

BOROUGH OF CLEONA
PRIMARY GOVERNMENT
BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

**BOROUGH OF CLEONA
FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Borough Council
BOROUGH OF CLEONA
Cleona, Pennsylvania

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the BOROUGH OF CLEONA, Pennsylvania as of and for the year ended **December 31, 2020**, and the related notes to the financial statements, which collectively comprise the Borough of Cleona'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 the cash basis of accounting as described in Note 1; this includes determining that the 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 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on the discreetly presented component unit. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinion on the governmental activities, each major fund, and the remaining fund information.

Basis for Adverse Opinion on the Discreetly Presented Component Unit

The financial statements do not include the financial data for the Borough's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for the Borough's component unit to be reported with the financial data of the Borough's primary government unless the Borough also issues financial statements for the financial reporting entity that include the financial data for its component unit. The Borough has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses for the aggregate discreetly presented component unit would have been presented as net position of \$1,583,000 and total revenues of \$590,000 as of December 31, 2019.

Adverse Opinion on the Discreetly Presented Component Unit

In our opinion because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Discreetly Presented Component Unit" paragraph the financial statements referred to above do not present fairly the financial position of the discreetly presented component unit of the Borough of Cleona as of December 31, 2020, or the changes in cash basis financial position for the year then ended in conformity with the cash basis of accounting described in Note 1.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Borough of Cleona, as of December 31, 2020, and the respective changes in financial position – cash basis for the year then ended in accordance with the cash 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 the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the pension and budgetary comparison information on pages 23 through 27 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 and net pension liability required supplementary information for the Police Pension Plan 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 basic financial statements is not affected by this missing information.

Stanilla, Siegel and Maser LLC

Lebanon, Pennsylvania
March 12, 2021

BOROUGH OF CLEONA
STATEMENT OF NET POSITION - CASH BASIS
December 31, 2020

	<u>Governmental Activities</u>
<i>ASSETS</i>	
Cash & Cash Equivalents	\$ <u>835,593</u>
Total Assets	\$ <u>835,593</u>
<i>LIABILITIES</i>	
Payroll Withholdings	\$ <u>3,235</u>
Total Liabilities	\$ <u>3,235</u>
<i>NET POSITION</i>	
Restricted for Liquid Fuels	\$ 162,128
Unrestricted	<u>670,230</u>
Total Net Position	<u>\$ 832,358</u>

See Accompanying Notes to Basic Financial Statements

BOROUGH OF CLEONA
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended December 31, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 218,653	\$ 63,575	\$ 2,965	\$ (152,113)
Public Safety	491,767	166,455	11,942	(313,370)
Public Works	73,396	31,283	70,921	28,808
Culture and Recreation	32,869	140	325	(32,404)
Debt Service	13,594			(13,594)
Employer Paid Benefits and Taxes	133,254		25,055	(108,199)
Miscellaneous	4,469			(4,469)
Total Governmental Activities	\$ 968,002	\$ 261,453	\$ 111,208	\$ (595,341)
Total Primary Government	\$ 968,002	\$ 261,453	\$ 111,208	\$ (595,341)
General Revenues:				
Taxes:				
Property Taxes				\$ 385,002
Earned Income Taxes				247,958
Local Services Taxes				35,361
Per Capita Taxes				248
Real Estate Transfer Tax				41,642
Investment Earnings				2,058
Proceeds of Asset Disposition				2,604
Miscellaneous Income				1,250
Total General Revenues and Transfers				\$ 716,123
Change in Net Position				\$ 120,782
Net Position - Beginning				711,576
Net Position - Ending				\$ 832,358

See Accompanying Notes to Basic Financial Statements

BOROUGH OF CLEONA
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
December 31, 2020

	<u>General</u>	<u>Liquid Fuels Fund</u>	<u>Capital Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
<i>ASSETS</i>					
Cash and Cash Equivalents	\$ 408,886	\$ 162,128	\$ 255,974	\$ 8,605	\$ 835,593
Due from Other Fund					-0-
Total Assets	<u>\$ 408,886</u>	<u>\$ 162,128</u>	<u>\$ 255,974</u>	<u>\$ 8,605</u>	<u>\$ 835,593</u>
<i>LIABILITIES</i>					
Payroll Withholdings	\$ 3,235	\$ -0-	\$ -0-	\$ -0-	\$ 3,235
Due to Other Fund					-0-
Total Liabilities	<u>\$ 3,235</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 0</u>	<u>\$ 3,235</u>
<i>FUND BALANCES</i>					
Restricted	\$ -0-	\$ 162,128	\$ -0-	\$ -0-	\$ 162,128
Assigned			255,974	8,605	264,579
Unassigned	<u>405,651</u>				<u>405,651</u>
Total Fund Balances	<u>\$ 405,651</u>	<u>\$ 162,128</u>	<u>\$ 255,974</u>	<u>\$ 8,605</u>	<u>\$ 832,358</u>
Total Liabilities and Fund Balances	<u>\$ 408,886</u>	<u>\$ 162,128</u>	<u>\$ 255,974</u>	<u>\$ 8,605</u>	<u>\$ 835,593</u>

