



EBENSBURG, PENNSYLVANIA

Financial Statements

December 31, 2020

EBENSBURG BOROUGH
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Borough Council
Ebensburg Borough
Ebensburg, Pennsylvania

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Ebensburg, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Ebensburg Borough's management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough'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 Borough'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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Ebensburg, as of December 31, 2020, and the respective changes in financial position – modified cash basis thereof for the year then ended on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 42 and 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.



WESSEL & COMPANY
Certified Public Accountants

February 12, 2021

EBENSBURG BOROUGH
 GOVERNMENT-WIDE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 DECEMBER 31, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 2,153,107	\$ 1,916,547	\$ 4,069,654
Total Assets	<u>\$ 2,153,107</u>	<u>\$ 1,916,547</u>	<u>\$ 4,069,654</u>
LIABILITIES AND NET POSITION:			
Current Liabilities			
Accrued payroll taxes and withholdings	\$ 29,917	\$ -	\$ 29,917
Total Liabilities	<u>29,917</u>	<u>-</u>	<u>29,917</u>
Net Position			
Net Position - restricted	660,268	-	660,268
Net Position - unrestricted	<u>1,462,922</u>	<u>1,916,547</u>	<u>3,379,469</u>
Total Net Position	<u>2,123,190</u>	<u>1,916,547</u>	<u>4,039,737</u>
Total Liabilities and Net Position	<u>\$ 2,153,107</u>	<u>\$ 1,916,547</u>	<u>\$ 4,069,654</u>

See Independent Auditor's Report and
 Accompanying Notes to Financial Statements

EBENSBURG BOROUGH
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Primary Government:						
Governmental Activities:						
General government	\$ 190,205	\$ 501,453	\$ -	\$ -	\$ 311,248	\$ 311,248
Public safety	588,592	36,942	-	-	(551,650)	(551,650)
Codes enforcement	3,240	-	-	-	(3,240)	(3,240)
Planning and zoning	14,566	-	-	-	(14,566)	(14,566)
Public works - Sanitation	153,627	229,473	-	-	75,846	75,846
Public works - Highways & Streets	514,340	33,117	7,500	117,304	(356,419)	(356,419)
Public works - Other	57,706	-	-	-	(57,706)	(57,706)
Airport	93,174	-	-	336,149	242,975	242,975
Parking facilities	13,200	-	-	-	(13,200)	(13,200)
Culture and recreation	410,003	250,339	2,100	3,169	(154,395)	(154,395)
Economic development	72,974	-	-	-	(72,974)	(72,974)
Capital expenditures	1,486,326	-	-	-	(1,486,326)	(1,486,326)
Total Governmental Activities	3,597,953	1,051,324	9,600	456,622	(2,080,407)	(2,080,407)
Business-type Activities:						
Sewer	1,664,130	1,996,469	-	8,350	-	340,689
Water	1,262,965	1,663,032	-	13,975	-	414,042
Stormwater	40,499	209,069	-	-	-	168,570
Total Business-type Activities	2,967,594	3,868,570	-	22,325	-	923,301
Total Primary Government	\$ 6,565,547	\$ 4,919,894	\$ 9,600	\$ 478,947	\$ (2,080,407)	\$ (1,157,106)
General Revenues:						
Taxes:						
Property taxes		\$ 454,995			\$ 454,995	\$ 454,995
Local enabling taxes		491,434			491,434	491,434
Licenses and permits		60,767			60,767	60,767
Transfers in/(out) primary government		141,380			(141,380)	-
Unrestricted investment earnings		33,633			39,782	73,415
Proceeds from asset disposal		17,000			-	17,000
Proceeds from loan		770,107			-	770,107
Debt service		(275,815)			(1,168,916)	(1,444,731)
Contributed capital		1,350			-	1,350
Intergovernmental reimbursement		-			490,000	490,000
Other revenues		190,588			-	190,588
Total General Revenues and Transfers		1,885,439			(780,514)	1,104,925
Change in Net Position		(194,968)			142,787	(52,181)
Net Position - Beginning of Year		2,318,158			1,773,760	4,091,918
Net Position - End of Year		\$ 2,123,190			\$ 1,916,547	\$ 4,039,737

See Independent Auditor's Report and Accompanying Notes to Financial Statements

EBENSBURG BOROUGH
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
DECEMBER 31, 2020

	Governmental Fund Types			Totals
	General	Highway Aid Fund	Capital Projects	
	<u>ASSETS</u>			
Cash	\$ 1,492,839	\$ 370,243	\$ 290,025	\$ 2,153,107
Total Assets	<u>\$ 1,492,839</u>	<u>\$ 370,243</u>	<u>\$ 290,025</u>	<u>\$ 2,153,107</u>
	<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities				
Accrued payroll taxes and withholdings	\$ 29,917	\$ -	\$ -	\$ 29,917
Total Liabilities	<u>29,917</u>	<u>-</u>	<u>-</u>	<u>29,917</u>
Fund Balance				
Restricted	-	370,243	290,025	660,268
Assigned	682,756	-	-	682,756
Unassigned	780,166	-	-	780,166
Total Fund Balance	<u>1,462,922</u>	<u>370,243</u>	<u>290,025</u>	<u>2,123,190</u>
Total Liabilities and Fund Balance	<u>\$ 1,492,839</u>	<u>\$ 370,243</u>	<u>\$ 290,025</u>	<u>\$ 2,153,107</u>

See Independent Auditor's Report and
Accompanying Notes to Financial Statements

EBENSBURG BOROUGH
 GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Governmental Fund Types				Totals
	General	Highway Aid Fund	Capital Projects		
<u>Revenues:</u>					
Real estate taxes	\$ 454,995	\$ -	\$ -	\$ -	\$ 454,995
Local enabling taxes	491,434	-	-	-	491,434
State liquid fuel tax	7,500	115,024	-	-	122,524
Licenses and permits	60,767	-	-	-	60,767
Fines, forfeits and costs	36,942	-	-	-	36,942
Grant revenue	11,063	2,280	336,149	-	349,492
Interest	28,227	5,406	-	-	33,633
Charges for services	1,008,588	-	-	-	1,008,588
Miscellaneous revenue	181,292	-	9,296	-	190,588
Total Revenues	2,280,808	122,710	345,445		2,748,963
<u>Expenditures:</u>					
General government	190,205	-	-	-	190,205
Public safety	588,592	-	-	-	588,592
Codes enforcement	3,240	-	-	-	3,240
Planning and zoning	14,566	-	-	-	14,566
Public works - Sanitation	153,627	-	-	-	153,627
Public works - Highways & Streets	200,745	313,595	-	-	514,340
Public works - Other	57,706	-	-	-	57,706
Airport	-	-	93,174	-	93,174
Parking facilities	13,200	-	-	-	13,200
Culture and recreation	410,003	-	-	-	410,003
Economic development	59,979	-	12,995	-	72,974
Capital expenditures	1,486,326	-	-	-	1,486,326
Total Expenditures	3,178,189	313,595	106,169		3,597,953

Excess/(Deficiency) of Revenues Over Expenditures	<u>(897,381)</u>	<u>(190,885)</u>	<u>239,276</u>	<u>(848,990)</u>
Other Financing Sources/(Uses):				
Sale of a capital asset	17,000	-	-	17,000
Debt service	(275,815)	-	-	(275,815)
Proceeds from loan	770,107	-	-	770,107
Contributed capital	-	-	1,350	1,350
Operating transfers in	342,300	-	48,899	391,199
Operating transfers (out)	<u>(249,819)</u>	<u>-</u>	<u>-</u>	<u>(249,819)</u>
Total Other Financing Sources/(Uses)	<u>603,773</u>	<u>-</u>	<u>50,249</u>	<u>654,022</u>
Excess/(Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(293,608)</u>	<u>(190,885)</u>	<u>289,525</u>	<u>(194,968)</u>
Fund Balance - Beginning of Year	<u>1,756,530</u>	<u>561,128</u>	<u>500</u>	<u>2,318,158</u>
Fund Balance - End of Year	<u>\$ 1,462,922</u>	<u>\$ 370,243</u>	<u>\$ 290,025</u>	<u>\$ 2,123,190</u>

See Independent Auditor's Report and
Accompanying Notes to Financial Statements

EBENSBURG BOROUGH
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds (page 8)	\$ (194,968)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of the differences in the treatment of long-term debt on the statement of activities.

