281
Unearned revenues	686,162	1,700	687,862	285	-
Long-term liabilities					
Notes payable due within one year	253,250	-	253,250	-	1,342,000
Notes payable due in more than one year	1,249,924	-	1,249,924	-	9,940,605
Net pension liabilities	4,120,101	369,501	4,489,602	-	350,239
OPEB liabilities	4,146,770	358,617	4,505,387	-	1,625,663
Total long-term liabilities	9,770,045	728,118	10,498,163	-	13,258,507
Total liabilities	\$ 12,459,614	\$ 741,951	\$ 13,201,565	\$ 570	\$ 14,024,788
Deferred Inflows of Resources					
Deferred amounts on pension liabilities	\$ 953,676	\$ 116,358	\$ 1,070,034	\$ -	\$ 166,695
Deferred amounts on OPEB liabilities	451,969	70,563	522,532	-	271,798
Total deferred inflows of resources	\$ 1,405,645	\$ 186,921	\$ 1,592,566	\$ -	\$ 438,493
Net Position					
Net investment in capital assets	\$ 30,507,023	\$ 677,562	\$ 31,184,585	\$ 71,316	\$ 12,172,135
Restricted	1,006,397	-	1,006,397	-	-
Unrestricted	(6,125,776)	(163,886)	(6,289,662)	1,279	3,095,476
Total net position	\$ 25,387,644	\$ 513,676	\$ 25,901,320	\$ 72,595	\$ 15,267,611

See Notes to Financial Statements.

TOWN OF BLOOMSBURG

**STATEMENT OF ACTIVITIES
Year Ended December 31, 2020**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position			Component Units	
		Charges for Services	Operating Grants and Contributions	Primary Government		Norris Rock Pool	Municipal Authority	
				Governmental Activities	Business-Type Activity			Total
Governmental Activities								
General government	\$ 1,448,661	\$ 103,734	\$ 468,950	\$ (875,977)	\$ -	\$ (875,977)	\$ -	\$ -
Public safety	3,756,448	842,028	2,741	(2,911,679)	-	(2,911,679)	-	-
Public works	2,028,807	390,386	8,863,292	7,224,871	-	7,224,871	-	-
Culture and recreation	228,250	235	69,090	(158,925)	-	(158,925)	-	-
Community and development	6,071	-	-	(6,071)	-	(6,071)	-	-
Interest expense	44,144	-	-	(44,144)	-	(44,144)	-	-
Total governmental activities	7,512,381	1,336,383	9,404,073	3,228,075	-	3,228,075	-	-
Business-Type Activity								
Recycling	686,846	458,448	81,961	-	(146,437)	(146,437)	-	-
Total primary government	\$ 8,199,227	\$ 1,794,831	\$ 9,486,034	\$ 3,228,075	\$ (146,437)	\$ 3,081,638	\$ -	\$ -
Component Units								
Norris Rock Pool	\$ 4,091	\$ -	\$ 54,215	\$ -	\$ -	\$ -	\$ 50,124	\$ -
Municipal Authority	5,228,757	3,809,614	1,239,398	-	-	-	-	(179,745)
Total component units	\$ 5,232,848	\$ 3,809,614	\$ 1,293,613	\$ -	\$ -	\$ -	\$ 50,124	\$ (179,745)
General Revenues and Transfers								
Property taxes				\$ 2,041,354	\$ -	\$ 2,041,354	\$ -	\$ -
Local enabling act taxes				1,654,986	-	1,654,986	-	-
Investment income				11,723	3,533	15,256	-	32,363
Miscellaneous income				141,394	9,843	151,237	-	315
Loss on disposition of capital assets				(53,347)	-	(53,347)	(2,245)	-
Transfers				26,000	(26,000)	-	-	-
Total general revenues and transfers				3,822,110	(12,624)	3,809,486	(2,245)	32,678
Changes in net position				7,050,185	(159,061)	6,891,124	47,879	(147,067)
Net Position:								
January 1, 2020				18,337,459	672,737	19,010,196	24,716	15,414,678
December 31, 2020				\$ 25,387,644	\$ 513,676	\$ 25,901,320	\$ 72,595	\$ 15,267,611

See Notes to Financial Statements.

TOWN OF BLOOMSBURG

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2020

	General Fund	Day Care Debt Service Fund	CDBG Disaster Recovery Fund
Assets			
Cash and cash equivalents	\$ 1,197,974	\$ 41,226	\$ 239,468
Due from other funds	145,859	-	-
Receivables	1,104,020	240,464	693,029
Prepaid expenses	141,832	-	-
Total assets	\$ 2,589,685	\$ 281,690	\$ 932,497
Liabilities			
Due to other funds	\$ 18,778	\$ -	\$ 2,613
Accounts payable	758,848	-	929,883
Accrued salaries and benefits	62,218	-	-
Unearned revenues	115,530	570,632	-
Total liabilities	955,374	570,632	932,496
Deferred Inflows of Resources			
Property taxes receivable	168,837	-	-
Future rents receivable	-	32,997	-
Total deferred inflows of resources	168,837	32,997	-
Fund Balances (Deficit)			
Nonspendable	141,832	-	-
Restricted for			
Debt service	-	(321,939)	-
Program expenditures	-	-	1
DUI fines	72,404	-	-
Street excavation fees	280,447	-	-
Committed for:			
Sunview Development road work project	67,773	-	-
Unassigned	903,018	-	-
Total fund balances (deficit)	1,465,474	(321,939)	1
Total liabilities, deferred inflows of resources and fund balances	\$ 2,589,685	\$ 281,690	\$ 932,497

See Notes to Financial Statements.

Non-Major Governmental Funds	Total Governmental Funds
\$ 912,321	\$ 2,390,989
43,198	189,057
340,529	2,378,042
-	141,832
<u>\$ 1,296,048</u>	<u>\$ 5,099,920</u>

\$ 155,974	\$ 177,365
252,458	1,941,189
-	62,218
-	686,162
<u>408,432</u>	<u>2,866,934</u>

53,964	222,801
-	32,997
<u>53,964</u>	<u>255,798</u>

-	141,832
148,771	(173,168)
684,881	684,882
-	72,404
-	280,447
-	67,773
-	903,018
<u>833,652</u>	<u>1,977,188</u>

<u>\$ 1,296,048</u>	<u>\$ 5,099,920</u>
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TOWN OF BLOOMSBURG

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2020**

Total fund balances - governmental funds	\$ 1,977,188
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources; therefore, they are not reported as assets in the governmental funds. Total cost is \$44,428,485, and accumulated depreciation is \$12,418,288.</p>	32,010,197
<p>Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures; therefore, they are deferred inflow of resources in the governmental funds.</p>	222,801
<p>Future rents receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures; therefore, they are deferred inflows of resources in the governmental funds.</p>	32,997
<p>Deferred inflows and outflows of resources related to pensions are applicable to future periods; therefore, they are not reported within the governmental funds. Deferred inflows and outflows related to pensions are as follows:</p>	
Deferred outflows - see footnotes for details	1,369,835
Deferred inflows - see footnotes for details	(953,676)
<p>Deferred inflows of resources related to OPEB are applicable to future periods; therefore, they are not reported within the governmental funds. Deferred inflows related to OPEB are as follows:</p>	
Deferred outflows - see footnotes for details	950,316
Deferred inflows - see footnotes for details	(451,969)
<p>Long-term liabilities are not due and payable in the current period; therefore, they are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:</p>	
General obligation notes	(1,338,182)
Capital lease-purchase obligation	(164,992)
Net pension liabilities	(4,120,101)
OPEB liabilities	(4,146,770)
	(9,770,045)
Total net position - governmental activities	\$ 25,387,644

See Notes to Financial Statements.

TOWN OF BLOOMSBURG

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS
Year Ended December 31, 2020**

	General Fund	Day Care Debt Service Fund	CDBG Disaster Recovery Fund
Revenues			
Property taxes	\$ 1,511,081	\$ -	\$ -
Local enabling act taxes	1,654,986	-	-
Licenses and permits	63,787	-	-
Fines	437,755	-	-
Investment income	7,282	16	-
Rents	39,892	17,205	-
Intergovernmental revenue	2,061,572	-	5,364,391
Charges for service	768,650	-	-
Miscellaneous income	121,644	15,792	-
Total revenues	6,666,649	33,013	5,364,391
Expenditures			
Current			
General government	887,299	-	8,777
Public safety	3,220,407	-	-
Public works	1,271,498	-	439,810
Culture and recreation	33,004	-	-
Community development	6,071	-	-
Debt service			
Principal	16,325	-	-
Interest	114	-	-
Capital outlay			
General government	12,150	-	91,551
Public safety	39,227	-	-
Public works	1,609,652	-	4,824,253
Culture and recreation	-	-	-
Total expenditures	7,095,747	-	5,364,391
Excess (deficiency) of revenues over expenditures	(429,098)	33,013	-
Other Financing Sources (Uses)			
Proceeds from capital lease	30,977	-	-
Refund of prior years' revenues	(13,133)	-	-
Refund of prior years' expenditures	29,596	-	-
Proceeds from sale of capital assets	5,700	-	-
Operating transfers in	61,054	-	-
Operating transfers out	-	-	-
Total other financing sources - net	114,194	-	-
Net changes in fund balances (deficit)	(314,904)	33,013	-
Fund Balances (Deficit) - January 1, 2020	1,780,378	(354,952)	1
Fund Balances (Deficit) - December 31, 2020	\$ 1,465,474	\$ (321,939)	\$ 1

See Notes to Financial Statements.

Non-Major Governmental Funds	Total Governmental Funds
\$ 504,693	\$ 2,015,774
-	1,654,986
-	63,787
-	437,755
4,427	11,725
-	57,097
1,978,559	9,404,522
-	768,650
15,016	152,452
<u>2,502,695</u>	<u>14,566,748</u>

80,729	976,805
112,929	3,333,336
119,037	1,830,345
37,632	70,636
-	6,071
294,243	310,568
44,030	44,144
6,000	109,701
-	39,227
2,047,961	8,481,866
134,423	134,423
<u>2,876,984</u>	<u>15,337,122</u>

(374,289) (770,374)

260,441	291,418
-	(13,133)
-	29,596
22,000	27,700
122,137	183,191
(157,191)	(157,191)
<u>247,387</u>	<u>361,581</u>
(126,902)	(408,793)
960,554	2,385,981
<u>\$ 833,652</u>	<u>\$ 1,977,188</u>

TOWN OF BLOOMSBURG

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2020**

Net changes in fund balances (deficit) - governmental funds	\$ (408,793)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the costs of those assets are allocated as depreciation expense over the assets' useful lives. This is the amount by which capital outlays exceed dispositions and depreciation expense.

Capital outlays	8,765,217	
Less net book value of disposed assets	(81,047)	
Less depreciation expense	<u>(935,120)</u>	7,749,050

Because some property taxes will not be collected for several months after the Town's calendar year ends, they are not considered "available" revenues in the governmental funds. Deferred inflows of resources increased by this amount.	25,580
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Changes in net pension liabilities and deferred outflows and inflows related to pensions do not require the use of current financial resources; therefore, these changes are not reported as expenditures in the governmental funds but are reported as expenses in the Statement of Activities.	(209,992)
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Changes in OPEB liabilities and deferred outflows and inflows related to OPEB do not require the use of current financial resources; therefore, these changes are not reported as expenditures in the governmental funds but are reported as expenses in the Statement of Activities.	(124,810)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal consumes current financial resources. Neither transaction has any effect on net position. Also, governmental funds report the effects of issuance costs, premiums, discounts, and similar items when debt is issued. These amounts are deferred and amortized in the Statement of Activities. Following are the effects of differences in the treatment of long-term debt and related items.