See Accompanying Notes to Basic Financial Statements

BOROUGH OF CLEONA
STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE - CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	<u>General</u>	<u>Liquid Fuels Fund</u>	<u>Capital Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
REVENUES COLLECTED					
Taxes	\$ 662,065	\$ -0-	\$ 48,146	\$ -0-	\$ 710,211
Licenses and Permits	37,248				37,248
Fines and Forfeits	12,657				12,657
Intergovernmental	44,420	65,907			110,327
Charges for Services	199,709			140	199,849
Investment Earnings	848	362	835	13	2,058
Rents	11,700				11,700
Donations	-0-			880	880
Miscellaneous	1,250		-0-	-0-	1,250
Total Revenues Collected	\$ 969,897	\$ 66,269	\$ 48,981	\$ 1,033	\$ 1,086,180
EXPENDITURES PAID					
General Government	\$ 161,428	\$ -0-	\$ 57,225	\$ -0-	\$ 218,653
Public Safety	458,153		33,462	152	491,767
Public Works	73,396				73,396
Culture and Recreation	26,508		5,975	386	32,869
Debt Service		13,594			13,594
Employer Paid Benefits and Taxes	133,254				133,254
Donations					-0-
Miscellaneous	4,469	-0-		-0-	4,469
Total Expenditures Paid	\$ 857,208	\$ 13,594	\$ 96,662	\$ 538	\$ 968,002
Excess (Deficiency) of Revenues Collected Over Expenditures Paid	\$ 112,689	\$ 52,675	\$ (47,681)	\$ 495	\$ 118,178
OTHER FINANCING SOURCES (USES)					
Operating Transfers - In	\$ -0-	\$ -0-	\$ 1,655	\$ 150	\$ 1,805
Proceeds of Asset Disposition	354		2,250		2,604
Operating Transfers - Out	(1,805)	-0-			(1,805)
Total Other Financing Sources (Uses)	\$ (1,451)	\$ -0-	\$ 3,905	\$ 150	\$ 2,604
Excess (Deficiency) of Revenues Collected and Other Financing Sources Over Expenditures Paid and Other Financing Uses	\$ 111,238	\$ 52,675	\$ (43,776)	\$ 645	\$ 120,782
Fund Balances - Beginning	294,413	109,453	299,750	7,960	711,576
Fund Balances - Ending	\$ 405,651	\$ 162,128	\$ 255,974	\$ 8,605	\$ 832,358

See Accompanying Notes to Basic Financial Statements

BOROUGH OF CLEONA
STATEMENT OF NET POSITION - CASH BASIS
FIDUCIARY FUNDS
December 31, 2020

	<u>Police Pension Fund</u>	<u>Non-Uniform Pension Fund</u>
<i>ASSETS</i>		
Cash	\$ -0-	\$ -0-
Investments	<u>1,132,262</u>	<u>63,838</u>
Total Assets	<u>\$ 1,132,262</u>	<u>\$ 63,838</u>
<i>LIABILITIES</i>		
Due to Others	<u>\$ -0-</u>	<u>\$ -0-</u>
Total Liabilities	<u>\$ -0-</u>	<u>\$ -0-</u>
<i>NET ASSETS</i>		
Restricted for Pension Benefits	<u>\$ 1,132,262</u>	<u>\$ 63,838</u>

See Accompanying Notes to Basic Financial Statements

BOROUGH OF CLEONA
STATEMENT OF CHANGES IN NET POSITION - CASH BASIS
FIDUCIARY FUNDS
For the Year Ended December 31, 2020

	<u>Police Pension Fund</u>	<u>Non-Uniform Pension Fund*</u>
ADDITIONS		
Contributions:		
Employer	\$ -0-	\$ 6,523
Employee	13,203	-0-
Commonwealth	<u>20,207</u>	<u>40</u>
Total Contributions	<u>\$ 33,410</u>	<u>\$ 6,563</u>
INVESTMENT INCOME		
Interest and Dividends	\$ 15,544	\$ 3,231
Net Appreciation (Depreciation) in Fair Value of Investments	89,927	(7,374)
Less investment expense	<u>(8,173)</u>	<u>-0-</u>
Net Investment Income	<u>\$ 97,298</u>	<u>\$ (4,143)</u>
Total Additions	<u>\$ 130,708</u>	<u>\$ 2,420</u>
DEDUCTIONS		
Benefits Paid	\$ 13,573	\$ -0-
Administrative Expenses	<u>3,150</u>	<u>184</u>
Total Deductions	<u>\$ 16,723</u>	<u>\$ 184</u>
CHANGE IN NET ASSETS	\$ 113,985	\$ 2,236
NET POSITION - RESTRICTED FOR PENSION BENEFITS:		
BEGINNING OF YEAR	<u>1,018,277</u>	<u>61,602</u>
END OF YEAR	<u><u>\$ 1,132,262</u></u>	<u><u>\$ 63,838</u></u>

BOROUGH OF CLEONA
NOTES TO PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Borough of Cleona is located in Lebanon County, Pennsylvania. The Borough was incorporated under Pennsylvania law on March 22, 1929 and is governed by a Borough Council and a mayor. The daily operations and management of the Borough are performed by the administrative staff of the Borough, headed by the Borough Manager, who is appointed by the Borough Council. Services provided by the Borough include public safety, public works, public health and welfare, community planning, and culture and recreation.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the Borough are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Borough.