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The net effect of various transactions involving capital assets, (i.e. purchases, disposals, etc.) is to increase net assets

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Change in net position of governmental activities (page 5)	<u>\$ (194,968)</u>
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EBENSBURG BOROUGH
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 DECEMBER 31, 2020

ASSETS

	<u>Enterprise Sewer Fund</u>	<u>Enterprise Water Fund</u>	<u>Enterprise Stormwater Fund</u>	<u>Total</u>
Current Assets:				
Cash	<u>\$ 1,272,186</u>	<u>\$ 207,823</u>	<u>\$ 436,538</u>	<u>\$ 1,916,547</u>
Total Current Assets	<u><u>\$ 1,272,186</u></u>	<u><u>\$ 207,823</u></u>	<u><u>\$ 436,538</u></u>	<u><u>\$ 1,916,547</u></u>

LIABILITIES AND NET POSITION

Current Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:				
Unrestricted	<u>1,272,186</u>	<u>207,823</u>	<u>436,538</u>	<u>1,916,547</u>
Total Net Position	<u>1,272,186</u>	<u>207,823</u>	<u>436,538</u>	<u>1,916,547</u>
Total Liabilities and Net Position	<u><u>\$ 1,272,186</u></u>	<u><u>\$ 207,823</u></u>	<u><u>\$ 436,538</u></u>	<u><u>\$ 1,916,547</u></u>

See Independent Auditor's Report and
 Accompanying Notes to Financial Statements

EBENSBURG BOROUGH
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET POSITION - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Sewer Fund	Water Fund	Stormwater Fund	Total
Operating Revenues:				
Sewage service fees	\$ 1,996,469	\$ -	\$ -	\$ 1,996,469
Water service fees	-	1,663,032	-	1,663,032
Stormwater service fees	-	-	209,069	209,069
Total Operating Revenues	1,996,469	1,663,032	209,069	3,868,570
Operating Expenses:				
Personnel services	250,377	263,564	-	513,941
Operating expense	842,283	844,146	40,499	1,726,928
Utilities	11,713	85,835	-	97,548
Capital expenditures	559,757	69,420	-	629,177
Total Operating Expenses	1,664,130	1,262,965	40,499	2,967,594
Operating Income	332,339	400,067	168,570	900,976
Non-Operating Revenues/(Expenses):				
Sewer tap-ins	8,350	-	-	8,350
Water tap-ins	-	13,975	-	13,975
Interest income	19,891	19,891	-	39,782
Debt service	(628,269)	(540,647)	-	(1,168,916)
Intergovernmental reimbursement	490,000	-	-	490,000
Transfer in	404,914	102,932	-	507,846
Transfer (out)	(407,173)	(209,104)	(32,949)	(649,226)
Total Non-Operating Revenues/(Expenses)	(112,287)	(612,953)	(32,949)	(758,189)
Change in Net Position	220,052	(212,886)	135,621	142,787
Net Position - Beginning of Year	1,052,134	420,709	300,917	1,773,760
Net Position - End of Year	\$ 1,272,186	\$ 207,823	\$ 436,538	\$ 1,916,547

See Independent Auditor's Report and
 Accompanying Notes to Financial Statements

EBENSBURG BOROUGH
 FIDUCIARY FUND
 STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
 DECEMBER 31, 2020

	Police Pension Trust Fund	Non-Uniform Pension Trust Fund	Total
<u>ASSETS</u>			
Investments	\$ 1,862,303	\$ 2,377,754	\$ 4,240,057
Total Assets	\$ 1,862,303	\$ 2,377,754	\$ 4,240,057
<u>LIABILITIES AND NET POSITION</u>			
Current Liabilities	\$ -	\$ -	\$ -
Total Liabilities	-	-	-
Net Position:			
Held in trust for employee pension benefits	1,862,303	2,377,754	4,240,057
Total Net Position	1,862,303	2,377,754	4,240,057
Total Liabilities and Net Position	\$ 1,862,303	\$ 2,377,754	\$ 4,240,057

See Independent Auditor's Report and
 Accompanying Notes to Financial Statements

EBENSBURG BOROUGH
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Police Pension Trust Fund	Non-Uniform Pension Trust Fund	Total
<u>Additions</u>			
Contributions - employee	\$ 8,899	\$ 18,401	\$ 27,300
Contributions - employer	-	54,620	54,620
State Contribution	37,396	80,776	118,172
Net appreciation/(depreciation) in fair value of investments	75,839	74,844	150,683
Investment Income	59,924	75,729	135,653
Total Additions	<u>182,058</u>	<u>304,370</u>	<u>486,428</u>
<u>Deductions</u>			
Withdrawals/administrative expenses	34,062	41,875	75,937
Purchased annuities	33,528	74,820	108,348
Total Deductions	<u>67,590</u>	<u>116,695</u>	<u>184,285</u>
Change in Net Position	114,468	187,675	302,143
Net Position Held in Trust for Employee Pension Benefits:			
Beginning of the Year	<u>1,747,835</u>	<u>2,190,079</u>	<u>3,937,914</u>
End of the Year	<u>\$ 1,862,303</u>	<u>\$ 2,377,754</u>	<u>\$ 4,240,057</u>

See Independent Auditor's Report and
Accompanying Notes to Financial Statements

EBENSBURG BOROUGH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ebensburg Borough, the Borough, was incorporated under the Commonwealth of Pennsylvania Municipalities Act. The Borough operates under the Mayor-Council form of government whereby the mayor and council are elected officials.

a. *Basis of Accounting*

The accompanying financial statement has been prepared on the modified cash basis of accounting, a special purpose framework. Under this basis, the only asset recognized is cash and only liabilities due at year end are recognized. All transactions are recognized as either cash receipts or disbursements, and non-cash transactions are not recognized. The modified cash basis differs from generally accepted accounting principles primarily because the effects of accounts receivable, capital assets and related depreciation, deferred inflows, accounts payable, long-term debt obligations, other liabilities, and deferred outflows are not included in the financial statement.

b. *Basis of Presentation*

The Borough's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

As described in Note 6, the Borough participates in two (2) defined benefit pension plans, the Police pension plan and the Non-Uniform pension plan, and as reported in the Schedule of Changes in Net Pension Liability and Related Ratios, the most recent actuarial valuations performed as of January 1, 2019, reflect an excess of assets over actuarial accrued liability approximating \$10,315 for the Police plan and unfunded pension obligations approximating \$749,689 for the Non-Uniform plan.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Borough as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities that are governmental and those that are considered business-type activities.