Repayment of general obligation notes	184,142	
Repayment of capital lease-purchase obligation	126,426	
Issuance of capital-lease purchase obligation	<u>(291,418)</u>	<u>19,150</u>

Changes in net position of governmental activities	<u><u>\$ 7,050,185</u></u>
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See Notes to Financial Statements.

TOWN OF BLOOMSBURG

STATEMENT OF NET POSITION - PROPRIETARY FUND
December 31, 2020

Assets	
Cash and cash equivalents	\$ 504,588
Receivables	62,850
Prepaid expenses	7,424
Capital assets, net of depreciation	677,562
Total assets	<u>\$ 1,252,424</u>
Deferred Outflows of Resources	
Deferred amounts on pension liability	\$ 141,472
Deferred amounts on OPEB liability	60,344
Total deferred outflows of resources	<u>\$ 201,816</u>
Liabilities	
Internal balances	\$ 11,692
Accounts payable	4,779
Accrued payroll	7,354
Unearned revenue	1,700
Long-term liabilities	
OPEB liability	358,617
Net pension liability	369,501
Total long-term liabilities	<u>728,118</u>
Total liabilities	<u>\$ 753,643</u>
Deferred Inflows of Resources	
Deferred amounts on pension liability	\$ 116,358
Deferred amounts on OPEB liability	70,563
Total deferred inflows of resources	<u>\$ 186,921</u>
Net Position	
Net investment in capital assets	\$ 677,562
Unrestricted	(163,886)
Total net position	<u>\$ 513,676</u>

See Notes to Financial Statements.

TOWN OF BLOOMSBURG

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUND
Year Ended December 31, 2020**

<hr/>	
Operating Revenues	
Sale of materials	\$ 303,954
Charges for services	154,494
Other revenue	9,843
Total operating revenues	<u>468,291</u>
Operating Expenses	
Salaries and wages	265,536
Payroll taxes	20,227
Employee benefits	191,081
Advertising and printing	5,103
Supplies	27,347
Heat and utilities	4,365
Insurance	7,645
Trash removal	4,833
Weighing and shipping	7,821
Maintenance and repairs	45,633
Depreciation	82,272
Postage	3,567
Professional services	5,473
Small equipment	9,120
Communications expense	2,582
Training	309
Other	3,932
Total operating expenses	<u>686,846</u>
Operating loss	(218,555)
Nonoperating Income (Expense)	
Investment income	3,533
Grant proceeds	81,961
Operating transfers out	(26,000)
Nonoperating income - net	<u>59,494</u>
Changes in net position	(159,061)
Net Position:	
January 1, 2020	672,737
December 31, 2020	<u>\$ 513,676</u>

See Notes to Financial Statements.

TOWN OF BLOOMSBURG

STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year Ended December 31, 2020

Cash Flows From Operating Activities	
Cash received from customers	\$ 487,834
Cash payments for goods and services	(128,024)
Cash payments to employees for services	(402,959)
Other operating expenses - paid from other funds	(353,279)
Other operating revenues - net	6,363
Net cash used in operating activities	(390,065)
Cash Flows From Noncapital Financing Activities	
Operating grants received	81,961
Operating transfers to other funds	(26,000)
Net cash provided by noncapital financing activities	55,961
Cash Flows From Capital and Related Financing Activities	
Purchase of property, plant and equipment	(37,660)
Cash Flows From Investing Activities	
Interest received	3,533
Net decrease in cash and cash equivalents	(368,231)
Cash and Cash Equivalents:	
January 1, 2020	872,819
December 31, 2020	<u>\$ 504,588</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating loss	\$ (218,555)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation	82,272
Changes in assets and liabilities:	
(Increase) decrease in:	
Receivables	29,386
Prepaid expenses	46,811
Deferred outflows of resources	23,509
(Decrease) increase in:	
Accounts payable	(4,226)
Internal balances	(353,279)
Accrued payroll	1,988
Unearned revenue	452
OPEB liability	16,432
Net pension liability	4,779
Deferred inflows of resources	(19,634)
Net cash used in operating activities	\$ (390,065)

See Notes to Financial Statements.

TOWN OF BLOOMSBURG

**STATEMENT OF FIDUCIARY NET POSITION
December 31, 2020**

	Pension Trust Funds	
	Municipal Employees' Retirement	Police
Assets		
Cash and cash equivalents	\$ 137,840	\$ 254,548
Investments	3,875,341	4,920,975
Interest receivable	7,852	9,287
Total assets	\$ 4,021,033	\$ 5,184,810
Net Position		
Restricted for:		
Municipal employees' retirement fund	\$ 4,021,033	\$ -
Police pension trust fund	-	5,184,810
Total net position	\$ 4,021,033	\$ 5,184,810

See Notes to Financial Statements.

TOWN OF BLOOMSBURG

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended December 31, 2020

	Pension Trust Funds	
	Municipal Employees' Retirement	Police
Additions		
Investment income	\$ 102,960	\$ 128,243
Contributions	200,626	340,394
Net appreciation in fair value of investments	224,636	285,271
Gain on sale of investment assets	13,446	21,958
Total additions	541,668	775,866
Deductions		
Benefits and claims	249,374	347,675
Administrative expenses	32,209	36,096
Total deductions	281,583	383,771
Changes in net position	260,085	392,095
Net Position - January 1, 2020	3,760,948	4,792,715
Net Position - December 31, 2020	<u>\$ 4,021,033</u>	<u>\$ 5,184,810</u>

See Notes to Financial Statements.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Nature of Activities:

The Town of Bloomsburg, Columbia County, Pennsylvania (the "Town") was established on March 4, 1870, by a special act of the Pennsylvania Legislature. The Town is the only incorporated town in the Commonwealth of Pennsylvania. Corporate powers of the Town are vested in a Mayor and a six-member Council. The Town provides the following services: general; public safety (police and fire); health and human; sanitation; highways, roads and streets; culture and recreation; conservation and development; recycling; and parking.

The accompanying financial statements present the government and its component units, entities for which the Town is considered to be financially accountable or which are significant to the operations of the Town. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Town.

Discretely Presented Component Units:

Norris Rock Pool

The Bloomsburg Swimming Pool was constructed in 1955. In 1989, the pool was renamed the Norris Rock Memorial Swimming Pool in memory of Norris Rock who had managed the pool free of charge for many years. The assets associated with the pool are held by the Town. At the end of calendar year 2015 Council approved dissolving the investment fund in order to place it into the main operational account for the pool.

Municipal Authority of the Town of Bloomsburg

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.

The Board of the Authority consists of five members who are appointed for a five-year term by Bloomsburg Town Council with one member's term expiring each year.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements:

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary fund, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The Town complies with accounting principles generally accepted in the United States of America (GAAP) and applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (assets plus deferred outflows of resources less liabilities less deferred inflows of resources) are used as a practical measure of economic resources, and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as an expense against current operations and accumulated depreciation is reported in the Statement of Net Position.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Day Care Debt Service Fund, accounts for the 2010 General Obligation Notes issued in the amount of \$223,805 in order to finance the construction of the Columbia Day Care Center. This note was paid in full during 2018.

The CDBG Disaster Recovery Fund is a special revenue fund, accounts for grants received from the Federal government under the Community Development Block Grant Program for improvements of flood and drainage facilities and sidewalks.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

The government reports the following major proprietary fund:

The Recycling Fund accounts for the financing of services to the general public where all or most of the costs involved are paid in the form of charges to the users of such services.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue 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 revenue of the Recycling Fund is the sale of recycled materials and charges for recycling services. The principal operating revenue of the Norris Rock Pool is charges for services. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue or expenses.

Additionally, the government reports the following fund types:

The Pension Trust Funds account for the activities of the Municipal Employees and Police Pension Plans. These Trust Funds accumulate resources for pension benefit payments to qualified employees.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets and Budgetary Accounting: Town Council adopts budgets for certain governmental funds on the modified accrual basis. The Town also adopts a budget for the enterprise fund on the accrual basis. Annual budgets are adopted for the general, enterprise and debt service funds. Town Council also adopts a budget for the State Liquid Fuels Highway Aid Fund, Library, Fire and Street Lighting Funds, which are in the Special Revenue Funds. All annual appropriations lapse at the end of each year and must be re-appropriated.

Cash Equivalents: For purposes of the Statement of Cash Flows, the Town 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.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

Receivables and Payables: Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year is referred to as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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, including property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets may be purchased or constructed and are recorded at cost or estimated historical cost. Estimated historical costs are based either on similar assets of the same era or on deflated current values. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized.

Long-Term Liabilities: In the government-wide financial statements, and proprietary fund types presented in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities columns in the Statement of Net Position. In the fund financial statements, governmental fund types, the face amount of the debt issued is reported as other financing sources.

Compensated Absences: Town employees earn vacation annually, January 1; based upon the number of years employed. An employee is not eligible for vacation until they have completed one year of continuous service with the Town. Employees earn varying amounts of sick leave each month based off years of service. Employees receive no benefit or pay for unused sick leave upon termination. At the end of the year, 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 Town has reflected the accrual as a liability in the applicable funds.

Deferred Inflows of Resources - Unearned Revenues: The Town recognizes the property tax revenues when they become available. Available includes those property tax receivables expected to be collected within sixty days after year-end. Those property tax receivables expected to be collected after sixty days after year-end are shown as deferred inflows of resources in the fund financial statements. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

Fund Balance:

The Town's fund balance classifications are defined and described as follows:

Non-spendable: Represents fund balance amounts that cannot be spent because they are not in a spendable form or are contractually required to be maintained intact.

Restricted: Represents fund balance amounts that are constrained for a specific purpose through restrictions of external parties, through constitutional provisions, or by enabling legislation.

Committed: Represents fund balance amounts that can only be used for specific purposes pursuant to the constraints imposed by formal action of the Council, the Town's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Council removes the constraints or changes the specified purpose through the same action it used to commit the funds.

Assigned: Represents fund balance amounts that are constrained by the government's intent to be used for a specific purpose but are neither restricted nor committed. Through Town policy, the Council has delegated the authority to express intent to the Town Administrator.

Unassigned: Represents fund balance amounts that have not been restricted, committed, or assigned to specific purposes within the general fund.

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.

Subsequent Events: In preparing these financial statements, the Town 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 23.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 2. Legal Compliance - Budgets

The Town utilizes the following procedures to establish the budgetary data reflected in the financial statements:

1. During November, the Town makes available to the public its proposed operating budget for all funds. The operating budget includes proposed expenditures, revenue and arrangements.
2. Prior to December 31, the Town holds a public hearing to obtain taxpayer comments after which the budget is legally adopted through passage of an ordinance.
3. All budget revisions require the approval of Town Council.

Formal budgetary integration is utilized as a management control device during the year for certain Governmental Funds.