Borough of Cleona is a municipal Corporation governed by an elected council. As required by generally accepted accounting principles, these financial statements are to present the Borough of Cleona (the primary government) and organizations for which the primary government is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are financially dependent on the Borough in that the Borough approved the budget, the issuance of debt, or the levying of taxes.

Cleona Sewer Authority has been determined by the above criteria as being part of the reporting entity. The significant factor for including the Authority is the appointment of a voting majority of the Authority board members.

The Borough reports its financial statements on the cash basis of accounting and excludes component units from its financial statements.

Cleona Sewer Authority issues a separate audited report, a copy of which is held in the Borough's office and is available for public review.

Basis of Accounting

The Borough prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles, generally accepted in the United States of America. Under the cash basis of accounting, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

BOROUGH OF CLEONA
NOTES TO PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Borough has no business-type activities.

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

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, cash receipts/ revenues, and cash disbursements/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The Borough has no proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The Borough has chosen to present each fund as a major fund. The Borough has no business-type activities.

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

General Fund is the primary operating fund of the Borough and always classified as a major fund. It is used to account for all activities except those required to be accounted for in another fund.

Liquid Fuels Fund is used to account for specific revenues that are restricted to the expenditures for the improvement and maintenance of the Borough's roads and bridges. The fund is reported as a major fund.

BOROUGH OF CLEONA
NOTES TO PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds (continued)

Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. The fund is reported as a major fund.

Parks and Recreation Fund is used to account for specific revenues that are raised by specific events and contributions assigned to be used for park programs and improvements. The fund is reported as a non-major fund.

Police Department Fund is used to account for revenues received by or designated for the Police Department. The fund is reported as a non-major fund.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Borough programs. The reporting focus is on net assets and changes in net assets.

The Borough's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally segregated for the specific purpose.

Net Position

Net position of the government-wide funds is categorized as restricted or unrestricted. The restricted category represents the balance of assets restricted by requirements externally imposed constraints or by legislation.

Investments

Investments are stated at fair value.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to known amounts of cash that mature within three months or less.

Capital Assets

Capital assets purchased are recorded as expenditures in the respective fund at the time of purchase. The Borough has not maintained a record of its capital assets.

BOROUGH OF CLEONA
NOTES TO PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Net Position

Government wide net position is divided into three components:

- Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets. The Borough does not maintain a record of its capital assets.
- Restricted - consist of net position that is restricted by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted - all other net positions are reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. The Borough has no nonspendable amounts at December 31, 2019.
- Restricted - Amounts that can be spent only for specific purposes because of enabling legislation, the borough code, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed - Amounts that can be used only for specific purposes determined by a formal action by Borough Council ordinance or resolution. The Borough has no committed amounts at December 31, 2020.
- Assigned - Amounts that are designated by the Borough Council for a particular purpose.
- Unassigned - All amounts not included in other spendable classifications.

Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the Borough's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Borough's policy is to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications - committed and then assigned fund balances before using unassigned fund balances.

Interfund Activity

Interfund activity is reported as reimbursements or transfers. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. Intercompany balances are present when there is a time lag in the reimbursement and/or transfer.

BOROUGH OF CLEONA
NOTES TO PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, and errors and omissions for which it carries commercial insurance.

Budgetary Procedures and Budgetary Accounting

The Borough follows these procedures in establishing the budgetary data reflected in the financial statements.

- In the fall of each year, the Borough Manager submits to the Borough Council a proposed operating Budget for the subsequent year. The operating budget includes proposed expenditures, and the means of financing them.
- Public Hearings are conducted to obtain citizen comments on the proposed budget. Prior to December 31, the budget is legally adopted by the passage of a resolution by the Borough Council.

The Borough prepares it's Budget on the cash basis of accounting.

The legal level of budgetary control is at the fund level. The Borough does not make budget transfers between expenditure accounts. The carryover fund balance from the prior year and the current year excess of revenues collected over expenditures paid are available for appropriation without formal budget revision.

Compensated Absences

Borough employees are entitled to certain compensated absences, sick leave, and vacation time as more fully described in Note 9.

Use of Estimates

The preparation of financial statements in conformity with the 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. Because these financial statements are prepared on the cash basis, no estimates have been used.

Subsequent Events Review

The Borough has evaluated subsequent events through March 12, 2021, the date the financial statements were available to be issued.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Finance Related Legal and Contractual Provisions

The Borough has no material violations of finance related legal and contractual provisions.

BOROUGH OF CLEONA
NOTES TO PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Deficit Fund Balance or Retained Earnings of Individual Funds

There are no deficits in fund balances or net assets at December 31, 2020.

Excess of Expenditures over Appropriations in Individual Funds

No individual fund, which has a legally adopted budget, had an excess of expenditures over appropriations.