The statement of net position presents the financial position of the governmental and business-type activities of the Borough at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Borough's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods and services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Borough, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business-type activity is self-financing or draws from the general revenues of the Borough.

Fund Financial Statements

During the year, the Borough segregates transactions related to certain Borough functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Borough at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Fiduciary funds are reported by type.

c. Fund Accounting

The Borough uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three (3) categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those which most governmental functions of the Borough are financed. The Governmental funds follow the modified cash basis of accounting.

The following are the funds maintained by the Borough:

Major Funds:

General Fund – The General Fund is the general operating fund of the Borough. It is used to account for all financial resources not accounted for and reported in another fund.

Highway Aid Fund – Revenue recorded within this special revenue fund is received annually by virtue of the Commonwealth of Pennsylvania Liquid Fuels Tax Act and expenditures are restricted to certain appropriations for highway purposes as approved by the Pennsylvania Department of Transportation. Unexpended allocations of such revenues are available for carryover and reappropriation to the succeeding year.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources that are restricted, committed, or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets other than those financed by the Proprietary Fund.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, and financial position. Typically, proprietary funds may be used to account for any activity for which a fee is charged to external users for goods or services.

The following are the Borough's major proprietary funds:

Enterprise Fund (Sewer, Water, and Stormwater Funds) – The Borough's Sewer, Water, and Stormwater Funds are enterprise funds. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Borough applies all GASB pronouncements and all Financial Accounting Standards Board (FASB) Accounting Standards Codification, unless they conflict with GASB pronouncements.

Fiduciary Funds (Trust and Agency Funds)

Fiduciary Funds account for assets held by a government unit in a trustee capacity and/or as an agent for individuals, private organizations, other governmental units and/or other funds. These include (a) expendable trust funds, (b) non-expendable trust funds, (c) pension trust funds, and (d) agency funds. The modified cash basis of accounting is utilized for fiduciary funds. The Borough's fiduciary fund is a pension trust fund, which consists of the Police and the Non-Uniform Pension Plans.

d. Budgets

The administration submits to the Borough Council proposed operating budgets in accordance with the Administrative Code. Prior to the inception of the calendar year, the budgets are legally enacted by the Council Members through passage of budget resolutions. All transfers of budgeted amounts between departments, as well as all budget amendments, require the approval of Council.

The budgets are prepared on the cash receipts and disbursements basis of accounting, for the following funds:

- General Fund
- Special Revenue
 - Highway Aid Fund
- Capital Projects Fund
- Proprietary Fund
 - Sewer Fund
 - Water Fund
 - Stormwater Fund

Formal budgetary integration is employed as a management control device on a cash receipts and disbursements basis of accounting during the year for the aforementioned funds. However, since the budgets are not adopted on a basis consistent with generally accepted accounting principles (GAAP), the budgetary comparisons presented in this report are on a non-GAAP budgetary basis. In this instance, however, the comparison is not materially by the different bases. The individual financial statements of the budgetary funds of the Borough present comparisons of non-GAAP budgets to actual results.

e. Encumbrances

Encumbrance accounting is not utilized by the Borough. This is the procedure under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Reservations of fund balances are, therefore, not provided for in the financial statements.

f. *Reporting Entity*

The Borough follows the Statement of Governmental Accounting Standards Board No. 61, "The Financial Reporting Entity." The criteria for including organizations as component units within the Borough's reporting entity include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Borough holds the corporate powers of the organization
- The Borough appoints a voting majority of the organization's board
- The Borough is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Borough
- There is fiscal dependency by the organization on the Borough

Based on the aforementioned criteria, the Borough has the following component unit:

Ebensburg Municipal Authority

Selected financial information from the most recently issued report of Ebensburg Municipal Authority is presented below. Complete financial statements are available from the Authority.

Condensed Statement of Net Position

	<u>December 31, 2020</u>
Assets:	
Current Assets	\$ 136,736
Capital Assets	<u>21,899,862</u>
Total Assets	<u>\$ 22,036,598</u>
Liabilities:	
Current Liabilities	\$ 771,437
Non-Current Liabilities	<u>12,679,448</u>
Total Liabilities	<u>\$ 13,450,885</u>
Net Position:	
Unrestricted	\$ 136,736
Invested in Capital Assets	<u>8,448,977</u>
Total Net Position	<u>\$ 8,583,713</u>

Condensed Statement of Activities

	<u>December 31, 2020</u>
Rental income	\$ 10,177
Rental income – Ebensburg Borough	1,557,602
Non-operating revenues	<u>327</u>
 Total Revenues	 <u>1,568,106</u>
 Depreciation expense	 825,814
Other operating expense	528,185
Non-operating expense	<u>212,994</u>
 Total Expenses	 <u>1,353,999</u>
 Change in Net Position	 1,113
 Beginning Net Position	 <u>8,584,600</u>
 Ending Net Position	 <u>\$ 8,585,713</u>

g. Net Position

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Borough or through external restrictions imposed by creditors, grantors, or laws or other regulations of other governments.

The Borough's policy is to first apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

h. Fund Balance

The Borough follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement required the governmental funds' fund balances to be reclassified into the following five (5) categories:

Nonspendable - fund balance permanently restricted and unavailable for current operations

Restricted - fund balance temporarily restricted for specified purposes stipulated by constitution, external resource providers, or through enabling legislation

Committed - fund balance temporarily restricted for specified purposes established by a formal action by the Borough Council. Formal action by Borough Council is also necessary to modify or rescind a fund balance commitment

Assigned - fund balance intended for specific purpose that does not meet the criteria to be classified as restricted or committed. Borough Council has authorized the Borough Manager as the official authorized to assign fund balance to a specific purpose

Unassigned - fund balance available for operations without any restriction

Borough Council will spend the most restricted dollars before less restricted in the order as defined above.

The Borough reports the following fund balance classifications:

General Fund

Assigned:

Unanticipated Expenditures	\$ 674,329
Sidewalk Improvements	<u>8,427</u>
	<u>\$ 682,756</u>

Other Governmental Fund Types

The Highway Aid Fund maintains a restricted fund balance of \$370,243 for expenditures for highway purposes as approved by the Pennsylvania Department of Transportation.

The Capital Projects Fund maintains a restricted fund balance of \$290,025 for future construction projects and capital improvements.

i. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the Borough, these revenues are sewer and water service fees. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise funds.

j. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

k. New GASB Pronouncements

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, is effective for periods beginning after June 15, 2019. The adoption of this statement had no effect on previously reported amounts.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, is effective immediately. This statement postponed the effective date of certain upcoming pronouncements due to the COVID-19 pandemic. The adoption of this statement had no effect on previously reported amounts.

I. *Pending Changes in Accounting Principles*

In June 2017, the GASB issued Statement No. 87, *Leases*. The Borough is required to adopt Statement No. 87 for its 2022 financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The Borough is required to adopt Statement No. 91 for its 2022 financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The Borough is required to adopt Statement No. 92 for its 2023 financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement if Interbank Offered Rates*. The Borough is required to adopt Statement No. 93 for its 2023 financial statements.