Note 3. Deposits and Investments

Statutes authorize the Town 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 Town adhere to state statutes and prudent business practices. There were no deposit or investment transactions during the year that violated either state statutes or Town policies.

Deposits: Custodial-Credit Risk

Custodial-credit risk is the risk that in the event of a bank failure, the Town's deposits and/or investments may not be returned to it. A summary of the Town'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	2,644,513	3,399,070	First Columbia Bank & Trust
	<u>\$ 2,894,513</u>	<u>\$ 3,649,070</u>	

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments (Continued)

Deposits: Custodial-Credit Risk (Continued):

All deposits of the Town 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 pledgers of the assets. The Town has no policy regarding custodial credit risk for deposits.

Investments

The Town 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 Town does not hold any investments in Governmental or Business-Type Activities, 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 Town 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 Town places no limit on the amounts invested in any one issuer.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 4. Receivables

Receivables as of December 31, 2020, for the government’s individual major and non-major funds are as follows:

	General Fund	Day Care Debt Service Fund	CDBG Disaster Recovery Fund	Non-Major Governmental Funds	Total Governmental Funds
Receivables:					
Taxes	\$ 168,837	\$ -	\$ -	\$ 53,964	\$ 222,801
Future rents	-	240,464	-	-	240,464
Others	935,183	-	693,029	286,563	1,914,775
	<u>\$ 1,104,020</u>	<u>\$ 240,464</u>	<u>\$ 693,029</u>	<u>\$ 340,529</u>	<u>\$ 2,378,042</u>

The proprietary fund receivable balance generally consists of customer charges at December 31, 2020.

Note 5. Property Taxes

Property taxes are levied on March 1 for the tax year. Taxes are payable at a 2% discount if paid before May 1 and at a 10% penalty if paid after the due date of June 30. Outstanding real estate taxes are turned over to a delinquent tax collector on the first of January of each year. After proper notification is made to a property owner, a lien is filed on or about May 1 and must remain in effect for a period of two years before a tax sale may occur. Taxes are recorded as revenue by the Town when received from the tax collector, and proper accruals are recorded at year-end. The Town has not established an allowance for uncollectible taxes since experience has demonstrated that substantially all taxes are ultimately collectible. The total assessed valuation for the 2020 taxes is \$125,393,702. The Town is permitted by law to levy taxes up to \$3.00 per \$100 of assessed valuation for general governmental purposes. The General Fund tax rate for the year ended December 31, 2020, was 11.385 mills.

In addition, the Town is permitted to levy the following real estate taxes per \$100 of assessed valuation:

Purpose	Maximum Levy Allowable Under the Law
Debt service	An amount sufficient to meet debt service requirements
Persons, retirement Pensions	\$.05
Shade trees	\$.01
Street lighting	\$.80
Support of fire companies	\$.30
Buildings	\$.20
Libraries	No limit
Ambulance and rescue	\$.05

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 6. Future Rents Receivable

On April 1, 1988, the Town entered into an agreement to lease a day care facility to Columbia Day Care Program, Inc., ("Day Care") for a term of 50 years. The facility was financed substantially by issuance, through the U. S. Farmers Home Administration ("FmHA"), of the Town's Series A and Series B 1988 General Obligation Notes. During 2010, these notes were part of the Town's debt refinancing of the 2010 General Obligation Note, which was paid in full during 2018.

Under the terms of the lease with the Day Care, the Town is to receive monthly rentals based upon the following formula:

During the first forty-eight months, rents will equal the Town's monthly debt service payment to FmHA on the Town's 1988 Series General Obligation Notes.

During months 49 to 360, monthly rents will equal the sum of:

- (a) A portion of the Town's monthly debt service payment to First Columbia Bank & Trust on the Town's Sinking Fund 2010 General Obligation Note.
- (b) An amount equal to $1/312$ of the sum of the cost of the site and the Town's proceeds used in the construction of improvements.
- (c) An amount equal to the assessed value of the leased premises multiplied by the Town's then current annual real estate millage rate divided by twelve.

The amounts in parts (b) and (c) of the above formula may not exceed \$668 per month.

During months 361 to 600, monthly rent will equal \$668 multiplied by the Consumer Price Index compounded annually since April 1988.

The Town has classified this lease as a direct financing lease and, accordingly, has capitalized the future rents receivable and has recorded deferred revenue to account for the related unearned rents. The deferred revenues are being amortized using the straight-line method over the 50-year life of the lease.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 7. Property, Plant and Equipment

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market values at dates of donation.

The costs of normal maintenance and repairs that do not add to the values of assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction phases of business-type capital assets is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings/Building Improvements	40
Public Domain Infrastructure	50
Vehicles and Equipment	3-10
Land Improvements/Other Improvements	15-40

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 7. Property, Plant and Equipment (Continued)

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,825,385	\$ -	\$ -	\$ 2,825,385
Construction-in-progress	7,006,112	7,060,893	178,979	13,888,026
Total capital assets not being depreciated	9,831,497	7,060,893	178,979	16,713,411
Capital assets, being depreciated				
Land improvements	6,254,190	1,569,334	-	7,823,524
Buildings and improvements	9,986,720	1,600	-	9,988,320
Machinery and equipment	5,480,253	312,369	214,722	5,577,900
Infrastructure	4,325,330	-	-	4,325,330
Total capital assets being depreciated	26,046,493	1,883,303	214,722	27,715,074
Less accumulated depreciation for:				
Land improvements	(3,230,522)	(295,720)	-	(3,526,242)
Buildings and improvements	(2,543,887)	(248,572)	-	(2,792,459)
Machinery and equipment	(4,199,647)	(209,675)	(133,675)	(4,275,647)
Infrastructure	(1,642,787)	(181,153)	-	(1,823,940)
Total accumulated depreciation	(11,616,843)	(935,120)	(133,675)	(12,418,288)
Total capital assets being depreciated, net	14,429,650	948,183	81,047	15,296,786
Governmental Activities Capital assets, net	\$ 24,261,147	\$ 8,009,076	\$ 260,026	\$ 32,010,197

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 7. Property, Plant and Equipment (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activity				
Capital assets being depreciated				
Land improvements	\$ 441,822	\$ -	\$ -	\$ 441,822
Buildings and improvements	791,353	-	-	791,353
Machinery and equipment	1,821,250	37,660	-	1,858,910
Total capital assets being depreciated	3,054,425	37,660	-	3,092,085
Less accumulated depreciation for:				
Land improvements	(200,195)	(15,165)	-	(215,360)
Buildings and improvements	(570,667)	(19,874)	-	(590,541)
Machinery and equipment	(1,561,389)	(47,233)	-	(1,608,622)
Total accumulated depreciation	(2,332,251)	(82,272)	-	(2,414,523)
Total capital assets being depreciated, net	722,174	(44,612)	-	677,562
Business-Type Activity Capital assets, net	\$ 722,174	\$ (44,612)	\$ -	\$ 677,562

Depreciation expense was charged to functions/programs of the primary government as follows:

	Amount
Governmental Activities:	
General government	\$ 443,303
Public safety	164,017
Public works	170,186
Culture and recreation	157,614
Total depreciation expense - governmental activities	\$ 935,120
Business-Type Activity:	
Recycling	\$ 82,272

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 8. Interfund Balances and Interfund Transfers

Individual fund receivable and payable balances at December 31, 2020, are as follows:

Fund	Interfund Receivables	Interfund Payables
General	\$ 145,859	\$ 18,778
General Debt Service	10,787	-
Airport Expansion	24,420	-
CDBG Entitlement Program	-	1
CDBG Disaster Recovery	-	2,613
CDBG Home Program	-	1
Fire	4,422	-
Street Lighting	3,569	-
Library	-	2,262
Recycling	-	11,692
UDAG	-	16,243
CDBG Program Income	-	137,467
	\$ 189,057	\$ 189,057

All interfund receivable/payable balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All balances are expected to be repaid within the following year.

Individual fund transfers during the year ended December 31, 2020, are as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 61,054	\$ -
Airport Expansion	122,137	-
State Liquid Fuels	-	35,054
Recycling	-	26,000
CDBG Program Income	-	122,137
	\$ 183,191	\$ 183,191

These transfers are initiated in the normal course of operations to address individual fund needs throughout the year.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 9. Long-Term Liabilities

The following is a schedule of the long-term liabilities at December 31, 2020:

	January 1, 2020	Increases	Decreases	December 31, 2020	Due within One Year
Long-term obligations - Notes Payable (Note 10)	\$ 1,522,324	\$ -	\$ (184,142)	\$ 1,338,182	\$ 164,227
Capital lease-purchase obligation (Note 11)	-	291,418	(126,426)	164,992	89,023
Total General Long-Term Liabilities	\$ 1,522,324	\$ 291,418	\$ (310,568)	\$ 1,503,174	\$ 253,250

For the governmental activities, notes are either liquidated by the general fund transferring amounts to the debt service fund or through the applicable special revenue fund for principal and interest payments. Sick and vacation liabilities, net pension liabilities and other post-employment benefit obligations are primarily funded by the general fund and special revenue funds to which the related expenditures are charged. The Town's capital lease obligations are primarily funded by the general fund or the applicable special revenue fund in which the asset relating to the lease is held.

The Town issues general obligation notes to provide funds primarily for the acquisition and construction of major capital facilities. General obligation bonds and notes have only been issued for governmental activities.

Note 10. Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in applicable governmental activities.

General Obligation Notes - Series A of 2014 - In May 2014, the Town issued General Obligation Notes - Series A of 2014, in the principal amount of \$350,000. The proceeds of the note were used to purchase a fire engine. The note bears interest at 2.41% and requires 82 monthly payments of \$4,538, consisting of principal and interest, beginning July 1, 2014. This note's maturity date is June 2021.

General Obligation Notes - Series B of 2014 - In December 2014, the Town issued General Obligation Notes - Series B of 2014, in the principal amount of \$400,000. The proceeds of the note were used to fund several construction projects and equipment purchases. The note bears interest at 2.41% and requires 84 monthly payments of \$5,186, consisting of principal and interest, beginning January 1, 2015. This note's maturity date is December 2021.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 10. Long-Term Obligations (Continued)

General Obligation Notes - Series of 2016 - In March 2016, the Town issued General Obligation Notes - Series of 2016, a Commercial Draw Term Note, in the amount of \$1,500,000. The proceeds of the note were used to fund several construction projects and equipment purchases. The note bears interest at 3.02% and requires payments of interest only on the principal amounts advanced for the first 9 months. Following the interest only period, bi-weekly payments consisting of principal and interest, will be made over an eighteen-year period. This note's maturity date is November 17, 2034.

The annual requirements to amortize the General Obligation Notes outstanding as of December 31, 2020, are as follows:

Year Ending December 31:	Principal Maturity	Interest Maturity	Debt Service Payment
2021	\$ 164,227	\$ 38,957	\$ 203,184
2022	75,433	34,270	109,703
2023	77,738	31,965	109,703
2024	80,195	29,508	109,703
2025	82,565	27,137	109,702
2026-2030	452,299	96,214	548,513
2031-2035	405,725	24,654	430,379
	\$ 1,338,182	\$ 282,705	\$ 1,620,887

Note 11. Capital Lease-Purchase Obligations

The Town maintains capital leases for the acquisition of a police vehicle and a street sweeper. The capital lease for the acquisition of the police vehicle is payable in annual installments beginning March 2020, at an interest rate of 2.210% per annum. The capital lease for the acquisition of the street sweeper is payable in annual installments beginning April 2020, at an interest rate of 2.800% per annum.

