

BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
**Financial Statements, Auditor's Report
and Supplementary Information**
December 31, 2020

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
TABLE OF CONTENTS**

	Page(s)
Independent Auditor's Report	1 - 3
<u><i>Basic Financial Statements:</i></u>	
Statement of Net Position	5
Statement of Activities	6 - 7
Balance Sheet - Governmental Funds	8
Reconciliation of the Governmental Funds Balance Sheet To The Statement of Net Position	9
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	10
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to The Statement of Activities	11
Statement of Net Position - Proprietary Funds	12
Statement of Revenues, Expenditures and Changes in Net Position - Proprietary Funds	13
Statement of Cash Flows - Proprietary Funds	14
Statement of Net Position - Fiduciary Funds	16
Statement of Changes in Net Position - Fiduciary Funds	17
Notes of Financial Statements	18 - 41
<u><i>Required Supplementary Information:</i></u>	
Budgetary Comparison Schedule - General Fund	43 - 49
Schedule of Borough Contributions - Police Pension Plan	50
Schedule of Changes in Net Pension Liability and Related Ratios - Police Pension Plan	51
Notes to Required Supplementary Schedules - Police Pension Plan	52

Other Supplementary Information:

Combining Balance Sheet Non-Major Governmental Funds	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	56
Combining Statement of Net Position - All Pension and Private Purpose Trust Funds	57
Combining Statement of Changes in Net Position - All Pension and Private Purpose Trust Funds	58
Schedule of Accumulated Employee Contributions - Police Pension Fund	59

INDEPENDENT AUDITOR'S REPORT

To the Members of the Borough Council
Borough of Slatington
Slatington, PA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Slatington, 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

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, because of the material effects of the omissions described within the emphasis of matter section, the basic financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Slatington, as of December 31, 2020, and the changes in its financial position or where applicable its cash flows for the year then ended.

Management has omitted the management's discussion and analysis that is required 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule and schedules of police pension plan on pages 43-52 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Borough of Slatington. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole although, as previously stated, the basic financial statements themselves do not conform with accounting principles generally accepted in the United States of America.

Emphasis of Matter

A discussed in Note 2 to the financial statements, while the Borough has included capital assets and related accumulated depreciation and depreciation expense, management has not recorded certain general infrastructure assets in governmental activities and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America, require that those general infrastructure assets be capitalized and depreciated, which would increase the assets, net position and expenses of the governmental activities. The amount by which this departure would affect assets and expenses of the governmental activities is not reasonably determinable.

Furthermore, utility plant in service and contributions in aid to construction costs prior to 1983 have not been capitalized in the Water Fund. The amounts, by which the financial statements would change if these items were included, while material, cannot be determined.

Congbell, Rappold & Yasuta LLP

November 16, 2022

BASIC FINANCIAL STATEMENTS

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2020**

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash and Cash Equivalents	\$ 1,172,346	\$ 3,937,608	\$ 5,109,954
Taxes Receivable, Net	182,805	-	182,805
Accounts Receivable, Net	-	231,414	231,414
Authority Lease Receivable	-	1,265,240	1,265,240
Internal Balance	(542,936)	558,555	15,619
Intergovernmental Receivables	-	151,941	151,941
Other Receivables, Net	98,085	-	98,085
Total Current Assets	910,300	6,144,758	7,055,058
Noncurrent Assets:			
Construction In Progress	19,902	-	19,902
Land	166,486	80,223	246,709
Site Improvements and Mains, Net of Depreciation	1,632,062	8,142,309	9,774,371
Building and Building Improvements Net of Depreciation	56,679	-	56,679
Treatment Plants, Net of Depreciation	-	4,272,474	4,272,474
Machinery and Equipment, Net of Depreciation	10,871	53,332	64,203
Vehicles, Net of Depreciation	77,735	-	77,735
Total Noncurrent Assets	1,963,735	12,548,338	14,512,073
Total Assets	2,874,035	18,693,096	21,567,131
Deferred Outflows of Resources			
Prepaid Loan	-	21,429	21,429
Changes In Assumptions	2,683	-	2,683
Total Deferred Outflows of Resources	\$ 2,683	\$ 21,429	\$ 24,112
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 23,716	\$ -	\$ 23,716
Custodial Funds	12,475	-	12,475
Current Portion of Capital Lease Obligation	12,216	-	12,216
Other Current Liabilities	44,211	15,854	60,065
Total Current Liabilities	92,618	15,854	108,472
Noncurrent Liabilities:			
Authority Loan Payable	-	1,265,240	1,265,240
Lease Payable to Authority	-	1,265,240	1,265,240
Loan Payable to Borough	-	21,429	21,429
Long-Term Portion of Compensated Absences	121,405	-	121,405
Net Pension Liability	252,449	-	252,449
Total Noncurrent Liabilities	373,854	2,551,909	2,925,763
Total Liabilities	466,472	2,567,763	3,034,235
Deferred Inflows of Resources			
Deferred Revenue	56,153	-	56,153
Net Difference Between Projected and Actual Earning on Pension Plan Investments	165,529	-	165,529
Difference Between Expected and Actual Experience	68,682	-	68,682
Deferred Inflows of Resources	290,364	-	290,364
NET POSITION			
Invested in Capital Assets, Net of Related Debt	1,951,519	11,283,098	13,234,617
Restricted for:			
Special Revenue	152,660	-	152,660
Unrestricted	15,703	4,863,664	4,879,367
TOTAL NET POSITION	\$ 2,119,882	\$ 16,146,762	\$ 18,266,644