In March 2020, the GASB issued Statement No. 94, *Public- Private and Public-Public Partnerships and Availability Payment Arrangements*. The Borough is required to adopt Statement No. 94 for its 2023 financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription –Based Information Technology Arrangements*. The Borough is required to adopt Statement No. 96 for its financial 2023 statements.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The Borough is required to adopt Statement No. 97 for its financial 2022 statements.

The Borough has not completed the various analysis required to estimate the financial statement impact of these new pronouncements.

NOTE 2 CASH AND INVESTMENTS

The Borough has a policy that requires all deposits and investments, other than U.S. government obligations, to be covered by Federal insurance or to be fully collateralized by the financial institution issuing the investment or acquiring the deposit. Deposits that are not insured by the Federal Deposit Insurance Corporation are collateralized using the pooled asset method to one hundred percent (100%) of value as required by Pennsylvania Law.

The securities pledged as collateral are held by the trust department of a financial institution or by its agents in the financial institution's name. When certificates of deposit are purchased, the Borough or its agent either holds the actual certificate of deposit or receives a safekeeping certificate as its proof of ownership.

Pennsylvania Law limits investment and deposit types the Borough may purchase as follows:

- (a) U.S. Treasury bills.

- (b) Short-term obligations of the U.S. government or its agencies.
- (c) Demand, savings and time deposits with institutions insured by the FDIC or the National Credit Union Share Funds or collateralized with securities as provided by law.
- (d) Obligations of the United States or any of its agencies, the Commonwealth of Pennsylvania or any of its agencies or any political subdivision of the Commonwealth of Pennsylvania or any of its agencies providing the obligations are backed by the full faith and credit of the political subdivision.

Deposits include items described in (b) and (c).

A. Deposits

As of December 31, 2020 the carrying amount and the bank balance of the Borough's deposits, excluding the investments in the Stifel Advisors for pension pooled funds as discussed below, totaled \$4,110,694 at one (1) financial institution. Of the bank balances at the financial institutions as of December 31, 2020, \$250,000 is covered by federal depository insurance. The remaining amount of \$3,860,694 is collateralized using the pooled asset method; however, because funds are not collateralized with securities registered in the Borough's name, they are considered uncollateralized. The amounts are included on the statements of net position as cash and cash equivalents.

B. Investment Pools

Stifel Advisors

The Borough maintains two (2) single-employer defined benefit pension plans, and entered into an agreement with Stifel Advisors. The Plans are governed by the Borough Council which may amend plan provisions, and which are responsible for the management of Plan assets.

Investments in external investment pools or in mutual funds are disclosed by Stifel Advisors but not categorized because they are not evidenced by securities that exist in physical or book entry form. Securities underlying reverse repurchase agreements are also disclosed but not categorized because they are held by the buyer-lender. As of December 31, 2020, the carrying amount and fair value of the Stifel Advisors pooled funds totaled \$4,240,057 which is the same as the value of the pool share.

Investments – Fair Value Measurements

Generally accepted accounting principles define fair value, describe a framework for measuring fair value, and require disclosure about fair value measurements. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. The established framework includes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level input that is significant to the fair value measurement of the asset or liability. Classification of assets and liabilities within the hierarchy considers the markets in which the assets and liabilities are traded and reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available. The levels of the hierarchy and those investments included in each are as follows:

Level 1 – Represented by quoted prices available in an active market. Level 1 securities include highly liquid government bonds, treasury securities, mortgage products and exchange traded equities and mutual funds.

Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data, such as quoted prices for similar securities and quoted prices in inactive markets and estimated using price models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-based agency securities, obligations of states, and political subdivisions and certain corporate, asset backed securities, swap agreements, and life insurance contracts.

Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity’s own assumptions about the market risk. Level 3 securities would include hedge funds, private equity securities, and those with internally developed values.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value on the statement of fiduciary net position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Mutual Funds: Valued at the closing price reported on the active market on which the securities are traded.

	Fair Value Measurements at Reporting Date		
	Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2020			
Mutual Funds	\$ 4,240,057	\$ ---	\$ ---
	<u>\$ 4,240,057</u>	<u>\$ ---</u>	<u>\$ ---</u>

NOTE 3 SIDEWALK PROJECT AGREEMENTS

At December 31, 2020, the Borough had approximately seventy (70) agreements with property owners in the Borough for the payments associated with sidewalks projects at their properties. The balance due to the Borough amounted to approximately \$180,267 at December 31, 2020.

NOTE 4 LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended December 31, 2020, was as follows:

	Outstanding December 31, 2019	Additions	Payments	Outstanding December 31, 2020	Amounts Due Within One Year
General Obligation Note, Series 2020	\$ ---	\$ 770,107	\$(268,897)	\$ 501,210	\$ ---
Total Obligations	<u>\$ ---</u>	<u>\$ 770,107</u>	<u>\$(268,897)</u>	<u>\$ 501,210</u>	<u>\$ ---</u>

In 2020, the Borough entered into a general obligation note for bridge financing for the 2020 sidewalk project. The note was for \$1,000,000, with a term of two (2) years. As of December 31, 2020, \$770,107 has been drawn on the note. Payments are interest only, with the principal due upon the maturity date of May 30, 2022. The current interest rate on this note is 1.85%. The amount outstanding on the note at December 31, 2020 amounted to \$501,210.

NOTE 5 PROPERTY TAXES

The Borough utilizes a two-tier real estate tax assessment. This form of assessment encourages the development of vacant land and does not penalize property owners for improvements made to property.

The current tax rate rates are 33.25 mills on land 8.5 mills per dollar on buildings. This is the equivalent of a 13.0 mill real estate tax assessment. The assessed valuation for 2020 totaled \$35,125,130 which would generate \$456,627 of property tax revenue. The 13.0 mills of real estate tax is used for the following purposes, 11.0 mills for general purposes, 0.5 mills for storm water management purposes, and 1.5 mills for swimming pool expense purposes.

The following is a summary of the tax calendar for the year ended December 31, 2020:

Mailing Date --- March 1, 2020
Discount Period at 2% --- March 1, 2020 to April 30, 2020
Face Period --- May 1, 2020 to June 30, 2020
Penalty Period at 10% --- July 1, 2020
Lien Date --- January 15, 2021

NOTE 6 LIQUID FUELS TAX – HIGHWAY AID FUND

Revenues recorded within this special revenue fund are received annually by virtue of the Commonwealth of Pennsylvania Liquid Fuels Tax Act and expenditures are restricted to certain appropriations for highway purposes as approved by the Pennsylvania Department of Transportation. Unexpended allocations of such revenues are available for carryover and reappropriation to the succeeding year.

NOTE 7 PENSION PLANS

Plan Description

The Borough maintains two (2) single employer defined benefit pension plans, the Police pension plan and the Non-Uniform pension plan. The benefits provided to the employees and beneficiaries under both plans are retirement, disability and death. The pension plans benefit provisions are established and may be amended by the Borough Council. The Borough Council has the authority to manage plan assets. The Borough issues a separate financial report on each pension plan. A copy of these financial reports can be obtained at the Borough Municipal Building.