Assets acquired under capital leases are as follows:

	Amount
Machinery and equipment	\$ 291,418
Less accumulated depreciation	(16,120)
	\$ 275,298

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 11. Capital Lease-Purchase Obligations (Continued)

Annual requirements for capital leases at December 31, 2020, are as follows:

Year	Amount
2021	\$ 92,599
2022	77,602
Total minimum lease payments	170,201
Less: amount representing interest	(5,209)
Total present value of net minimum lease payments	<u>\$ 164,992</u>

Note 12. Police Pension Plan

Plan Description

Plan Administration

The Retirement Board administers the Town of Bloomsburg Police Pension Plan (Police Pension Plan) - a single-employer defined benefit pension plan that covers all full-time Town of Bloomsburg police officers.

Plan Membership

For the 2020 measurement period, Police Pension Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	11
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	18
	<u>30</u>

Benefits Provided

The Police Pension Plan provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated as 50% of the member's average monthly compensation during his final 36 months of employment plus a Service Increment Benefit if applicable. Plan members with 25 years of service are eligible to retire at age 50 (55 if hired after 12/31/14). All plan members are eligible for disability benefits if termination of employment as the result of a service-connected disablement. Disability retirement benefits are equal to 25% of the member's average monthly compensation during his final 36 months of employment plus an additional 2% for each year of service in excess of 15 years. Death benefits for a terminated vested member who is not killed-in-service, his spouse will receive 50% of the monthly benefit the member was scheduled to receive. Death benefits for a member who is killed-in-service, his spouse will receive a monthly benefit payable for life equal to 100% of the member's base monthly pay.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 12. Police Pension Plan (Continued)

Cost-of-living adjustments to each member's retirement benefit are given each January 1 following retirement. The adjustment is a percentage of the change in the Consumer Price Index. Maximum cost-of-living is 30% of initial retirement benefit.

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 5.0 percent of annual pay, and the Town average contribution rate was 19.91 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 Police Pension Plan deposits and/or investments may not be returned to it. At December 31, 2020, the Police Pension Plan had deposits with financial institutions with a carrying amount of \$254,548. Of the December 31, 2020, balance; \$250,000 was covered by federal depository insurance and \$4,548 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 Police 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.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 12. Police Pension Plan (Continued)

Investments (Continued)

Investment policy: The Police 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:

Asset Class	Target Allocation
Domestic equity	55 - 65%
International equity	5 - 10%
Fixed income	25 - 40%
Real estate	0%
Cash	1 - 10%
	<hr/>
	100%
	<hr/> <hr/>

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%

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 12. Police Pension Plan (Continued)

Investments (Continued)

As of December 31, 2020, the Police 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	7.70%	\$ 378,781	\$ 241,518	\$ 137,263	\$ -
Municipal Bonds	0.89%	43,984	-	43,984	-
Corporate Bonds and Notes	15.44%	759,849	-	717,371	42,478
		<u>\$ 1,182,614</u>	<u>\$ 241,518</u>	<u>\$ 898,618</u>	<u>\$ 42,478</u>
<u>Other Investments</u>					
Income Mutual Funds	11.01%	\$ 541,707			
Equity Mutual Funds	15.26%	750,712			
Equity Securities	49.70%	2,445,942			
Total Investments		<u>\$ 4,920,975</u>			

The investment objective of the Police Pension Plan is to maintain a balanced portfolio comprised of various securities.

U.S. Government Agencies - The Police Pension Plan does not currently hold any U.S. Government Agencies.

Municipal Bonds - The Police Pension Plan invests in one municipal bond issue from Trinity Area School District. The yield on this bond is 4.16% and it matures November 1, 2024.

Negotiable Certificates of Deposit - The Police Pension Plan 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 currently three certificates of deposit held in the account as of December 31, 2020. The certificates are insured by the FDIC up to \$250,000. The values of the certificates in excess of the \$250,000 FDIC limit are secured by non-government municipal securities. These certificates are subject to custodial credit risk. As of December 31, 2020, there are no certificates that are in excess of \$250,000.

Income Mutual Funds - The Police Pension Plan invests in two Income Mutual Funds: Vanguard Short-Term Investment Grade Fund (Ticker: VFSUX) and Vanguard GNMA Fund (Ticker: VFIIX). As of December 31, 2020, the Vanguard Short-Term Investment Grade Fund is rated 4 stars by Morningstar and is a short-term corporate-focused fund. As of December 31, 2020, the Vanguard GNMA Fund is rated 4 stars by Morningstar and is a moderate income fund invested in Government National Mortgage Association (GNMA) pass-through certificates, which are fixed income securities representing part ownership in a pool of mortgage loans backed by the U.S. government. 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 have fund manager of record for a minimum of 3 years.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 12. Police Pension Plan (Continued)

Investments (Continued)

Equity Mutual Funds - The Police Pension Plan has seven investments in Equity Mutual Funds. Three of the funds, Dodge & Cox Fund (Ticker: DODGX) (4 star), Federated Strategic Value Dividend Fund (Ticker: SVAIX) (2 star), and the Vanguard Windsor II Fund (Ticker: VWNFX) (5 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 Admiral Fund (Ticker: VSMAX) (5 star), the Vanguard Mid Cap Index Admiral Fund (Ticker: VIMAX) (5 star) and the Dodge and Cox International Stock (Ticker: DODFX) (3 star) represent the Small, Mid and International sectors. Ratings were obtained through Morningstar as of December 31, 2020. Minimum guidelines require that a fund must 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.

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.

Corporate Bonds - The Police Pension Plan is invested in thirteen corporate bond issues. The investment policy statement, updated effective June 24, 2016, 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.

Interest-Rate Risk - The Police Pension Plan 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 Police 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 Police Pension Plan has an investment policy which limits investment choices to those with specific credit ratings.

Concentration Risk - The Police Pension Plan limits that no more than 5% of the total fund value can be invested in any one corporate bond or 5% in any one stock. The Pension Committee limits the equities to no more than 50% of the value of the funds. The percentages of the concentrations of the Police Pension Plan investments are documented on the table on page 42.

Rate of Return: For the year ended December 31, 2020, the annual money-weighted rate of return on Police Pension Plan investments, net of pension plan investment expense, was 9.31%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 12. Police Pension Plan (Continued)

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 Town reported a liability of \$2,730,077 as of December 31, 2020, related to the Police Pension Plan.

Changes in the total pension liability, plan fiduciary net position, and net pension liability for the Police Pension Plan 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	\$ 7,525,762	\$ 4,792,715	\$ 2,733,047
Service cost	189,803	-	189,803
Interest	546,997	-	546,997
Contributions - employer	-	100,511	(100,511)
Contributions - member	-	62,625	(62,625)
Contributions - state aid	-	177,258	(177,258)
Net investment income	-	435,472	(435,472)
Benefit payments, including refunds	(347,675)	(347,675)	-
Plan administrative expenses	-	(36,096)	36,096
Net changes	389,125	392,095	(2,970)
Balances at December 31, 2020	\$ 7,914,887	\$ 5,184,810	\$ 2,730,077

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

For the year ended December 31, 2020, the Town recognized pension expense of \$246,240 related to the Police Pension Plan. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,507	\$ 122,244
Changes of assumptions	631,527	-
Net difference between projected and actual investment earnings	177,599	393,705
	\$ 837,633	\$ 515,949

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 12. Police Pension Plan (Continued)

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

<u>Year Ending December 31:</u>	<u>Total</u>
2021	\$ 72,488
2022	98,684
2023	(12,795)
2024	53,127
2025	68,863
Thereafter	41,317
	<u>\$ 321,684</u>

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

Inflation	3.0%
Salary Increases	5.0% (average including inflation)
Investment rate of return	7.25% (including inflation)

Mortality rates were based on the PubS-2010 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 postemployment benefit changes were included in future liability.

Discount Rate: The discount rate used to measure the total pension liability was 7.25 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 Town 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).

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 12. Police Pension Plan (Continued)

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

The following presents the net pension liability of the Police Pension Plan, calculated using the discount rate of 7.25 percent, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 3,912,097	\$ 2,730,077	\$ 1,727,956

Note 13. Municipal Employees Pension Plan

Plan Description

Plan Administration

The Retirement Board administers the Town of Bloomsburg Municipal Employees Pension Plan (Municipal Employees Pension Plan) - a single-employer defined benefit pension plan that covers all employees of the Town except the Mayor, the members of Town Council, Bloomsburg Police Department consultants, engineers and solicitors are excluded from membership.

Plan Membership

For the 2020 measurement period, Municipal Employees Pension Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	13
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	32
	50

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 13. Municipal Employees Pension Plan (Continued)

Plan Description (Continued)

Benefits Provided

The Municipal Employees Pension Plan provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated as 1.50 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 if disabled while in service and unable to continue as a Town employee. Disability retirement benefits are equal to the accrued benefit at the time of disability, actuarially reduced and payable immediately. Death benefits for a member who dies with 5 years of service will receive a monthly pension payable for 120 months, equal in amount to 100% of the member's accrued benefits. 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 Town 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 0.0 percent of annual pay, and the Town average contribution rate was 13.74 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 Municipal Employees Pension Plan deposits and/or investments may not be returned to it. At December 31, 2020, the Municipal Employees Pension Plan had deposits with financial institutions with a carrying amount of \$137,840. Of the December 31, 2020, balance \$137,840 was covered by federal depository insurance and - \$-0- was covered by collateralized assets maintained in conformity with Act 72 of 1971.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 13. Municipal Employees Pension Plan (Continued)

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 Municipal Employees 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 Municipal Employees 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:

Asset Class	Target Allocation
Domestic equity	50 - 70%
International equity	0 - 10%
Fixed income	25 - 40%
Real estate	0%
Cash	1 - 10%
	<u>100%</u>

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%

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 13. Municipal Employees Pension Plan (Continued)

Investments (Continued)

As of December 31, 2020, the Municipal Employees 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	11.46%	\$ 444,207	\$ 241,518	\$ 202,689	\$ -
Municipal Bonds	1.13%	43,984	-	43,984	-
Corporate Bonds and Notes	14.85%	575,319	-	532,841	42,478
		<u>\$ 1,063,510</u>	<u>\$ 241,518</u>	<u>\$ 779,514</u>	<u>\$ 42,478</u>
Other investments					
Income Mutual Funds	8.41%	\$ 326,109			
Equity Mutual Funds	15.07%	584,126			
Equity Securities	49.07%	1,901,596			
Total Investments		<u>\$ 3,875,341</u>			

The investment objective of the Municipal Employees Pension Plan is to maintain a balanced portfolio comprised of various securities.

U.S. Government Agencies - The Municipal Employees Pension Plan does not currently hold any U.S. Government Agencies.

Municipal Bonds - The Municipal Employees Pension Plan invests in one municipal bond issue from Trinity Area School District. The yield on this bond is 4.16% and it matures November 1, 2024.