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 207,120	\$ 135,574	\$ 1,881	\$ 70,770
Public Safety	918,105	103,774	112,397	-
Highways and Streets	355,287	-	127,356	98,085
Health and Sanitation	1,139	-	-	-
Culture and Recreation	62,769	400	-	-
Community Development and Housing	-	-	-	9,619
Miscellaneous	134,792	-	-	-
Interest on Long-Term Debt	1,839	-	-	-
Unallocated Depreciation Expense	114,152	-	-	-
Total Governmental Activities	1,795,203	239,748	241,634	178,474
Business Type Activities:				
Water	693,738	834,739	-	-
Sewer	950,121	1,107,832	-	-
Garbage	260,704	317,823	-	-
Total Business-Type Activities	1,904,563	2,260,394	-	-
Total Primary Government	\$ 3,699,766	\$ 2,500,142	\$ 241,634	\$ 178,474

General Revenues:

Taxes:

Property Taxes, levied for general purposes, net

Taxes levied for specific purposes

Franchise Tax (Fees)

Investment Earnings

Miscellaneous Income

Transfers In (Out)

**Total General Revenues, Special Items,
Extraordinary Items, and Transfers**

Change in Net Position

Net Position - Beginning

Net Position - Ending

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ 1,105	\$ -	\$ 1,105
(701,934)	-	(701,934)
(129,846)	-	(129,846)
(1,139)	-	(1,139)
(62,369)	-	(62,369)
9,619	-	9,619
(134,792)	-	(134,792)
(1,839)	-	(1,839)
<u>(114,152)</u>	<u>-</u>	<u>(114,152)</u>
<u>(1,135,347)</u>	<u>-</u>	<u>(1,135,347)</u>
-	141,001	141,001
-	157,711	157,711
-	<u>57,119</u>	<u>57,119</u>
-	<u>355,831</u>	<u>355,831</u>
<u>(1,135,347)</u>	<u>355,831</u>	<u>(779,516)</u>
930,388	-	930,388
487,009	-	487,009
61,830	-	61,830
427	11,368	11,795
21,264	-	21,264
<u>6,909</u>	<u>(6,909)</u>	<u>-</u>
<u>1,507,827</u>	<u>4,459</u>	<u>1,512,286</u>
372,480	360,290	732,770
<u>1,747,402</u>	<u>15,786,472</u>	<u>17,533,874</u>
<u>\$ 2,119,882</u>	<u>\$ 16,146,762</u>	<u>\$ 18,266,644</u>

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2020**

	General	Non-Major Funds	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 819,912	\$ 352,434	\$ 1,172,346
Receivables (Net)			
Taxes	182,805	-	182,805
Other	98,085	-	98,085
Due from Other Funds	11,488,800	131,844	11,620,644
TOTAL ASSETS	\$ 12,589,602	\$ 484,278	\$ 13,073,880
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to Other Funds	\$ 11,831,962	\$ 277,962	\$ 12,109,924
Accounts Payable	23,716	-	23,716
Custodial Funds	12,475	-	12,475
Note Payable to Sewer Fund	-	53,656	53,656
Deferred Revenues	132,303	-	132,303
Other Current Liabilities	44,211	-	44,211
TOTAL LIABILITIES	12,044,667	331,618	12,376,285
FUND BALANCES			
Assigned	-	152,660	152,660
Unassigned	544,935	-	544,935
TOTAL FUND BALANCES	544,935	152,660	697,595
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,589,602	\$ 484,278	\$ 13,073,880

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2020**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 697,595

**Amounts Reported for Governmental Activities in the
Statement of Net Position are Different Because:**

Capital assets used in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$4,623,808 and the accumulated depreciation is \$2,660,073. 1,963,735

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. 76,150

Deferred outflows (inflows) of resources related to pensions are applicable to future periods and therefore are not reported in governmental funds. (231,528)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Capital Lease Obligation	(12,216)	
Net Pension Liability	(252,449)	
Compensated Absences	<u>(121,405)</u>	
		<u>(386,070)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 2,119,882