NOTE 3 - CASH AND CASH EQUIVALENTS

Custodial Risk

The Borough is authorized by statute to invest in government securities and insured accounts or their equivalents. There were no deposit or investment transactions during the year that were in violation of either state statutes or Borough policy. The Borough deposits cash in a local financial institution. At the year-end, the Borough's carrying amount of deposits was \$835,593 and the bank balance was \$958,385. The bank balance up to \$250,000 is covered by federal depository insurance. The depository pledge assets to secure deposits in excess of \$250,000 in accordance to Act 72.

The Borough places no limit on the amounts deposited in any one depository.

The Borough does not have a formal investment policy that addresses interest rate and credit risk.

NOTE 4 - INVESTMENTS

The Borough code provides for the deposit of governmental funds into certain authorized investment types including U.S. Treasury bills, U.S. Treasury notes, other short-term U.S. and Pennsylvania government obligations or their agencies or instrumentalities and insured or collateralized time deposits and certificates of deposits.

The Police Pension Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The Police Pension Plan has no formal investment policy. It is the policy of the PSABMRT General Balanced Fund to invest approximately 60% of assets in equities, approximately 5% of assets in real estate, and approximately 35% of assets in fixed income investments.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Police Pension Plan has no investment policy for credit risk. At December 31, 2020, all plan assets were invested in the PSABMRT General Balanced Fund, which is not rated. However, the formal investment policy of the PSABMRT requires fixed income securities within the portfolio to be rated BBB or higher at the time of purchase and requires any asset-backed or mortgage-backed securities within the portfolio to be rated AAA at the time of purchase.

BOROUGH OF CLEONA
NOTES TO PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 - INVESTMENTS (continued)

Concentration of Credit Risk is the risk of loss attributable to the magnitude of an investment in a single issuer. The Police Pension Plan places no limit on the amount that may be invested in any one issuer. The PSAB Balanced Fund utilizes a multi-investment manager investment structure. While the plan places no composite limit on the amount that may be invested in any one issuer, individual investment managers have limits placed on their respective portfolios.

Interest Rate Risk for investments is the risk that a change in interest rates will adversely affect the fair value of an investment. For the General Balanced Fund, approximately 35% of assets will be invested in interest-bearing securities with a maximum individual maturity of 40 years.

NOTE 5 - PROPERTY TAXES

The total taxable assessed real estate valuation for the year ended 2020 was \$138,814,600. The Borough's property tax is levied March 1. A 2% discount is allowed on taxes paid by April 30. Taxes are payable at face value during May and June. A 10% penalty is added to taxes paid after June 30. For 2020, dates were deferred to alleviate financial hardships due to COVID 19.

The Borough is permitted by the Borough Code of the Commonwealth of Pennsylvania to levy taxes up to 30 mills of assessed valuation for general governmental services other than payment of principle and interest on debt and other special purposes. For 2020, Borough real estate taxes were levied at the rate of 2.77 mills (\$2.77 of tax on each \$1,000 of assessed value).

NOTE 6 - LONG TERM DEBT

In April 2010, the Borough borrowed \$250,000 from the Commonwealth of Pennsylvania Department of Transportation, the proceeds of which were used for road paving. The loan was payable in semiannual installments of \$13,594 including interest at a rate of 1.625% per annum. The note matured in April 2020. The note was secured by liquid fuels tax allocations.

A summary of changes in long term debt is as follows:

	Balance <u>12/31/19</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/20</u>
Note Payable, Commonwealth of PA	\$ 13,485	\$ -0-	\$ (13,485)	\$ -0-

BOROUGH OF CLEONA
NOTES TO PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 - FUND BALANCE REPORTING

At December 31, 2020, fund balances are made up of the following:

Restricted - Liquid Fuels	\$ <u>162,128</u>
Assigned - Recreation	\$ 5,604
- Police	3,000
- General Capital Projects	<u>255,975</u>
	<u>\$ 264,579</u>

NOTE 8 - NON-UNIFORM EMPLOYEE PENSION PLAN

Effective January 1, 2013, the Borough Council approved a non-uniform employee retirement savings plan. The plan covers non-uniform full-time employees and is administered by the Pennsylvania Municipal Retirement System (PMRS). The PMRS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report (CAFR), a copy of which can be obtained by contacting the PMRS accounting office or on the PMRS website. The measurement date used in the calculation of the Net Pension Liability is December 31, 2018, the most recent available.

A member is eligible for normal retirement after attainment of age 62 or completion of 20 years of service, if earlier. A member's benefits vest upon completion of 3 years of credited service.

The plan provides retirement, disability and death benefits to plan members and their beneficiaries. Refer to the plan document for a detail description of plan benefits.

The Borough will contribute 9% of each participant's eligible compensation. For years 2013 through 2016 the Borough contributed an additional 8.5% of each participant's eligible compensation. The amount contributed in 2018 was \$6,415.

Based upon the most recent actuarial valuation date of January 1, 2019, the number of employees participating consisted of:

Active Employees	2
Retirees and Beneficiaries Currently Receiving Benefits	0
Terminated Employees Entitled to, but not yet receiving benefits	<u>0</u>
Total	<u><u>2</u></u>

The Borough's net pension liability was measured as of December 31, 2018, and the total pension liability was determined by rolling forward the liability from an actuarial valuation as of January 1, 2019. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

BOROUGH OF CLEONA
NOTES TO PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 8 - NON-UNIFORM EMPLOYEE PENSION PLAN (continued)

For active participants, assumptions are used only for the determination of the average expected working lifetime. These assumptions are based on the PMRS Experience Study for the period covering January 1, 2009 through December 31, 2013 issued by the actuary July, 2015, covering the defined benefit plan participants and all retirees, as well as subsequent Board approved assumption changes. Effective with the December 31, 2016, measurement date the Investment Return Assumption for municipal assets decreased from 5.50% to 5.25%.