Negotiable Certificates of Deposit - The Municipal Employees Pension Plan 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 currently four certificates of deposit held in the account as of December 31, 2020. The certificates are insured by the FDIC up to \$250,000. The values of the certificates in excess of the \$250,000 FDIC limit are secured by non-government municipal securities. These certificates are subject to custodial credit risk. As of December 31, 2020, there are no certificates that are in excess of \$250,000.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 13. Municipal Employees Pension Plan (Continued)

Investments (Continued)

Income Mutual Funds - The Municipal Employees Pension Plan invests in two Income Mutual Funds: Vanguard Short-Term Investment Grade Fund (Ticker: VFSUX) and Vanguard GNMA Fund (Ticker: VFII). As of December 31, 2020, the Vanguard Short-Term Investment Grade Fund is rated 4 stars by Morningstar and is a short-term corporate-focused fund. As of December 31, 2020, the Vanguard GNMA Fund is rated 4 stars by Morningstar and is a moderate income fund invested in Government National Mortgage Association (GNMA) pass-through certificates, which are fixed income securities representing part ownership in a pool of mortgage loans backed by the U.S. government. 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 have fund manager of record for a minimum of 3 years.

Equity Mutual Funds - The Municipal Employees Pension Plan has seven investments in Equity Mutual Funds. Three of the funds, Dodge & Cox Fund (Ticker: DODGX) (4 star), Federated Strategic Value Dividend Fund (Ticker: SVAIX) (2 star), and the Vanguard Windsor II Fund (Ticker: VWNFX) (5 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 Admiral Fund (Ticker: VSMAX) (5 star), the Vanguard Mid Cap Index Admiral Fund (Ticker: VIMAX) (5 star) and the Dodge and Cox International Stock (Ticker: DODFX) (3 star) represent the Small, Mid and International sectors. Ratings were obtained through Morningstar as of December 31, 2020. Minimum guidelines require that a fund must 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.

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.

Corporate Bonds - The Municipal Employees Pension Plan is invested in thirteen corporate bond issues. The investment policy statement, updated effective June 24, 2016, 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.

Interest-Rate Risk - The Municipal Employees Pension Plan 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 Municipal Employees 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.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 13. Municipal Employees Pension Plan (Continued)

Investments (Continued)

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

Concentration Risk - The Municipal Employees Pension Plan limits that no more than 5% of the total fund value can be invested in any one corporate bond or 5% in any one stock. The Pension Committee limits the equities to no more than 50% of the value of the funds. The percentages of the concentrations of the Municipal Employees Pension Plan investments at December 31, 2020, are documented on the table on page 49.

Rate-of-Return - For the year ended December 31, 2020, the annual money-weighted rate-of-return on Municipal Employees Pension Plan investments, net of pension plan investment expense, was 9.33%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for 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 Town reported a liability of \$1,759,525 as of December 31, 2020, related to the Municipal Employees Pension Plan.

Changes in the total pension liability, plan fiduciary net position, and net pension liability for the Municipal Employees Pension Plan 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	\$ 5,497,718	\$ 3,760,948	\$ 1,736,770
Service cost	132,877	-	132,877
Interest	399,337	-	399,337
Contributions - employer	-	52,911	(52,911)
Contributions - state aid	-	147,715	(147,715)
Net investment income	-	341,043	(341,043)
Benefit payments, including refunds	(249,374)	(249,374)	-
Plan administrative expenses	-	(32,210)	32,210
Net changes	282,840	260,085	22,755
Balances at December 31, 2020	\$ 5,780,558	\$ 4,021,033	\$ 1,759,525

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 13. Municipal Employees Pension Plan (Continued)

Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the year ended December 31, 2020, the Town recognized pension expense of \$134,258 related to the Municipal Employees Pension Plan. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to the Municipal Employees Pension Plan from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 243,265
Changes of assumptions	531,612	-
Net difference between projected and actual investment earnings	142,062	310,820
	<u>\$ 673,674</u>	<u>\$ 554,085</u>

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

Year Ending December 31:	Total
2021	\$ (10,406)
2022	10,317
2023	(60,717)
2024	15,580
2025	29,728
Thereafter	135,087
	<u>\$ 119,589</u>

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation for the 2020 measurement period at January 1 and rolled-forward to December 31 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	7.25% (including inflation)

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

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 postemployment benefit changes were included in future liability.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 13. Municipal Employees Pension Plan (Continued)

Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.25 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 Town 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 net pension liability of the Municipal Employees Pension Plan, calculated using the discount rate of 7.25 percent, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 2,621,933	\$ 1,759,525	\$ 1,028,368

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 14. Police Other Post-Employment Benefits Plan

Plan Description and Benefits

Effective January 1, 2018, the Town adheres to Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits and life insurance benefits provided by the Town. The Town's healthcare plan related to police officers is a single-employer defined benefit healthcare plan. The plan provides health benefits, including prescription drug coverage, to eligible retirees and their spouses. The Town 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.

Eligibility

Police officers are eligible for lifetime retiree health benefits once they attain age 50 with 25 years of service. Employees may elect to cover their spouses at retirement. Spousal coverage continues for lifetime until his/her death. The same contribution requirements outlined for employees apply to spouses (or surviving spouses). The Town pays the full cost of coverage for all employees hired prior to January 1, 1993, who have all retired. For employees hired on/after January 1, 1993 and retired on/after age 65, the Town provides a stipend for purchase of health coverage elsewhere. The annual stipend provided to retirees is \$3,600 in 2019 and 2020. There is no subsidy provided by the Town for employees hired on/after January 1, 1993 who retire prior to age 65, however, they are eligible for the stipend benefit as well when they become eligible for Medicare upon proof of continuous health care coverage between the date of retirement and Medicare eligibility. In addition, upon retirement, police officers are eligible for a life insurance policy in the amount of \$10,000 with premiums paid by the Town.

Funding Policy:

The plan is insured, and premiums are updated annually based on several factors determined by the plan underwriters. The Town funds payment of the full premium for all police officers and eligible retired officers.

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	14
Active employees	18
	<hr/>
	32
	<hr/> <hr/>

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 14. Police Other Post-Employment Benefits Plan (Continued)

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

At December 31, 2020, the Town reported a liability of \$2,712,305 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>\$ 2,505,041</u>
Changes for the year	
Service cost	70,785
Interest	68,928
Differences between expected and actual experience	(65,270)
Changes of assumptions	254,085
Benefit payments	<u>(121,264)</u>
Net Changes	<u>207,264</u>
Total OPEB Liability, ending	<u><u>\$ 2,712,305</u></u>

For the year ended December 31, 2020, the Town recognized OPEB expense of \$214,066. At December 31, 2020, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,884	\$ 57,111
Changes of assumptions	701,057	112,599
	<u>\$ 708,941</u>	<u>\$ 169,710</u>

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 14. Police Other Post-Employment Benefits Plan (Continued)

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

Of the total amount reported as deferred outflows of resources related to OPEB, \$-0-, resulting from the Town's 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 Town's OPEB expense as follows:

<u>Year Ending December 31:</u>	<u>Total</u>
2021	\$ 74,353
2022	74,353
2023	74,353
2024	74,351
2025	74,353
Thereafter	167,468
	<u>\$ 539,231</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 - 5.00%
- Discount Rate - 2.12%
- Mortality Tables:
 - Pub-2010 Public Safety Headcount-Weighted Mortality table projected fully generationally using MP-2019 improvement scale
- Health Care Cost Trends - 0.00% from 2019 to 2020, followed by 5.40% in 2020 decreasing to an ultimate rate of 3.94% by 2075

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 14. Police Other Post-Employment Benefits Plan (Continued)

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

The following presents the total OPEB liability of the Town 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	\$ 3,215,249	\$ 2,712,305	\$ 2,320,337

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

The following presents the total OPEB liability of the Town 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	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 2,259,439	\$ 2,712,305	\$ 3,317,435

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 15. Municipal Employees Other Post-Employment Benefits Plan

Plan Description and Benefits

Effective January 1, 2018, the Town adheres to Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits and life insurance benefits provided by the Town. The Town's healthcare plan related to municipal employees is a single-employer defined benefit healthcare plan. The plan provides health benefits, including prescription drug coverage, to eligible retirees and their spouses. The Town 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.

Eligibility

Municipal employees hired prior to January 1, 2008, are eligible for lifetime retiree health benefits once they reach age 60 with 15 years of service or age 65 with 5 years of service with the Town. Employees hired on or after January 1, 2008 are not eligible for retiree health benefits. There is no spousal coverage available to municipal employees at retirement. There is no contribution required for retiree health benefits for eligible employees. The Town pays the full cost of coverage for retirees prior to Medicare eligibility. Upon Medicare eligibility, the town provides a stipend for purchase of health coverage elsewhere. The annual stipend provided to retirees is \$3,300. Same benefit options are available to active employees and retirees. The Town's health plans are fully-insured for active and pre-Medicare retirees.

Funding Policy

The plan is insured, and premiums are updated annually based on several factors determined by the plan underwriters. The Town funds payment of the full premium for all municipal employees and eligible retirees.

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	8
Active employees	13
	<hr/>
	21
	<hr/>

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 15. Municipal Employees Other Post-Employment Benefits Plan (Continued)

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

At December 31, 2020, the Town reported a liability of \$1,793,082 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	\$ 1,710,923
Changes for the year	
Service cost	56,329
Interest	47,763
Differences between expected and actual experience	(85,700)
Changes of assumptions	112,215
Benefit payments	(48,448)
Net Changes	82,159
Total OPEB Liability, ending	\$ 1,793,082

For the year ended December 31, 2020, the Town recognized OPEB expense of \$88,458. At December 31, 2020, the Town 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	\$ -	\$ 298,632
Changes of assumptions	301,719	54,190
	\$ 301,719	\$ 352,822

Of the total amount reported as deferred outflows of resources related to OPEB, \$-0-, resulting from the Town's 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 Town's OPEB expense as follows:

Year Ending December 31:	Total
2021	\$ (15,634)
2022	(15,634)
2023	(15,636)
2024	(4,199)
	\$ (51,103)

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 15. Municipal Employees Other Post-Employment Benefits Plan (Continued)

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%
- Mortality Table - Pub-2010 General Headcount-Weighted Mortality table projected fully generationally using MP-2019 improvement scale
- Health Care Cost Trends - 0.00% from 2019 to 2020, followed by 5.40% in 2020 decreasing to an ultimate rate of 3.94% by 2075

Sensitivity of the Town’s OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town 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	\$ 2,003,101	\$ 1,793,082	\$ 1,617,861

Sensitivity of the Town’s Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town 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	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 1,582,882	\$ 1,793,082	\$ 2,085,234

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 16. Related Party Transactions

During 2020, the Town recognized expenses of \$806 to the Municipal Authority of the Town of Bloomsburg for expenditures for sewer fees.

Note 17. Unexpended Grant Balance

The Town participates in a UDAG Grant Program that provided a loan to aid a local industry in updating machinery and equipment. Under the terms of the Grant, as the loan is repaid to the Town, the repaid funds are available to be reprogrammed into the Town, so long as the reprogrammed activities are eligible under Title I of the Housing and Community Development Act of 1974.