The Commonwealth of Pennsylvania has enacted the "Municipal Pension Plan Funding and Recovery Act" (Act 205). This act establishes certain standards and requirements for municipal pensions in the areas of: (1) actuarial reporting; (2) employer contribution requirements; and (3) revising the State insurance allocations. The Borough's actuarial reports for the pension have been changed to meet the reporting requirements of Act 205. The disclosure requirements for the plan are summarized as follows:

Uniform Plan

Plan administration

The Borough of Ebensburg Police Pension Plan is a single-employer defined benefit pension plan. The plan was established effective March 1, 1977, (adopted pursuant to Act 600 of 1956). The plan was amended and restated by Ordinance No. 506, effective January 1, 2001. The plan is governed by the Borough Council of the Borough of Ebensburg which may amend plan provisions, and which is responsible for the management of plan assets. The Borough Council has delegated the authority to manage certain plan assets to Stifel Advisors. The plan is required to file Form PC-201C biennially with the Public Employee Retirement Commission (PERC). The most recent filing was as of January 1, 2019.

Method used to value investments

Plan investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan membership

The plan covers all full time employees of the Police Department. As of December 31, 2019, pension plan membership consisted of the following:

Active employees	5
Retirees and beneficiaries	
currently receiving benefits	2
Terminated employees entitled to	
benefits but not yet receiving them	<u>0</u>
Total	<u>7</u>

Benefits provided

The plan provides normal retirement, vesting, survivor, and disability benefits to plan members and their beneficiaries in accordance with Ordinance No. 506, as amended. Retirement benefits for plan members are calculated as fifty percent (50%) of the final monthly average salary (total pay excluding task force pay averaged over the final thirty-six (36) months of employment), plus service increment of \$20 for each completed year of service in excess of twenty-five (25) years, to a maximum increment of \$100. Plan members with twenty-five (25) years of service are eligible to retire at age fifty-five (55). The members are vested after twelve (12) years of service.

Survivor benefits before retirement eligibility amount to a refund of contributions, if any, plus interest. Survivor benefits after retirement eligibility are determined as fifty percent (50%) of the amount that the participant was receiving or was eligible to receive, for life. In the event of the spouse's death, the participant's dependent children under eighteen (18), or age twenty-three (23) if attending college, will share the benefit.

Disability benefits are only received if the cause is service related and the benefits are determined as fifty percent (50%) of the average monthly salary at the time of disability, offset by any benefits payable under the Social Security Act because of the same injuries. Disability benefits are not provided to participants for incidents that are non-service related.

Contributions

Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for municipal pension plans. Act 205 requires that annual contributions to the pension plan be based upon the minimum municipal obligation (MMO). The MMO is determined from the plan's latest actuarial valuation report along with estimates of payroll, employee contributions, and administrative costs. For the year ended December 31, 2019, the Borough's required contribution was \$51,205.

Employees are required to contribute five percent (5%) of covered payroll to the plan. This contribution is governed by the plan's governing ordinances and collective bargaining. Contributions are currently seven percent (7%) of covered payroll.

Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the plan and funded through the MMO and/or plan earnings.

Investments

The plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The plan's target asset allocation according to the investment policy adopted July 29, 2013, is as follows:

<u>Asset Class</u>	<u>Range</u>
Cash & Cash Equivalents	2-60%
Bonds	10-60%
Stocks	25-60%
Real Estate	0-20%
Natural Resources/Commodities	0-10%
Equipment Leasing	0-5%
Hedge Funds	0-10%
Preferred Stock	0-20%

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit ratings of the plan's investments (excluding obligations explicitly guaranteed by the U.S. government) are included on the table below.

Investment Type**	Fair Value	Credit Rating
Money Market Funds	\$ 27,166	Not rated
Fixed Income Mutual Funds	<u>343,240</u>	Not rated
Total	<u>\$ 370,406</u>	

**Several items in this disclosure are provided as of December 31, 2019, the most recent year that was available as of the report date.

Concentrations

Concentration of credit risk is the loss attributed to the magnitude of an investment in a single issuer. The plan places no limits on the amount that may be invested in any one issuer. At December 31, 2019, the plan had no investments (other than U.S. Government and U.S. Government guaranteed obligations, mutual funds or other pooled investments) in any one issuer than represent five percent (5%) of more of fiduciary net position.

Rate of return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 23.43 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability/(Asset) of the Borough

The components of the net pension liability of the Borough at December 31, 2019, were as follows:

Total Pension Plan Liability	\$ 1,506,275
Plan Fiduciary Net Position	<u>(1,740,762)</u>
Borough's Net Pension Liability/(Asset)	<u>\$ (234,487)</u>

Plan fiduciary net position as a percentage of the total pension liability is 115.6%.

Actuarial assumptions

The total pension 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:

Inflation	2.75%
Salary increases	5.0% including inflation
Investment rate of return	7.0% net of investment expenses not funded through the MMO, and including inflation

Mortality rates were based on the UP-94 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements. The actuarial assumptions used in the January 1, 2019, valuation were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) 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 rates of return for each major asset class included in the target asset allocation as of December 31, 2019, (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
Equities	5.0% - 7.0%
Fixed income	1.0% - 3.0%
Cash and cash equivalents	0.0% - 1.0%

Discount rate

The discount rate used to measure the total pension liability/(asset) was 7.0%. The projection of cash flows used to determine the discount rate assumed that Borough contributions will be made equal to the Minimum Municipal Obligation. 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/(asset).

Sensitivity of the net pension liability/(asset) to changes in the discount rate

The following presents the net pension liability/(asset) of the Borough, calculated using the discount rate of 7.0%, as well as what the Borough’s net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	-1% (6.0%)	Current Discount Rate (7.0%)	+1% (8.0%)
Borough net pension liability/(asset)	\$(51,773)	\$(234,487)	\$(387,632)

Ebensburg Borough
Police Pension Plan
Schedule of Changes in the Borough's Net Pension
Liability and Related Ratios

	2020	2019	2018	2017	2016	2015
Total pension liability/(asset)						
Service cost	\$ 46,477	\$ 37,775	\$ 35,976	\$ 26,714	\$ 25,442	\$ 20,552
Interest	100,790	99,056	92,355	89,952	84,286	83,321
Change in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(70,011)	-	(75,006)	-	(59,191)	-
Change in assumptions	-	-	104,016	-	-	-
Benefit payments, including refunds of member contributions	(67,611)	(34,459)	(34,328)	(35,479)	(35,444)	(37,924)
Net change in pension liability	9,645	102,372	123,013	81,187	15,093	65,949
Total pension liability/(asset) - beginning	1,496,630	1,394,258	1,271,245	1,190,058	1,174,965	1,109,016
Total pension liability/(asset) - ending (A)	<u>\$ 1,506,275</u>	<u>\$ 1,496,630</u>	<u>\$ 1,394,258</u>	<u>\$ 1,271,245</u>	<u>\$ 1,190,058</u>	<u>\$ 1,174,965</u>
Plan fiduciary net position						
General Municipal State Aid	\$ 51,205	\$ 35,699	\$ 26,606	\$ 30,372	\$ 31,367	\$ 23,238
Contributions - employer	-	-	-	-	54,547	62,593
Contributions - member	8,347	8,585	7,452	12,029	15,220	11,943
Net investment income	329,298	(110,795)	216,114	91,588	(27,466)	51,723
Benefit payments, including refunds of member contributions	(67,611)	(34,459)	(34,328)	(35,479)	(35,444)	(37,924)
Administrative expenses	(17,411)	(3,200)	(16,394)	(15,711)	(10,697)	(13,918)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	303,828	(104,170)	199,450	82,799	27,527	97,655
Plan fiduciary net position - beginning	1,436,934	1,541,104	1,341,654	1,258,855	1,231,328	1,133,673
Plan fiduciary net position - ending (B)	<u>\$ 1,740,762</u>	<u>\$ 1,436,934</u>	<u>\$ 1,541,104</u>	<u>\$ 1,341,654</u>	<u>\$ 1,258,855</u>	<u>\$ 1,231,328</u>
Borough's net pension liability/(asset) - ending (A-B)	<u>\$ (234,487)</u>	<u>\$ 59,696</u>	<u>\$ (146,846)</u>	<u>\$ (70,409)</u>	<u>\$ (68,797)</u>	<u>\$ (56,363)</u>
Plan fiduciary net position as a percentage of the total pension liability	115.57%	96.01%	110.53%	105.54%	105.78%	104.80%
Covered employee payroll	<u>\$ 294,581</u>	<u>\$ 303,603</u>	<u>\$ 255,509</u>	<u>\$ 244,858</u>	<u>\$ 226,264</u>	<u>\$ 200,559</u>
Borough's net pension liability as a percentage of covered employee payroll	<u>-79.60%</u>	<u>19.66%</u>	<u>-57.47%</u>	<u>-28.76%</u>	<u>-30.41%</u>	<u>-28.10%</u>