The discount rate used to measure the total pension liability was 5.25%. It is assumed the employees will continue to contribute to the Plan at the current rates and the employers will continue the historical and legally required practice of contributing to the Plan based on a Statutorily Required Contribution (based upon the terms of the cash balance pension plan).

The table below shows the changes in Net Pension Liability as of the measurement date:

	<u>Total Pension</u>	<u>Increase (Decrease)</u>	
	<u>Liability</u>	<u>Plan Fiduciary</u>	<u>Net Pension</u>
		<u>Net Position</u>	<u>Liability</u>
Balance 12/31/2017	\$ 58,041	\$ 61,602	\$ (3,561)
Service Cost	6,523		6,523
Interest	3,171		3,171
Changes of Benefit Terms	627		627
Changes for Experience			
Changes of Assumptions			
Contributions - Employer		6,523	(6,523)
Contributions – PMRS Assessment		40	(40)
Contributions – Member			
PMRS Investment Income		3,231	(3,231)
Market Value Investment Income		(7,374)	7,374
Benefit Payments, including			
Refunds of member contributions			
PMRS Administrative Expenses		(40)	40
Additional Administrative Expenses		(144)	144
Net Changes	<u>10,321</u>	<u>2,236</u>	<u>8,085</u>
Balance at December 31, 2018	<u>\$ 68,362</u>	<u>\$ 63,838</u>	<u>\$ 4,524</u>

BOROUGH OF CLEONA
NOTES TO PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 8 - NON-UNIFORM EMPLOYEE PENSION PLAN (continued)

This report does not reflect the changes in benefits or assumptions after January 1, 2019. Because the beginning and end of year TPL are based upon different actuarial valuation dates, there may be a difference between expected and actual experience reported this year. The beginning of the year TPL is based upon January 1, 2017, per GASB paragraph 22, with liabilities rolled forward to December 31, 2017 based on the actual cash flows during the year and reflecting the impact of plan changes if applicable. The end of the year TPL is based upon the January 1, 2019 actuarial valuation with liabilities measured at December 31, 2018. Except where noted, the TPL as of December 31, 2018 was based on data, actuarial methods and assumptions as described herein.

According to Governmental Accounting Standards Board (GASB) Statements No. 67 and 68, PMRS is required to allocate/distribute all funds to the respective participating employers for financial reporting purposes, to determine the respective employer "plan fiduciary net position." PMRS has determined that the net investment income or loss and administrative expenses will be allocated to the employer/municipality accounts pro-rata based on their beginning Fiduciary Net Position balance adjusted for cash flows throughout the year. The "Additional administrative expenses" are the expenses in excess of the "PMRS administrative expense" (i.e. \$20 per participant expense paid by each plan). The "PMRS investment income" is based upon the regular and excess interest used to credit accounts annually. The "Market value investment income" reflects the investment income/loss during the year net of PMRS investment income and the income/loss due to the difference between expected and actual asset values, including the impact from allocation of assets in support for the underlying retiree liabilities.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. As a cash balance plan, however, we have not performed the specific sensitivity calculations based on this plan's demographics or plan provisions for active participants given that the benefits are based on the accumulated account balances at actual retirement. For illustrative purposes, the table below shows the sensitivities as 80% and 120% of the TPL associated with active participants as a reflection of the nature of potential variance that could occur with a +1.0% and -1.0% changes in the discount rate, respectively, if the active liabilities were valued by converting each cash balance account to an annuity and then discounting these projected annuities at the sensitivity rates. If the plan has retired participants, the discount rate sensitivity for the TPL associated with the retired participants has been explicitly determined based on the January 1, 2019 actuarial valuation.

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

	1% Decrease <u>4.25%</u>	Current Discount Rate <u>5.25%</u>	1% Increase <u>6.25%</u>
Total Pension Liability	\$ 82,035	\$ 68,362	\$ 54,690
Plan Fiduciary Net Position	<u>63,838</u>	<u>63,838</u>	<u>63,838</u>
Net Pension Liability	<u>\$ 18,197</u>	<u>\$ 4,524</u>	<u>\$ (9,148)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	77.82%	93.34%	116.73%

BOROUGH OF CLEONA
NOTES TO PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 9 - POLICE PENSION PLAN

The Borough maintains a single employer defined benefit pension plan that covers the members of the police department. The Police Pension Plan provides retirement, disability and death benefits. Refer to the plan document for a detail description of plan benefits. The Police Pension plan was established by Ordinance No. 169, effective August 23, 1972 and entered into a Joinder Agreement with the Pennsylvania State Association of Borough Municipal Retirement Trust (PSABMRT) dated October 8, 1988. The plan is governed by the Borough Council of the Borough of Cleona which may amend plan provisions, and which is responsible for the management of Plan assets. Borough Council has delegated the authority to manage certain plan assets to PSABMRT. The plan is required to file Form PC-201C biennially with the Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP). A copy of the Plan's financial statement is kept on file in the Borough office.