Note 18. Post-Retirement Health Care Benefits

In addition to providing pension benefits, the Town provides certain healthcare benefits for retired employees. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. The costs of retiree healthcare benefits are expensed as paid. For the year ended December 31, 2020, those costs approximated \$160,072. Approximately \$6,652 was reimbursed to the Town by its employees.

Note 19. Deferred Compensation Plan

The Town has adopted the Pennsylvania State Association of Boroughs Deferred Compensation Plan and the 457 Deferred Compensation Plan for employees of state and local governments. Both plans have been created in accordance with Internal Revenue Code Section 457(g). The Plan, available to all Town employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the participants and beneficiaries under the Plan. Participants' rights under the plans are equal to an amount equal to the fair market value of the deferred account for each participant.

Note 20. Risk Management

The Town 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 or three prior years.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 21. Non-Major Funds

The following funds are reported as non-major governmental funds:

Special Revenue Funds

The State Liquid Fuels Highway Aid Fund provides for the accountability for grants received from the State Motor License Fund. Costs paid by this fund must be related to the construction, reconstruction, repair and maintenance of the Town's streets, roads and bridges.

The Community Development Block Grant (CDBG) Program Income Fund, a special revenue fund, accounts for the income derived from rehabilitation loans.

The CDBG Entitlement Program Fund accounts for grants received from the Federal government under the Community Development Block Grant Program for various improvements to the Town.

The Home Program Fund, a special revenue fund, accounts for grants received from the Federal government under the Community Development Block Grant Program for rehabilitation of homes in the Town.

The Fire Fund, a special revenue fund, accounts for additional monies collected from Fire Fund millage to be used for future fire purchases or payments. Additionally, this fund accounts for the 2014 issuance of a General Obligation Note in the amount of \$350,000, which was used towards the purchase of a fire truck in 2014.

The Library Fund accounts for the receipt of tax monies from a special millage designated for support of the Bloomsburg Public Library.

The Street Lighting Fund accounts for the receipt of tax monies from a special millage designated for support of the Town's street lights.

The UDAG Repayment Fund accounts for funds received from the repayment of the Community Development Fund UDAG Grant. As the UDAG Grant Loan is repaid to the Towns, the funds are made available for activities eligible under Title I of the Housing and Community Development Act of 1974.

Capital Projects Funds

The Airport Expansion Fund accounts for grants received from the FAA and the Commonwealth of Pennsylvania for expansion of the Town's municipal airport. The Town also agrees to forever keep and maintain the airport as a public airport. Failure to do so would subject the Town to immediate repayment of the grant contributions.

The Capital Projects Fund was established to account for new construction projects contemplated by the Town. Formula budgets are not prepared for the various projects.

TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 21. Non-Major Funds (Continued)

Debt Service Funds

The General Debt Service Fund, accounts for the 2014 and 2016 issuances of General Obligation Notes in the amount of \$400,000 and \$1,500,000, respectively. The Notes provide funds for the construction and acquisition of certain capital assets within the Town.

Note 22. Contingencies

The Town is exposed to various liability claims and potential litigation arising from normal operations. The Town maintains customary, business-insurance policies designed to limit the financial impacts of such matters.

Note 23. Subsequent Events

Developments arising from the coronavirus pandemic and efforts to mitigate the disease's domestic and global impacts have impacted the operations and finances of municipalities. Changes in service approach, labor and personnel changes, facility closings, contracted service disruptions, personal protective equipment purchases, and technological equipment acquisitions have affected all municipalities. Unstable conditions enhance municipalities' risk factors as they have significant reliance on revenues from taxpayers and governmental agencies to fund their operations. These factors impact revenue recognition, cash flows and liquidity, and contingencies. 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.

In March 2021, the Town issued General Obligation Note Series of 2021A in the amount of \$1,267,000. The proceeds from this Note will be used to provide funds for the refunding of the Town's General Obligation Note Series of 2016. This Note bears interest from June 1, 2021 through June 1, 2026, at the bank-qualified, tax-exempt fixed rate equal to 1.50% per annum, and thereafter, at a variable rate equal to the yield on United States Treasury securities adjusted every 5 years to a constant maturity of 5 years then in effect on the 5 year anniversary of principal installments, being June 1, 2031, plus 2.00%; provided, however, that the maximum interest rate on the Series A Note shall not exceed 3.00% per annum. This note's maturity date is December 2034.

In March 2021, the Town issued General Obligation Note Series of 2021B in the amount of \$1,104,000. The proceeds from this Note will be used to provide funds to be applied toward certain capital projects of the Town, including, but not limited to, the design, acquisition, construction and equipping of alterations, improvements, renovations and additions, as applicable to the Norris E. Rock Memorial Swimming Pool. This Note bears interest from June 1, 2021 through June 1, 2031, at the bank-qualified, tax-exempt fixed rate equal to 2.13% per annum, and thereafter, at a variable rate equal to the yield on United States Treasury securities constant maturity of 10 years then in effect, plus 2.00% provided, however, that the maximum interest rate on the Series B Note shall not exceed 3.50% per annum. This note's maturity date is December 2040.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BLOOMSBURG

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 1,556,805	\$ 1,556,805	\$ 1,511,081	\$ (45,724)
Local enabling act taxes	1,940,000	1,940,000	1,654,986	(285,014)
Licenses and permits	90,200	90,200	63,787	(26,413)
Fines	666,000	666,000	437,755	(228,245)
Investment income	31,000	31,000	7,282	(23,718)
Rents	34,500	34,500	39,892	5,392
Intergovernmental revenue	813,803	813,803	2,061,572	1,247,769
Charges for services	680,365	680,365	768,650	88,285
Miscellaneous income	101,722	101,722	121,644	19,922
Total revenues	5,914,395	5,914,395	6,666,649	752,254
Expenditures				
Current				
General government	919,236	929,086	887,299	41,787
Public safety	3,439,000	3,429,150	3,220,407	208,743
Public works	1,617,759	1,617,759	1,271,498	346,261
Culture and recreation	40,900	40,900	33,004	7,896
Community development	3,500	3,500	6,071	(2,571)
Debt Service				
Principal	-	-	16,325	(16,325)
Interest	-	-	114	(114)
Capital outlay				
General government	-	-	12,150	(12,150)
Public safety	-	-	39,227	(39,227)
Public works	-	-	1,609,652	(1,609,652)
Total expenditures	6,020,395	6,020,395	7,095,747	(1,075,352)
Deficiency of revenues over expenditures	(106,000)	(106,000)	(429,098)	(323,098)
Other Financing Sources (Uses)				
Proceeds from capital lease	-	-	30,977	30,977
Refund of prior years' revenues	-	-	(13,133)	(13,133)
Refund of prior years' expenditures	-	-	29,596	29,596
Proceeds from sale of capital assets	-	-	5,700	5,700
Operating transfers in	86,000	86,000	61,054	(24,946)
Total other financing sources (uses) - net	86,000	86,000	114,194	28,194
Deficiency of revenues and other financing sources over expenditures and other financing uses	\$ (20,000)	\$ (20,000)	(314,904)	\$ (294,904)
Fund Balances - January 1, 2020			1,780,378	
Fund Balances - December 31, 2020			<u>\$ 1,465,474</u>	

TOWN OF BLOOMSBURG

SCHEDULES OF CHANGES IN THE POLICE PENSION PLAN'S NET PENSION
LIABILITY AND RELATED RATIOS
Year Ended December 31,

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 189,803	\$ 189,803	\$ 152,288	\$ 152,288	\$ 134,190	\$ 134,190
Interest	546,996	473,706	476,952	454,471	434,225	416,655
Differences between expected and actual experience	-	(165,902)	-	9,547	-	78,698
Changes of assumptions	-	689,260	-	-	-	408,993
Benefit payments, including refunds of member contributions	(347,675)	(336,269)	(316,567)	(316,567)	(316,567)	(316,567)
Net Change in Total Pension Liability	389,124	850,598	312,673	299,739	251,848	721,969
Total pension liability, beginning	7,525,763	6,675,165	6,362,492	6,062,753	5,810,905	5,088,936
Total pension liability, ending (a)	\$ 7,914,887	\$ 7,525,763	\$ 6,675,165	\$ 6,362,492	\$ 6,062,753	\$ 5,810,905
Plan Fiduciary Net Position						
Contributions, employer	\$ 100,511	\$ 90,362	\$ 102,666	\$ 142,999	\$ 148,654	\$ -
Contributions, member	62,625	68,521	64,578	61,615	50,853	45,986
Contributions, state aid	177,258	184,338	168,638	162,090	155,163	205,948
Net investment income	435,472	785,118	(136,894)	407,006	292,567	20,504
Benefit payments, including refunds of members contributions	(347,675)	(336,269)	(316,567)	(316,567)	(316,567)	(316,567)
Administrative expense	(36,097)	(28,761)	(30,549)	(29,343)	(21,651)	(21,851)
Other	-	-	-	-	459	6,743
Net Change in Plan Fiduciary Net Position	392,094	763,309	(148,128)	427,800	309,478	(59,237)
Plan fiduciary net position, beginning	4,792,716	4,029,407	4,177,535	3,749,735	3,440,257	3,499,494
Plan fiduciary net position, ending (b)	\$ 5,184,810	\$ 4,792,716	\$ 4,029,407	\$ 4,177,535	\$ 3,749,735	\$ 3,440,257
Net pension liability, ending (a)-(b)	\$ 2,730,077	\$ 2,733,047	\$ 2,645,758	\$ 2,184,957	\$ 2,313,018	\$ 2,370,648
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.51%	63.68%	60.36%	65.66%	61.85%	59.20%
Covered Payroll	\$ 1,395,361	\$ 1,328,915	\$ 1,307,868	\$ 1,245,589	\$ 1,096,472	\$ 1,044,259
Net Pension Liability as a Percentage of Covered Payroll	195.65%	205.66%	202.30%	175.42%	210.95%	227.02%

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.

TOWN OF BLOOMSBURG

SCHEDULES OF POLICE PENSION PLAN CONTRIBUTIONS
Year Ended December 31,

	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 277,769	\$ 274,700	\$ 271,304	\$ 305,089	\$ 303,817	\$ 205,948
Contributions in Relation to the Actuarially Determined Contribution	<u>277,769</u>	<u>274,700</u>	<u>271,304</u>	<u>305,089</u>	<u>304,276</u>	<u>212,691</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (459)</u>	<u>\$ (6,743)</u>
Covered Payroll	<u>\$ 1,395,361</u>	<u>\$ 1,328,915</u>	<u>\$ 1,307,868</u>	<u>\$ 1,245,589</u>	<u>\$ 1,096,472</u>	<u>\$ 1,044,249</u>
Contribution as a Percentage of Covered Payroll	<u>19.91%</u>	<u>20.67%</u>	<u>20.74%</u>	<u>24.49%</u>	<u>27.75%</u>	<u>20.37%</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.

TOWN OF BLOOMSBURG

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - POLICE PENSION PLAN

Year Ended December 31, 2020

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	13 years
Asset valuation method	Market value
Inflation	3.0%
Salary increases	5.0% average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 50 with 25 years service
Mortality	PubS-2010 with MP2019 projection

TOWN OF BLOOMSBURG

SCHEDULES OF POLICE PENSION PLAN INVESTMENT RETURNS
Years Ended December 31,

	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.31%	19.91%	(3.35)%	11.20%	2.54%	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.