Notes to Schedule:

Note: The years presented in this schedule are all of the years in which information is available.

Ebensburg Borough
Police Pension Plan
Schedule of Borough's Contributions

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 42,356	\$ 35,699	\$ 21,312	\$ 13,567	\$ 85,914	\$ 85,831
Contributions in relation to the actuarially determined contributions	51,205	35,699	26,606	30,372	85,914	85,831
Contribution deficiency/(excess)	\$ (8,849)	\$ -	\$ (5,294)	\$ (16,805)	\$ -	\$ -
Covered employee payroll	\$ 294,581	\$ 303,603	\$ 255,509	\$ 244,858	\$ 226,264	\$ 200,559
Borough's contribution as a percentage of covered employee payroll	17.38%	11.76%	10.41%	12.40%	37.97%	42.80%

Notes to Schedule:

Valuation Date: 1/1/2019

Methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, closed
Remaining amortization period	2 years (aggregate)
Asset valuation method	Fair value
Inflation	2.75%
Salary increases	5.0% include inflation
Investment rate of return	7.0%, net of investment expenses not funded through the MMO, and including inflation
Retirement age	See accompanying footnotes to the financial statements
Mortality	See accompanying footnotes to the financial statements

Other:

Note: The years presented in this schedule are all of the years in which information is available.

Ebensburg Borough
Police Pension Plan
Schedule of Investment Return

	<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>23.43%</u>	<u>-6.50%</u>	<u>16.32%</u>	<u>7.35%</u>	<u>-2.23%</u>	<u>4.60%</u>

Note: The years presented in this schedule are all of the years in which information is available.

Non-Uniform Plan

Plan administration

The Borough of Ebensburg Non-Uniformed Employees' Pension Plan is a single-employer defined benefit pension plan. The plan was established effective March 27, 1972. The plan was amended and restated by Ordinance No. 606, effective January 1, 2013. The plan is governed by the Borough Council of the Borough of Ebensburg which may amend plan provisions, and which is responsible for the management of plan assets. The Borough Council has delegated the authority to manage certain plan assets to Stifel Advisors. The plan is required to file Form PC-203C biennially with the Public Employee Retirement Commission (PERC). The most recent filing was as of January 1, 2019.

Method used to value investments

Plan investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan membership

The plan covers all full-time, non-uniform employees. As of December 31, 2019, pension plan membership consisted of the following:

Active employees	14
Retirees and beneficiaries currently receiving benefits	10
Terminated employees entitled to benefits but not yet receiving them	<u>4</u>
Total	<u>28</u>

Benefits provided

The plan provides normal retirement, early retirement, vesting, survivor, and disability benefits to plan members and their beneficiaries in accordance with Ordinance No. 606. Retirement benefits for plan members are calculated as 1.2% of average monthly pay multiplied by years of service completed prior to January 1, 2007, plus 1.5% of average monthly pay multiplied by years of service completed after January 1, 2007. Average monthly pay is the monthly pay averaged over the five (5) consecutive plan years out of last ten (10) which gives the highest average. Normal retirement is at age sixty-five (65).

Plan members with ten (10) years of service are eligible to retire at age fifty-five (55). The accrued benefit at the date of actual retirement is payable at normal retirement. The benefit may be elected early but will be reduced by 6 2/3% for each of the first five (5) years plus 3 1/3% for each additional year by which commencement precedes normal retirement date.

Survivor benefits before early retirement eligibility amount to a refund of contributions, if any. Survivor benefits after early retirement eligibility but before retirement are determined as fifty percent (50%) of the amount the participant would have received had they retired the day before death and elected immediate commencement of benefits in the form of a joint and fifty percent (50%) survivor annuity. Survivor benefits after retirement are determined as the form of benefit payment in force for the participant at the time the death occurs.

Disability benefits for total and permanent disablement and qualification for social security disability benefits are calculated as a monthly benefit equal to the accrued benefit at the date of disablement payable following date of disablement until normal retirement date at which time the normal retirement benefit will commence. The accrued benefit is equal to the prospective normal retirement benefit based on years of service and average monthly pay at date of disability.

Contributions

Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for municipal pension plans. Act 205 requires that annual contributions to the pension plan be based upon the minimum municipal obligation (MMO). The MMO is determined from the plan’s latest actuarial valuation report along with estimates of payroll, employee contributions, and administrative costs. For the year ended December 31, 2019, the Borough’s required contribution was \$130,508.

Employees are required to contribute to the plan in an amount to be determined from time to time. This contribution is governed by the plan’s governing ordinances and collective bargaining. Contributions are currently three percent (3%) of covered payroll.

Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the plan and funded through the MMO and/or plan earnings.

Investments

The plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The plan’s target asset allocation according to the investment policy adopted October 27, 2008, is as follows:

Asset Class	Range
Cash & Cash Equivalents	2-60%
Bonds	10-60%
Stocks	25-60%
Real Estate	0-20%
Natural Resources	0-10%
Equipment Leasing	0-5%
Hedge Funds	0-10%
Preferred Stock	0-20%

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit ratings of the plan’s investments (excluding obligations explicitly guaranteed by the U.S. government) are included on the table below.

Investment Type**	Fair Value	Credit Rating
Money Market Funds	\$ 19,617	Not rated
Fixed Income Mutual Funds	412,179	Not rated
Total	\$ 431,796	

**Several items in this disclosure are provided as of December 31, 2019, the most recent year that was available as of the report date.

Concentrations

Concentration of credit risk is the loss attributed to the magnitude of an investment in a single issuer. The plan places no limits on the amount that may be invested in any one issuer. At December 31, 2019, the plan had no investments (other than U.S. Government and U.S. Government guaranteed obligations, mutual funds or other pooled investments) in any one issuer than represent five percent (5%) of more of fiduciary net position.