In accordance with Pennsylvania Act Number 205 of 1984, *Municipal Pension Plan Funding Standard and Recovery Act* (Act 205), the Borough has biennial actuarial valuations performed. The next valuation date is as of January 1, 2021. Actuarial Valuation Report Form PC-201C (dated January 1, 2019) discloses that pension plan membership consisted of:

Active employees	4	
Retirees and beneficiaries currently receiving benefits	1	
Terminated employees entitled to benefits but not yet receiving them	0	0
Total		5

A member is eligible for normal retirement after attainment of age 55 and completion of 25 years of service. A member's benefits vest upon completion of 12 years of credited service.

The retirement benefit is a monthly benefit equal to 50% of gross pay averaged over the last 60 months of employment. Death benefit is a refund of contributions, if any, plus interest before retirement. For the death benefit after retirement, the surviving spouse will receive 50% of the amount the participant was receiving or entitled to receive payable for life. In the event of the spouse's death, the participant's children will share the benefit until age 18, or age 23 if attending college. For total and permanent disability, the greater of 50% of the Final Monthly Average Salary or 50% of the participant's salary at date of disablement will be payable, which may be offset by any Social Security disability benefits received for the same condition.

Basis of Accounting

The plan's policy is to prepare its financial statements on the accrual basis of accounting. Contributions and pension payments are recognized in the period in which they are due.

BOROUGH OF CLEONA
NOTES TO PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 9 - POLICE PENSION PLAN (continued)

Valuation of Investments

Investments are reported at fair value as reported by PSABMRT. The plan's assets are pooled for investment purposes and therefore, do not represent specific identifiable investment securities. Disclosures required for aggregate PSABMRT investments are included in the separately issued report of PSABMRT.

Contributions and Funding Policy

Act 205 of 1984 (as amended) requires that annual contributions to the plan be based upon the plan's Minimum Municipal Obligation (MMO), which is based on the plan's biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds state and member contributions must be funded by the employer.

Employees are required to contribute 5% of covered payroll to the Plan. This contribution is governed by the Plan's governing ordinances and collective bargaining.

Investment expenses, including investment manager and custodial services, are funded through investment earnings.

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.

The Borough's annual pension cost and related information for the plan is as follows based upon the most recent available actuarial valuation:

Contributions Made	\$ 19,904
Actuarial Valuation Date	01/01/19
Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar, open
Amortization Period	16 Years
Asset Valuation Method	4-Year Smoothing
Actuarial Assumptions:	
Investment rate of return, net of investment expense	6.75%
Projected salary increases	4.75%
Underlying inflation rate	2.75%

The Net Pension Liability for the Plan required under GASB 68 is not calculated by the Borough on the modified cash basis of accounting.

BOROUGH OF CLEONA
NOTES TO PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 10 - ACCRUED ABSENCES

The Borough allows police employees to accumulate unused sick leave with no maximum. Sick leave is vested and paid to officers who voluntarily terminate or retire at a rate of 30% of their accumulated sick leave and at a rate of 10% for police officers who are terminated. Non-uniformed employees may accumulate up to 24 hours of sick leave per year, however unused time has no cash value.

The Borough allows police employees to accumulate unused vacation leave with a maximum carryover of 360 hours. Vacation leave is vested and paid to police employees upon termination up to a maximum of 180 hours.

The Borough allows police employees to accumulate compensation time up to 40 hours which may be carried over into a subsequent year. Accumulated compensation time is vested and paid to police employees upon termination.

As of December 31, 2020, the liability for vested unused sick and vacation leave and compensation time is approximately \$23,533.

NOTE 11 - LEASE AGREEMENTS

The Borough signed a lease agreement with the Lebanon County Commissioners to lease office space. The lease term is January 1, 2018 through December 31, 2021. Rental income received by the Borough for 2020 was \$11,700.

The Borough signed two lease agreements with Phillips Capital for the rental of two printer-copiers. The first lease began on December 27, 2016, for a term of 60 months at a cost of \$213 per month and is for the Borough Office. The second lease began on January 13, 2017, for a term of 48 months at a cost of \$69 per month and is for the Police Department.

Future annual lease payments on these leases will be:

2021	\$ 14,256
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NOTE 12 - INTER-MUNICIPAL AGREEMENTS

The Borough purchases highway services and materials from Annville Township. No formal agreement exists. The Borough paid \$16,223 for the year ended December 31, 2020.

In 2003, the Borough entered into an agreement with Annville Township providing for the exchange of police officer work shifts between the municipalities.

In 2014, the Borough adopted a police services agreement with North Annville Township. The agreement was amended for the second time in 2019 to extend to December 31, 2022. North Annville Township will pay the Borough \$73,000 in 2021 and \$76,000 in 2022, plus applicable police overtime in each year. The Borough received \$71,707 for the year ended December 31, 2020.