TOWN OF BLOOMSBURG

SCHEDULES OF CHANGES IN THE MUNICIPAL EMPLOYEES PENSION PLAN'S
NET PENSION LIABILITY AND RELATED RATIOS
Year Ended December 31,

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 132,877	\$ 132,877	\$ 108,396	\$ 108,396	\$ 117,430	\$ 117,430
Interest	399,337	343,043	344,832	338,371	317,477	298,807
Differences between expected and actual experience	-	(128,147)	-	(181,738)	-	(77,124)
Changes of assumptions	-	541,180	-	-	-	203,734
Benefit payments, including refunds of member contributions	(249,374)	(232,187)	(199,675)	(158,816)	(136,164)	(197,354)
Net Change in Total Pension Liability	282,840	656,766	253,553	106,213	298,743	345,493
Total pension liability, beginning	5,497,719	4,840,953	4,587,400	4,481,187	4,182,444	3,836,951
Total pension liability, ending (a)	\$ 5,780,559	\$ 5,497,719	\$ 4,840,953	\$ 4,587,400	\$ 4,481,187	\$ 4,182,444
Plan Fiduciary Net Position						
Contributions, employer	\$ 52,911	\$ 60,653	\$ 70,355	\$ -	\$ -	\$ -
Contributions, state aid	147,715	148,494	135,847	136,146	137,938	194,173
Net investment income	341,043	604,635	(113,127)	326,379	244,451	23,110
Benefit payments, including refunds of members contributions	(249,374)	(232,187)	(199,675)	(158,816)	(136,164)	(197,354)
Administrative expense	(32,210)	(25,199)	(27,271)	(26,682)	(19,408)	(19,471)
Other	-	-	-	-	252	-
Net Change in Plan Fiduciary Net Position	260,085	556,396	(133,871)	277,027	227,069	458
Plan fiduciary net position, beginning	3,760,949	3,204,553	3,338,424	3,061,397	2,834,328	2,833,870
Plan fiduciary net position, ending (b)	\$ 4,021,034	\$ 3,760,949	\$ 3,204,553	\$ 3,338,424	\$ 3,061,397	\$ 2,834,328
Net pension liability, ending (a)-(b)	\$ 1,759,525	\$ 1,736,770	\$ 1,636,400	\$ 1,248,976	\$ 1,419,790	\$ 1,348,116
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.56%	68.41%	66.20%	72.77%	68.32%	67.77%
Covered Payroll	\$ 1,459,869	\$ 1,397,004	\$ 1,368,816	\$ 1,309,872	\$ 1,500,602	\$ 1,435,983
Net Pension Liability as a Percentage of Covered Payroll	120.53%	124.32%	119.55%	95.35%	94.61%	93.88%

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.

TOWN OF BLOOMSBURG

SCHEDULES OF MUNICIPAL EMPLOYEES PENSION PLAN CONTRIBUTIONS
Year Ended December 31,

	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 200,626	\$ 209,147	\$ 206,202	\$ 136,146	\$ 137,938	\$ 194,173
Contributions in Relation to the Actuarially Determined Contribution	200,626	209,147	206,202	136,146	138,190	194,173
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ (252)	\$ -
Covered Payroll	\$ 1,459,869	\$ 1,397,004	\$ 1,368,816	\$ 1,309,872	\$ 1,500,602	\$ 1,435,983
Contribution as a Percentage of Covered Payroll	13.74%	14.97%	15.06%	10.39%	9.21%	13.52%

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.

TOWN OF BLOOMSBURG

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - MUNICIPAL EMPLOYEES PENSION PLAN
Year Ended December 31, 2020

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	17 years
Asset valuation method	Market value
Inflation	3.0%
Salary increases	4.5% average, including inflation
Investment rate of return	7.25%, 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 projections

TOWN OF BLOOMSBURG

SCHEDULES OF MUNICIPAL EMPLOYEES PENSION PLAN INVESTMENT RETURNS
Years Ended December 31,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	<u>9.33%</u>	<u>19.37%</u>	<u>(3.46)%</u>	<u>10.93%</u>	<u>2.68%</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.

TOWN OF BLOOMSBURG

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF CHANGES IN THE POLICE OPEB PLAN'S
OPEB LIABILITY AND RELATED RATIOS
Years Ended December 31,**

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 70,785	\$ 38,042	\$ 44,942
Interest	68,928	76,611	70,146
Differences between expected and actual experience	(65,270)	10,136	-
Changes of assumptions	254,085	615,515	(168,897)
Benefit payments	(121,264)	(121,263)	(107,857)
Net change in total OPEB liability	207,264	619,041	(161,666)
Total OPEB Liability - beginning	2,505,041	1,886,000	2,047,666
Total OPEB Liability - ending	\$ 2,712,305	\$ 2,505,041	\$ 1,886,000
Covered-employee payroll	\$ 1,282,276	\$ 1,306,550	\$ 1,219,834
Total OPEB liability as a percentage of covered-employee payroll	211.52%	191.73%	154.61%

Notes to Schedule:

Changes of Assumptions: The discount rate changed from 2.74% to 2.12%.

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.

TOWN OF BLOOMSBURG

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF CHANGES IN THE MUNICIPAL EMPLOYEES OPEB PLAN'S
OPEB LIABILITY AND RELATED RATIOS
Years Ended December 31,**

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 56,329	\$ 45,460	\$ 50,256
Interest	47,763	69,473	59,981
Difference between expected and actual experience	(85,700)	(351,537)	-
Changes of assumptions	112,215	326,338	(108,379)
Benefit payments	(48,448)	(46,895)	(53,859)
Net change in total OPEB liability	82,159	42,839	(52,001)
Total OPEB Liability - beginning	1,710,923	1,668,084	1,720,085
Total OPEB Liability - ending	\$ 1,793,082	\$ 1,710,923	\$ 1,668,084
Covered-employee payroll	\$ 673,219	\$ 648,755	\$ 859,053
Total OPEB liability as a percentage of covered-employee payroll	266.34%	263.72%	194.18%

Notes to Schedule:

Changes of Assumptions: The discount rate changed from 2.74% to 2.12%.

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.

SUPPLEMENTARY INFORMATION

TOWN OF BLOOMSBURG

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

December 31, 2020

	Airport Expansion Fund	Non-Major Special Revenue Funds	General Debt Service Fund	Total Non-Major Governmental Funds
Assets				
Cash and cash equivalents	\$ 1	\$ 781,662	\$ 130,658	\$ 912,321
Due from other funds	24,420	7,991	10,787	43,198
Receivables	210,373	102,577	27,579	340,529
Total assets	\$ 234,794	\$ 892,230	\$ 169,024	\$ 1,296,048
Liabilities				
Due to other funds	\$ -	\$ 155,974	\$ -	\$ 155,974
Accounts payable	234,794	17,664	-	252,458
Total liabilities	234,794	173,638	-	408,432
Deferred Inflows of Resources				
Property taxes receivable	-	33,711	20,253	53,964
Total deferred inflows of resources	-	33,711	20,253	53,964
Fund Balances				
Restricted for				
Debt service	-	-	148,771	148,771
Program expenditures	-	684,881	-	684,881
Total fund balances	-	684,881	148,771	833,652
Total liabilities, deferred inflows of resources and fund balances	\$ 234,794	\$ 892,230	\$ 169,024	\$ 1,296,048

TOWN OF BLOOMSBURG

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NON-MAJOR GOVERNMENTAL FUNDS**

Year Ended December 31, 2020

	Airport Expansion Fund	Non-Major Special Revenue Funds	General Debt Service Fund	Non-Major Governmental Funds
Revenues				
Property taxes	\$ -	\$ 315,570	\$ 189,123	\$ 504,693
Investment income	-	3,727	700	4,427
Intergovernmental revenue	1,253,153	725,406	-	1,978,559
Miscellaneous revenue	-	15,016	-	15,016
Total revenues	1,253,153	1,059,719	189,823	2,502,695
Expenditures				
Current				
General government	-	80,729	-	80,729
Public safety	-	112,929	-	112,929
Public works	558	118,479	-	119,037
Culture and recreation	-	37,632	-	37,632
Debt service				
Principal	-	163,210	131,033	294,243
Interest	-	3,129	40,901	44,030
Capital outlay				
General government	-	6,000	-	6,000
Public works	1,374,732	673,229	-	2,047,961
Culture and recreation	-	134,423	-	134,423
Total expenditures	1,375,290	1,329,760	171,934	2,876,984
Excess (deficiency) of revenues over expenditures	(122,137)	(270,041)	17,889	(374,289)
Other Financing Sources (Uses)				
Proceeds from capital lease	-	260,441	-	260,441
Proceeds from sale of capital assets	-	22,000	-	22,000
Operating transfers in	122,137	-	-	122,137
Operating transfers out	-	(157,191)	-	(157,191)
Total other financing sources - net	122,137	125,250	-	247,387
Net changes in fund balances	-	(144,791)	17,889	(126,902)
Fund Balances - January 1, 2020	-	829,672	130,882	960,554
Fund Balances - December 31, 2020	\$ -	\$ 684,881	\$ 148,771	\$ 833,652

TOWN OF BLOOMSBURG

COMBINING BALANCE SHEET - NON-MAJOR
SPECIAL REVENUE FUNDS
December 31, 2020

	UDAG Repayment Fund	State Liquid Fuels Highway Aid	CDBG Program Income	CDBG Entitlement Program Fund	Home Program Fund	Fire	Library	Street Lighting	Total
Assets									
Cash and cash equivalents	\$ 353,415	\$ 67,523	\$ 170,159	\$ 5,201	\$ 12	\$ 104,385	\$ 3,558	\$ 77,409	\$ 781,662
Due from other funds	-	-	-	-	-	4,422	-	3,569	7,991
Receivables	56,668	-	-	-	-	28,805	3,602	13,502	102,577
Total assets	\$ 410,083	\$ 67,523	\$ 170,159	\$ 5,201	\$ 12	\$ 137,612	\$ 7,160	\$ 94,480	\$ 892,230
Liabilities									
Due to other funds	\$ 16,243	\$ -	\$ 137,467	\$ 1	\$ 1	\$ -	\$ 2,262	\$ -	\$ 155,974
Accounts payable	-	-	-	5,200	-	3,668	-	8,796	17,664
Total liabilities	16,243	-	137,467	5,201	1	3,668	2,262	8,796	173,638
Deferred Inflows of Resources									
Property taxes receivable	-	-	-	-	-	21,152	2,644	9,915	33,711
Total deferred inflows of resources	-	-	-	-	-	21,152	2,644	9,915	33,711
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted for:									
Program expenditures	393,840	67,523	32,692	-	11	112,792	2,254	75,769	684,881
Total fund balances	393,840	67,523	32,692	-	11	112,792	2,254	75,769	684,881
Total liabilities, deferred inflows of resources and fund balances	\$ 410,083	\$ 67,523	\$ 170,159	\$ 5,201	\$ 12	\$ 137,612	\$ 7,160	\$ 94,480	\$ 892,230

TOWN OF BLOOMSBURG

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS
 Year Ended December 31, 2020