Rate of return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 22.42 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Borough

The components of the net pension liability of the Borough at December 31, 2019, were as follows:

Total Pension Plan Liability	\$ 2,666,382
Plan Fiduciary Net Position	<u>(2,198,187)</u>
Borough's Net Pension Liability	<u>\$ 468,195</u>

Plan fiduciary net position as a percentage of the total pension liability is 82.44%.

Actuarial assumptions

The total pension 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:

Inflation	2.75%
Salary increases	4.25% including inflation
Investment rate of return	7.00% net of investment expenses not funded through the MMO, and including inflation

Mortality rates were based on the UP-94 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements. The actuarial assumptions used in the January 1, 2019, valuation were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) 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 rates of return for each major asset class included in the target asset allocation as of December 31, 2019, (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Equities	5.0% - 7.0%
Fixed income	1.0% - 3.0%
Cash and cash equivalents	1.0% - 3.0%

Discount rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that Borough contributions will be made equal to the Minimum Municipal Obligation. 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.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability/(asset) of the Borough, calculated using the discount rate of 7.0%, as well as what the Borough's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	<u>-1% (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>+1% (8.0%)</u>
Borough net pension liability	\$782,331	\$468,195	\$202,142

Ebensburg Borough
Non-Uniform Pension Plan
Schedule of Changes in the Borough's Net Pension
Liability and Related Ratios

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 70,756	\$ 67,353	\$ 64,607	\$ 58,142	\$ 58,565	\$ 60,509
Interest	177,215	164,517	154,670	136,733	128,322	126,960
Change in benefit terms		-	-	-	-	-
Differences between expected and actual experience	29,674	-	22,121	-	(108,200)	-
Change in assumptions	-	-	245,325	-	-	-
Benefit payments, including refunds of member contributions	(83,548)	(83,548)	(79,228)	(85,212)	(63,808)	(54,683)
Net change in pension liability	194,097	148,322	407,495	109,663	14,879	132,786
Total pension liability/(asset) - beginning	2,472,285	2,323,963	1,916,468	1,806,805	1,791,926	1,659,140
Total pension liability/(asset) - ending (A)	<u>\$ 2,666,382</u>	<u>\$ 2,472,285</u>	<u>\$ 2,323,963</u>	<u>\$ 1,916,468</u>	<u>\$ 1,806,805</u>	<u>\$ 1,791,926</u>
Plan fiduciary net position						
General Municipal State Aid	\$ 71,687	\$ 62,673	\$ 59,647	\$ 56,870	\$ 50,971	\$ 50,343
Contributions - employer	66,829	60,832	15,746	13,888	32,212	35,124
Contributions - member	21,343	20,184	12,674	17,980	19,219	19,280
Net investment income	389,457	(113,947)	240,774	109,241	(28,389)	68,605
Benefit payments, including refunds of member contributions	(83,548)	(83,548)	(79,228)	(85,212)	(63,809)	(54,683)
Administrative expenses	(19,851)	(16,576)	(6,441)	(18,905)	(13,044)	(12,769)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	445,917	(70,382)	243,172	93,862	(2,840)	105,900
Plan fiduciary net position - beginning	1,752,270	1,822,652	1,579,480	1,485,618	1,488,458	1,382,558
Plan fiduciary net position - ending (B)	<u>\$ 2,198,187</u>	<u>\$ 1,752,270</u>	<u>\$ 1,822,652</u>	<u>\$ 1,579,480</u>	<u>\$ 1,485,618</u>	<u>\$ 1,488,458</u>
Borough's net pension liability/(asset) - ending (A-B)	<u>\$ 468,195</u>	<u>\$ 720,015</u>	<u>\$ 501,311</u>	<u>\$ 336,988</u>	<u>\$ 321,187</u>	<u>\$ 303,468</u>
Plan fiduciary net position as a percentage of the total pension liability	82.44%	70.88%	78.43%	82.42%	82.22%	83.06%
Covered employee payroll	<u>\$ 730,395</u>	<u>\$ 692,232</u>	<u>\$ 671,241</u>	<u>\$ 638,271</u>	<u>\$ 607,893</u>	<u>\$ 687,287</u>
Borough's net pension liability as a percentage of covered employee payroll	64.10%	104.01%	74.68%	52.80%	52.84%	44.15%

Notes to Schedule:

Note: The years presented in this schedule are all of the years in which information is available.

Ebensburg Borough
Non-Uniform Pension Plan
Schedule of Borough's Contributions

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 130,508	\$ 123,505	\$ 75,393	\$ 70,758	\$ 83,183	\$ 85,467
Contributions in relation to the actuarially determined contributions	<u>138,516</u>	<u>123,505</u>	<u>75,393</u>	<u>70,758</u>	<u>83,183</u>	<u>85,467</u>
Contribution deficiency/(excess)	<u>\$ (8,008)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	<u>\$ 730,395</u>	<u>\$ 692,232</u>	<u>\$ 671,241</u>	<u>\$ 638,271</u>	<u>\$ 607,893</u>	<u>\$ 687,287</u>
Borough's contribution as a percentage of covered employee payroll	<u>18.96%</u>	<u>17.84%</u>	<u>11.23%</u>	<u>11.09%</u>	<u>13.68%</u>	<u>12.44%</u>

Notes to Schedule:

Valuation Date: 1/1/2019

Methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, closed
Remaining amortization period	14 years (aggregate)
Asset valuation method	Fair value
Inflation	2.75%
Salary increases	4.25% include inflation
Investment rate of return	7.0%, net of investment expenses not funded through the MMO, and including inflation
Retirement age	See accompanying footnotes to the financial statements
Mortality	See accompanying footnotes to the financial statements

Other:

Note: The years presented in this schedule are all of the years in which information is available.

Ebensburg Borough
Non-Uniform Pension Plan
Schedule of Investment Return

	<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>22.42%</u>	<u>-6.31%</u>	<u>16.29%</u>	<u>7.48%</u>	<u>-1.93%</u>	<u>5.00%</u>

Note: The years presented in this schedule are all of the years in which information is available.

GASB Statement 45 – Post Employment Benefits

The Borough does not provide any other post-retirement benefits (OPEB) other than pension benefits; therefore GASB 45 does not apply.

NOTE 8 DEFERRED COMPENSATION PLAN

The Borough offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits them to defer a portion of their salary until further years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan complies with Section 457 of the Internal Revenue Code, whereby, trust provisions are incorporated so that plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. As a result, as of December 31, 2020, the assets and liabilities of the deferred compensation plan are not included in the accompanying financial statements. Additionally, the plan is not included as a fiduciary fund under GASB 84 as the financial statements are prepared on the modified cash basis of accounting, a special purpose framework.

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

Fair market value at December 31, 2019	\$ 231,937
Benefits Paid	(18,973)
Contributions	15,132
Dividends	95
Service fees	(2,799)
Gain/(Loss) on investments	<u>44,420</u>
Fair market value at December 31, 2020	<u>\$ 269,812</u>

NOTE 9 RELATED PARTY TRANSACTIONS

Ebensburg Municipal Authority

In December 2017, the Borough entered into an Operating Agreement, amending a prior agreement dated November 2012, with the Municipal Authority of the Borough of Ebensburg, whereby the Borough is authorized to manage and operate the day to day operations of the sewer and water systems and to employ Borough personnel in connection with all routine procedures.