BOROUGH OF CLEONA
NOTES TO PRIMARY GOVERNMENT BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 13 - RELATED PARTY TRANSACTIONS

The Authority reimburses the Borough of Cleona for purchased salaries, payroll taxes, benefits, materials, and grounds maintenance. The total received from the Authority for the year 2020 was \$31,376 for purchased services.

NOTE 14 - CONTINGENCIES

The Borough provides unemployment compensation to eligible claimants through its own self-funded plan with the Commonwealth of Pennsylvania. The Borough is liable for unemployment compensation claims out of its general revenues. There were no outstanding claims at December 31, 2020.

NOTE 15 - COMMITMENTS

The Borough signed an inter-municipal agreement "Grumbine Plan" pertaining to the repayment from the overpaid municipalities (that agreed to the plan) to the underpaid entities relating to the former EIT issue. The Borough agreed to repay the amount owed of \$43,807 over a 10-year period at 0% interest beginning in 2011. The Borough's annual payments were \$4,381. The final payment was made in 2020.

The Borough agreed to reimburse the Cleona Fire Company for payments on a loan for a fire engine in the amount of \$200,000 at 2.0% interest per annum. Monthly payments in the amount of \$1,012 began in 2018 and will end in 2038. The expense to the Borough in 2020 was \$11,129. The balance remaining on this commitment at December 31, 2020, including interest, is \$207,455.

REQUIRED SUPPLEMENTARY INFORMATION

BOROUGH OF CLEONA
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
NON-UNIFORM PENSION PLAN
For the Year Ended December 31, 2020

	Measurement Year Ended 12/31/2014	Measurement Year Ended 12/31/2015	Measurement Year Ended 12/31/2016	Measurement Year Ended 12/31/2017	Measurement Year Ended 12/31/2018
Total Pension Liability:					
Service Cost	\$ 10,593	\$ 11,660	\$ 11,641	\$ 6,415	\$ 6,523
Interest Cost	807	1,446	2,159	2,692	3,171
Changes in Benefit Terms	-0-	-0-	-0-	-0-	627
Changes for Experience	(1)	1	(1)	-0-	-0-
Changes of Assumptions	-0-	-0-	-0-	-0-	-0-
Benefit Payments	-0-	-0-	-0-	-0-	-0-
Net Change in Total Pension Liability	\$ 11,399	\$ 13,107	\$ 13,799	\$ 9,107	\$ 10,321
Total Pension Liability:					
Beginning	10,629	22,028	35,135	48,934	58,041
Ending	<u>\$ 22,028</u>	<u>\$ 35,135</u>	<u>\$ 48,934</u>	<u>\$ 58,041</u>	<u>\$ 68,362</u>
Plan Fiduciary Net Position:					
Contributions:					
Employer	\$ 10,633	\$ 11,660	\$ 11,641	\$ 6,415	\$ 6,523
Employee	-0-	-0-	-0-	-0-	-0-
PMRS Assessment	-0-	40	-0-	-0-	40
PMRS Investment Income	860	1,508	2,224	2,737	3,231
Market Value Investment Income	(177)	(2,156)	195	5,989	(7,374)
Benefit Payments, including refunds of member contributions	-0-	-0-	-0-	-0-	-0-
PMRS Administrative Expense	(40)	(40)	(40)	(40)	(40)
Additional Administrative Expenses	(33)	(63)	(109)	(126)	(144)
Net Change in Plan Fiduciary Net Position	\$ 11,243	\$ 10,949	\$ 13,911	\$ 14,975	\$ 2,236
Plan Fiduciary Net Position:					
Beginning	10,524	21,767	32,716	46,627	61,602
Ending	<u>\$ 21,767</u>	<u>\$ 32,716</u>	<u>\$ 46,627</u>	<u>\$ 61,602</u>	<u>\$ 63,838</u>
Net Pension Liability - ending	<u>\$ 261</u>	<u>\$ 2,419</u>	<u>\$ 2,307</u>	<u>\$ (3,561)</u>	<u>\$ 4,524</u>
Plan fiduciary net position as a percentage of the total pension liability	98.82%	93.12%	95.29%	106.14%	93.38%
Net pension liability as a percentage of covered employee payroll	0.43%	3.63%	3.47%	-5.00%	6.24%

Notes to Schedule:

Required ten year information will be completed as time passes.

Plan changes: Employer and/or Required Employee Contribution Rates changed during the measurement year(s) ending in 2017.

Assumption Changes: Effective with the December 31, 2016, measurement date the Investment Return Assumption for municipal assets decreased from 5.50% to 5.25%.