	UDAG Repayment Fund	State Liquid Fuels Highway Aid	CDBG Program Income	CDBG Entitlement Program Fund	Home Program Fund	Fire	Library	Street Lighting	Total
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,020	\$ 24,834	\$ 94,716	\$ 315,570
Investment income	2,576	120	51	-	-	588	2	390	3,727
Intergovernmental revenue	69,090	398,006	-	257,861	-	449	-	-	725,406
Miscellaneous income	8,600	-	-	-	6,416	-	-	-	15,016
Total revenues	80,266	398,126	51	257,861	6,416	197,057	24,836	95,106	1,059,719
Expenditures									
Current									
General government	7,000	-	-	67,313	6,416	-	-	-	80,729
Public safety	-	-	-	-	-	112,929	-	-	112,929
Public works	-	44,858	-	5,200	-	-	-	68,421	118,479
Culture and recreation	12,694	-	-	-	-	-	24,938	-	37,632
Debt service									
Principal	-	110,101	-	-	-	53,109	-	-	163,210
Interest	-	1,785	-	-	-	1,344	-	-	3,129
Capital outlay									
General government	-	-	-	6,000	-	-	-	-	6,000
Public works	-	493,881	-	179,348	-	-	-	-	673,229
Culture and recreation	134,423	-	-	-	-	-	-	-	134,423
Total expenditures	154,117	650,625	-	257,861	6,416	167,382	24,938	68,421	1,329,760
Excess (deficiency) of revenues over expenditures	(73,851)	(252,499)	51	-	-	29,675	(102)	26,685	(270,041)
Other Financing Sources (Uses)									
Proceeds from capital lease	-	260,441	-	-	-	-	-	-	260,441
Proceeds from sale of capital assets	-	22,000	-	-	-	-	-	-	22,000
Operating transfers out	-	(35,054)	(122,137)	-	-	-	-	-	(157,191)
Total other financing sources	-	247,387	(122,137)	-	-	-	-	-	125,250
Net changes in fund balances	(73,851)	(5,112)	(122,086)	-	-	29,675	(102)	26,685	(144,791)
Fund Balances - January 1, 2020	467,691	72,635	154,778	-	11	83,117	2,356	49,084	829,672
Fund Balances - December 31, 2020	\$ 393,840	\$ 67,523	\$ 32,692	\$ -	\$ 11	\$ 112,792	\$ 2,254	\$ 75,769	\$ 684,881

TOWN OF BLOOMSBURG

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL - ANNUALLY-BUDGETED SPECIAL REVENUE FUNDS
Year Ended December 31, 2020

	State Liquid Fuels Highway Aid			Library		
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ 24,780	\$ 24,834	\$ 54
Investment income	200	120	(80)	5	2	(3)
Intergovernmental revenue	390,440	398,006	7,566	-	-	-
Total revenues	390,640	398,126	7,486	24,785	24,836	51
Expenditures						
Current						
Public safety	-	-	-	-	-	-
Public works	390,640	44,858	345,782	-	-	-
Culture and recreation	-	-	-	24,785	24,938	(153)
Debt Service						
Principal	-	110,101	(110,101)	-	-	-
Interest	-	1,785	(1,785)	-	-	-
Capital outlay						
Public works	-	493,881	(493,881)	-	-	-
Total expenditures	390,640	650,625	(259,985)	24,785	24,938	(153)
Excess (deficiency) of revenues over expenditures	-	(252,499)	(252,499)	-	(102)	(102)
Other Financing Sources (Uses)						
Proceeds from capital lease	-	260,441	260,441	-	-	-
Proceeds from sale of capital assets	-	22,000	22,000	-	-	-
Operating transfers out	(60,000)	(35,054)	24,946	-	-	-
Total other financing sources (uses) - net	(60,000)	247,387	307,387	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (60,000)	\$ (5,112)	\$ 54,888	\$ -	\$ (102)	\$ (102)

Fire			Street Lighting		
Original and Final Budget	Actual	Variance Favorable (Unfavorable)	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 200,495	\$ 196,020	\$ (4,475)	\$ 90,800	\$ 94,716	\$ 3,916
450	588	138	200	390	190
-	449	449	-	-	-
200,945	197,057	(3,888)	91,000	95,106	4,106
128,300	112,929	15,371	-	-	-
-	-	-	91,000	68,421	22,579
-	-	-	-	-	-
53,085	53,109	(24)	-	-	-
1,370	1,344	26	-	-	-
-	-	-	-	-	-
182,755	167,382	15,373	91,000	68,421	22,579
18,190	29,675	11,485	-	26,685	26,685
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 18,190	\$ 29,675	\$ 11,485	\$ -	\$ 26,685	\$ 26,685

TOWN OF BLOOMSBURG

**COMBINING STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL - ANNUALLY-BUDGETED DEBT SERVICE FUNDS
Year Ended December 31, 2020**

	General Debt Service			Day Care Debt Service		
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Property taxes	\$ 191,225	\$ 189,123	\$ (2,102)	\$ -	\$ -	\$ -
Investment income	3,200	700	(2,500)	10	16	6
Rents	-	-	-	17,000	17,205	205
Miscellaneous revenue	-	-	-	-	15,792	15,792
Total revenues	194,425	189,823	(4,602)	17,010	33,013	16,003
Expenditures						
Debt service						
Principal	129,685	131,033	(1,348)	-	-	-
Interest	42,250	40,901	1,349	-	-	-
Total expenditures	171,935	171,934	1	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses						
	\$ 22,490	\$ 17,889	\$ (4,601)	\$ 17,010	\$ 33,013	\$ 16,003

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of Town Council
Town of Bloomsburg
Bloomsburg, Pennsylvania

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Bloomsburg as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town of Bloomsburg's basic financial statements and have issued our report thereon dated May 26, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Bloomsburg's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bloomsburg's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Bloomsburg's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Bloomsburg's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Boyer & Ritter". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania
May 26, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Members of Town Council
Town of Bloomsburg
Bloomsburg, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited the Town of Bloomsburg's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Bloomsburg's major federal programs for the year ended December 31, 2020. The Town of Bloomsburg's major federal program is identified in the summary of auditor's results section in the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Bloomsburg's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Bloomsburg's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Bloomsburg's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Bloomsburg complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the Town of Bloomsburg is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Bloomsburg's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Bloomsburg's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania
May 26, 2021

TOWN OF BLOOMSBURG
Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

Section I -- Summary of Auditor's Results

Financial Statements

Type of report auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified: Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over the major programs:

- Material weakness (es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for the major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) Yes X No

TOWN OF BLOOMSBURG
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020

Identification of the major programs:

CFDA Number(s)	Name of Program
14.218	Community Development Block Grants/Entitlement Grants
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee? X Yes No

Section II - Financial-Statement Findings

A. Significant Deficiency(ies) in Internal Control

There were no findings relating to the financial statement audit required to be reported.

B. Compliance Findings

There were no compliance findings relating to the financial statement audit required to be reported.

Section III - Federal Award Findings and Questioned Costs

A. Significant Deficiency(ies) in Internal Control

There were no significant deficiencies in internal controls relating to the Federal awards as required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance.

B. Compliance Findings

There were no findings relating to the Federal awards as required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance.

TOWN OF BLOOMSBURG

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor Program Title	Federal C.F.D.A. Number	Pass Through Grantor's Number	Grant Period	Program or Annual Award	Total Received in Fiscal Year	Accrued Revenue at 1/1/2020	Revenue Recognized	Expenditures	Accrued Revenue at 12/31/2020	Passed through to Subrecipients
U. S. Department of Housing and Urban Development:										
Community Development Block Grants/Entitlement Grants	14.218	NA	16-23	\$ 241,797	\$ 2,025	\$ -	\$ 2,025	\$ 2,025	\$ -	\$ -
Community Development Block Grants/Entitlement Grants	14.218	NA	17-24	\$ 237,837	1,749	-	1,749	1,749	-	-
Community Development Block Grants/Entitlement Grants	14.218	NA	18-25	\$ 265,616	64,683	1,707	62,976	62,976	-	-
Community Development Block Grants/Entitlement Grants	14.218	NA	19-26	\$ 256,394	139,065	-	139,065	139,065	-	-
Community Development Block Grants/Entitlement Grants	14.218	NA	20-27	\$ 274,628	46,846	-	46,846	46,846	-	-
Community Development Block Grants/Entitlement Grants	14.218	NA	20-26	\$ 247,240	5,200	-	5,200	5,200	-	-
					<u>259,568</u>	<u>1,707</u>	<u>257,861</u>	<u>257,861</u>	<u>-</u>	<u>-</u>
Passed through the Pennsylvania Department of Community and Economic Development										
Community Development Block Grants/States Program	14.228	C000056516	13-20	\$ 2,120,473	-	-	2,980	2,980	2,980	-
Community Development Block Grants/States Program	14.228	C000062141	16-21	\$ 530,000	362,205	2,971	482,637	482,637	123,403	-
					<u>362,205</u>	<u>2,971</u>	<u>485,617</u>	<u>485,617</u>	<u>126,383</u>	<u>-</u>
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)										
	14.269	C000066861	17-20	\$ 9,550,000	5,324,739	1,012,610	4,878,774	4,878,774	566,645	-
Total U.S. Department of Housing and Urban Development					<u>5,946,512</u>	<u>1,017,288</u>	<u>5,622,252</u>	<u>5,622,252</u>	<u>693,028</u>	<u>-</u>
U. S. Department of Justice										
Passed through the Bureau of Justice Assistance										
Bulletproof Vest Partnership Program	16.607	NA	18-20	\$ 6,250	6,250	6,250	-	-	-	-
Total U.S. Department of Justice					<u>6,250</u>	<u>6,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor Program Title	Federal C.F.D.A. Number	Pass Through Grantor's Number	Grant Period	Program or Annual Award	Total Received in Fiscal Year	Accrued Revenue at 1/1/2020	Revenue Recognized	Expenditures	Accrued Revenue at 12/31/2020	Passed through to Subrecipients
U. S. Department of Transportation										
Passed through the Pennsylvania Department of Transportation										
Highway Planning and Construction	20.205	R15030018	17-19	\$ 350,000	49,812	-	49,812	49,812	-	-
Total U.S. Department of Transportation					49,812	-	49,812	49,812	-	-
Federal Aviation Administration										
Passed through the Pennsylvania Department of Transportation										
Airport Improvement Program	20.106	ABG-2018-Town of Bloomsburg-00004	19-22	\$ 1,306,406	987,897	-	1,187,198	1,187,198	199,301	-
Airport Improvement Program - CARES	20.106	ABG-2020-Town of Bloomsburg-00038	2020	\$ 30,000	-	-	17,500	17,500	17,500	-
Total Federal Aviation Administration					987,897	-	1,204,698	1,204,698	216,801	-
Total Expenditures of Federal Awards					\$ 6,990,471	\$ 1,023,538	\$ 6,876,762	\$ 6,876,762	\$ 909,829	\$ -

See Notes to Schedule of Expenditures of Federal Awards.

TOWN OF BLOOMSBURG

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the Federal-award activity of the Town under programs of the Federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue is recognized when earned, and expenses are recognized when incurred. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The Town has not elected to use the 10 percent, de minimis, indirect-cost rate allowed under the Uniform Guidance.

TOWN OF BLOOMSBURG

SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
Year Ended December 31, 2020

There were no prior year's audit findings.