The Borough remits both principal and interest costs related to all Municipal Authority loans, in addition to payments for certain other Authority obligations. In 2020 payments made by the Borough amounted to \$1,168,916. The Borough also made payments of \$388,686 to the Municipal Authority in 2019 for the Waste Water Project and other expenses. See Note 10 for additional information.

In connection with the Pennsylvania Municipal Authorities' Act, the Borough appoints all members of the Authority board. However, the Authority retains all powers regarding the establishment of rates, regulations and major policies.

Ebensburg Main Street Partnership

In July 2020, the Borough entered into a five (5) year operating agreement, replacing a prior agreement dated July 2012, with the Ebensburg Main Street Partnership. Under the terms of the agreement, the Borough provides staff assistance, office space, and other administrative support to the Partnership. The agreement will be automatically extended for an additional five (5) year term.

The Ebensburg Main Street Partnership pays the Borough for half of the Community Development Director's salary, which amounted to \$21,500 for the year ended December 31, 2020. The Partnership contributed \$3,342 to the Borough for community projects for 2020.

NOTE 10 COMMITMENTS AND CONTINGENCIES

Litigation

In the normal course of operations, the Borough is involved in various disputes and grievances. Management is of the opinion that any outcome resulting from these actions would not have a material effect on the Borough's financial position.

Grant Programs

The Borough participates in various state and federal grant programs which are subject to program compliance audits by the grantors or their representatives. Although the Borough believes it has complied with applicable rules and regulations of the grants, it is potentially liable for any expenditures which may be disallowed pursuant to the terms of the grants.

Ebensburg Municipal Authority Loan Guarantees

Currently the Borough guarantees six (6) Municipal Authority loans, summarized as follows:

	<u>Principal Balance</u> <u>As of December 31, 2020</u>	<u>Year of Maturity</u>
2004 PENNVEST Loan	\$ 1,182,585	2025
2007 PENNVEST Loan	\$ 839,796	2028
2008 PENNVEST Loan	\$ 244,244	2028
2012 PENNVEST Loan	\$ 3,239,082	2033
2018 PENNVEST Loan	\$ 7,611,075	2044
2007 Pennsylvania D.C.E.D. Loan	\$ 334,103	2027

COVID-19

In January 2020, the World Health Organization declared COVID-19 to constitute a "Public Health Emergency of international Concern". On March 19, 2020, Governor Wolf ordered all non-life sustaining businesses to close their businesses to slow the spread of COVID-19 in the Commonwealth of Pennsylvania. As a result, Ebensburg Borough closed its doors to the public. Given the uncertainty of the situation, the long-term impact on the Borough cannot be reasonably estimated at this time.

NOTE 11 SUBRECIPIENTS

As part of their ongoing operations, the Borough submits funding requests to Pennsylvania Department of Community & Economic Development ("DCED") for federal and state program funding that is passed through to Ebensburg Downtown Partners and the Ebensburg Airport (sub recipients). The Borough performs subrecipient monitoring procedures over this program activity throughout the course of the year. In addition, it has been the regular practice of the Borough to have closeout audits performed to satisfy any federal or state audit requirements. For the year ended December 31, 2020, the Borough passed through \$20,000 to the Ebensburg Airport, which was funding from the Federal Aviation Administration (FAA) through the CARES Act.

NOTE 12 OPERATING LEASES

Lessor

The Borough has various operating leases for the lease of property to tenants. The leases generally contain renewal options, as well as escalation provisions.

The future minimum rentals on such leases as of December 31, 2020, are approximately as follows:

2021	\$ <u>25,956</u>
	\$ <u>25,956</u>

Lessee

The Borough entered into a lease agreement for the leasing of a copier. The future minimal rentals on this lease as of December 31, 2020, are approximately as follows:

2021	\$ 4,812
2022	4,812
2023	<u>401</u>
	\$ <u>10,025</u>

NOTE 13 SUBSEQUENT EVENTS

Subsequent events were considered through February 12, 2021, the date the financial statements were available to be issued. The Borough is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

EBENSBURG BOROUGH
GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real estate taxes	\$ 454,000	\$ 454,000	\$ 454,995	\$ 995
Local enabling taxes	495,000	495,000	491,434	(3,566)
State liquid fuels tax	7,500	7,500	7,500	-
Licenses and permits	60,000	60,000	60,767	767
Fines, forfeitures and costs	39,500	39,500	36,942	(2,558)
Grant revenue	6,000	6,000	11,063	5,063
Interest	24,900	24,900	28,227	3,327
Charges for services	915,960	915,960	1,008,588	92,628
Miscellaneous revenue	116,380	116,380	181,292	64,912
Total Revenues	<u>2,119,240</u>	<u>2,119,240</u>	<u>2,280,808</u>	<u>161,568</u>
Expenditures - Operating:				
General government	233,530	233,530	190,205	43,325
Public safety	574,670	574,670	588,592	(13,922)
Codes enforcement	3,250	3,250	3,240	10
Planning and zoning	5,200	5,200	14,566	(9,366)
Public works - Sanitation	152,310	152,310	153,627	(1,317)
Public works - Highways & Streets	203,890	203,890	200,745	3,145
Public works - Other	57,340	57,340	57,706	(366)
Parking facilities	13,200	13,200	13,200	-
Culture and recreation	525,830	525,830	410,003	115,827
Economic development	80,840	80,840	59,979	20,861
Capital expenditures	215,500	215,500	1,486,326	(1,270,826)
Total Expenditures - Operating	<u>2,065,560</u>	<u>2,065,560</u>	<u>3,178,189</u>	<u>(1,112,629)</u>
Excess/(Deficiency) of Revenues Over Expenditures	53,680	53,680	(897,381)	(951,061)
Other Financing Sources/(Uses):				
Sale of a capital asset	-	-	17,000	17,000
Debt service	(6,840)	(6,840)	(275,815)	(268,975)
Operating transfers in	-	-	342,300	342,300
Operating transfers (out)	-	-	(249,819)	(249,819)
Proceeds from loan	-	-	770,107	770,107
Total Other Financing Sources	<u>(6,840)</u>	<u>(6,840)</u>	<u>603,773</u>	<u>610,613</u>
Excess/(Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 46,840</u>	<u>\$ 46,840</u>	(293,608)	<u>\$ (340,448)</u>
Fund Balance - Beginning of Year			<u>1,756,530</u>	
Fund Balance - End of Year			<u>\$ 1,462,922</u>	

See Accompanying Notes to Financial Statements

EBENSBURG BOROUGH
HIGHWAY AID FUND
REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State liquid fuel tax	\$ 103,660	\$ 103,660	\$ 115,024	\$ 11,364
Act 32	2,280	2,280	2,280	-
Interest	400	400	5,406	5,006
Total Revenues	106,340	106,340	122,710	16,370
Expenditures - Operating:				
Public works - Capital expenditures	430,000	430,000	313,595	116,405
Total Expenditures - Operating	430,000	430,000	313,595	116,405
Excess/(Deficiency) of Revenues Over Expenditures	(323,660)	(323,660)	(190,885)	132,775
Other Financing Sources/(Uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources	-	-	-	-
Excess/(Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ (323,660)</u>	<u>\$ (323,660)</u>	(190,885)	<u>\$ 132,775</u>
Fund Balance - Beginning of Year			<u>561,128</u>	
Fund Balance - End of Year			<u>\$ 370,243</u>	