BOROUGH OF CLEONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
NON-UNIFORM PENSION PLAN
Last 10 Measurement Years (if available)

Due to the plan design, there are no Actuarilly Determined Contributions for the cash balance pension plan. The Statutorily Required Contribution is a contribution amount based upon the payroll and contribution rate as outlined under the terms of the cash balance pension plan. As provided by the Pennsylvania Municipal Retirement System, the employer portion of the Statutorily Required Contribution was the amount recognized by the pension plan during the year.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Statutorily Required Contribution	\$ 10,633	\$ 11,700	\$ 11,681	\$ 6,455	\$ 6,563
Contributions in Relation to the Statutorily Required Contribution	<u>10,633</u>	<u>11,700</u>	<u>11,641</u>	<u>6,415</u>	<u>6,563</u>
Contribution Deficiency/(Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 40</u>	<u>\$ 40</u>	<u>\$ -0-</u>
Covered Employee Payroll	<u>\$ 60,528</u>	<u>\$ 66,631</u>	<u>\$ 66,520</u>	<u>\$ 71,277</u>	<u>\$ 72,483</u>
Contributions as a percent of Covered Employee Payroll	<u>17.57%</u>	<u>17.56%</u>	<u>17.50%</u>	<u>9.00%</u>	<u>9.05%</u>

Notes to Schedule:

Plan changes: Employer and/or Required Employee Contribution Rates changed during the measurement year(s) ending in 2017.
Plan changes may include excess interest distribution during the measurement year ending in 2018, if applicable.
Assumption Changes: Effective with the December 31, 2016, measurement date the Investment Return Assumption for municipal assets decreased from 5.50% to 5.25%.

**BOROUGH OF CLEONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION PLAN
December 31, 2020**

The following table provides an analysis of funding progress for the last ten years:

<u>Plan Year Ended</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
12-31-11	25,322	26,293	104%
12-31-12	28,307	28,609	101%
12-31-13	37,743	37,743	100%
12-31-14	31,208	31,208	100%
12-31-15	32,444	32,444	100%
12-31-16	23,503	34,997	149%
12-31-17	33,151	39,027	118%
12-31-18	39,112	39,444	101%
12-31-19	39,177	39,817	102%
12-31-20	19,904	20,207	102%

BOROUGH OF CLEONA
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES COLLECTED				
Taxes	\$ 646,029	\$ 646,029	\$ 662,065	\$ 16,036
Licenses and Permits	36,370	36,370	37,248	878
Fines and Forfeits	12,700	12,700	12,657	(43)
Intergovernmental	44,243	44,243	44,420	177
Charges for Services	196,119	196,119	199,709	3,590
Investment Earnings	7,337	7,337	848	(6,489)
Rents	11,700	11,700	11,700	-0-
Donations	375	375	-0-	(375)
Miscellaneous	1,005	1,005	1,250	245
TOTAL REVENUES COLLECTED	\$ 955,878	\$ 955,878	\$ 969,897	\$ 14,019
EXPENDITURES PAID				
General Government	\$ 233,776	\$ 233,776	\$ 175,497	\$ 58,279
Public Safety	593,021	593,021	576,297	16,724
Public Works	123,180	123,180	74,028	49,152
Culture and Recreation	47,310	47,310	26,918	20,392
Miscellaneous	4,381	4,381	4,469	(88)
TOTAL EXPENDITURES PAID	\$ 1,001,668	\$ 1,001,668	\$ 857,209	\$ 144,459
Excess of Revenues Collected Over (Under) Expenditures Paid	\$ (45,790)	\$ (45,790)	\$ 112,688	\$ 158,478
OTHER FINANCING SOURCES (USES)				
Operating Transfers - In	\$ 38,020	\$ 38,020	\$ -0-	\$ (38,020)
Proceeds of Asset Disposition	10	10	354	344
Operating Transfers - Out	(15,000)	(15,000)	(1,805)	13,195
TOTAL OTHER FINANCING USES	\$ 23,030	\$ 23,030	\$ (1,451)	\$ (24,481)
Excess (Deficiency) of Revenues Collected and Other Financing Sources Over Expenditures Paid and Other Financing Uses	\$ (22,760)	\$ (22,760)	\$ 111,237	\$ 133,997

BOROUGH OF CLEONA
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES COLLECTED AND EXPENDITURES PAID
BUDGET AND ACTUAL - LIQUID FUELS FUND
For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES COLLECTED				
Intergovernmental	\$ 64,591	\$ 64,591	\$ 65,907	\$ 1,316
Investment Earnings	<u>2,728</u>	<u>2,728</u>	<u>362</u>	<u>(2,366)</u>
Total Revenues Collected	<u>\$ 67,319</u>	<u>\$ 67,319</u>	<u>\$ 66,269</u>	<u>\$ (1,050)</u>
EXPENDITURES PAID				
Debt Service	\$ 13,594	\$ 13,594	\$ 13,594	\$ -0-
Miscellaneous	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Expenditures Paid	<u>\$ 13,594</u>	<u>\$ 13,594</u>	<u>\$ 13,594</u>	<u>\$ -0-</u>
Excess of Revenues Collected Over Expenditures Paid	<u>\$ 53,725</u>	<u>\$ 53,725</u>	<u>\$ 52,675</u>	<u>\$ (1,050)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers - In	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Operating Transfers - Out	<u>(38,020)</u>	<u>(38,020)</u>	<u>-0-</u>	<u>38,020</u>
Total Other Financing Sources (Uses)	<u>\$ (38,020)</u>	<u>\$ (38,020)</u>	<u>\$ -0-</u>	<u>\$ 38,020</u>
Excess (Deficiency) of Revenues Collected and Other Financing Sources Over Expenditures Paid and Other Financing Uses	<u>\$ 15,705</u>	<u>\$ 15,705</u>	<u>\$ 52,675</u>	<u>\$ 36,970</u>