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	General	Non-Major Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 1,329,709	\$ 87,237	\$ 1,416,946
Licenses and Permits	81,965	-	81,965
Fines and Forfeits	33,239	-	33,239
Interest and Rents	135,834	167	136,001
Intergovernmental Revenues	292,752	127,356	420,108
Charges for Current Service	50,800	-	50,800
Miscellaneous Revenue	21,264	-	21,264
TOTAL REVENUES	<u>1,945,563</u>	<u>214,760</u>	<u>2,160,323</u>
EXPENDITURES			
General Government	237,324	-	237,324
Administration	-	267	267
Fire Station and Truck	-	59,803	59,803
Public Safety	817,193	-	817,193
Highways and Streets	392,595	90,014	482,609
Health and Human Services	1,139	-	1,139
Culture and Recreation	66,614	-	66,614
Miscellaneous	134,792	-	134,792
Capital Outlay	-	-	-
Debt Service			
Principal	-	-	-
Interest	-	1,839	1,839
TOTAL EXPENDITURES	<u>1,649,657</u>	<u>151,923</u>	<u>1,801,580</u>
EXCESSIVE OF REVENUES OVER EXPENDITURES	295,907	62,837	358,744
OTHER FINANCING SOURCES (USES)			
Transfers In	37,435	-	37,435
Transfers Out	(136,064)	(30,526)	(166,590)
Total Other Financing Sources (Uses)	<u>(98,629)</u>	<u>(30,526)</u>	<u>(129,155)</u>
Net Change in Fund Balances	197,278	32,311	229,589
Fund Balances, January 1	<u>347,657</u>	<u>120,349</u>	<u>468,006</u>
FUND BALANCES, DECEMBER 31	<u>\$ 544,935</u>	<u>\$ 152,660</u>	<u>\$ 697,595</u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Governmental Funds \$ 229,589

**Amounts Reported for Governmental Activities in the
Statement of Activities are Different Because:**

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	\$ 137,912	
Capital Lease	-	
Less: Depreciation Expense	<u>(114,152)</u>	23,760

Repayments of capital leases is an expenditure in the governmental funds, but the repayment reduces capital lease liability in the statement of net position. 36,949

Because some property taxes will not be collected for several months after the Borough's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred tax revenues decreased by this amount this year. 450

In the statement of activities, certain operating expenses -- compensated absences (vacations) and special termination benefits (early retirement) and pensions -- are measured by the benefits earned during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used. 81,732

Change in Net Position of Governmental Activities \$ 372,480

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2020**

	Water Division	Sewer Disposal	Garbage Division	Totals
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,723,811	\$ 1,677,894	\$ 535,903	\$ 3,937,608
Accounts Receivable (Net)	90,155	101,839	39,420	231,414
Authority Lease Receivable	-	1,265,240	-	1,265,240
Due From Other Funds	1,011,238	1,098,866	134,548	2,244,652
Intergovernmental Receivables	-	151,941	-	151,941
Prepaid Loan	-	21,429	-	21,429
Total Current Assets	<u>2,825,204</u>	<u>4,317,209</u>	<u>709,871</u>	<u>7,852,284</u>
Noncurrent Assets:				
Note Receivable from Fire Fund	-	53,656	-	53,656
Construction In Progress	-	-	-	-
Land	64,440	15,783	-	80,223
Treatment Plants	3,898,798	5,789,659	-	9,688,457
Machinery and Equipment	478,719	533,539	-	1,012,258
Furniture and Fixtures	6,105	26,686	-	32,791
Improvements Other Than Buildings	3,784,789	8,695,602	-	12,480,391
Less: Accumulated Depreciation	(4,154,215)	(6,591,567)	-	(10,745,782)
Total Noncurrent Assets	<u>4,078,636</u>	<u>8,523,358</u>	<u>-</u>	<u>12,601,994</u>
TOTAL ASSETS	<u>\$ 6,903,840</u>	<u>\$ 12,840,567</u>	<u>\$ 709,871</u>	<u>\$ 20,454,278</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	1,037,959	701,794	-	1,739,753
Other Current Liabilities	7,843	7,076	935	15,854
Total Current Liabilities	<u>1,045,802</u>	<u>708,870</u>	<u>935</u>	<u>1,755,607</u>
Noncurrent Liabilities:				
Authority Loan Payable	-	1,265,240	-	1,265,240
Lease Payable to Authority	-	1,265,240	-	1,265,240
Loan Payable to Borough	-	21,429	-	21,429
Total Noncurrent Liabilities	<u>-</u>	<u>2,551,909</u>	<u>-</u>	<u>2,551,909</u>
TOTAL LIABILITIES	<u>1,045,802</u>	<u>3,260,779</u>	<u>935</u>	<u>4,307,516</u>
NET POSITION				
Invested in Capital Assets, Net of Related Debt	4,078,636	7,204,462	-	11,283,098
Unrestricted	1,779,402	2,375,326	708,936	4,863,664
Total Net Position	<u>5,858,038</u>	<u>9,579,788</u>	<u>708,936</u>	<u>16,146,762</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 6,903,840</u>	<u>\$ 12,840,567</u>	<u>\$ 709,871</u>	<u>\$ 20,454,278</u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Water Division	Sewer Disposal	Garbage Division	Totals
OPERATING REVENUES:				
Charges For Services				
General Public (Net)	\$ 755,290	\$ 831,616	\$ 317,818	\$ 1,904,724
Other Governments	79,356	271,054	-	350,410
Rental Income	-	4,005	-	4,005
Grants				
Intergovernmental	-	-	-	-
Miscellaneous Operating Revenues	93	1,157	5	1,255
Total Operating Revenues	834,739	1,107,832	317,823	2,260,394
OPERATING EXPENSES:				
Administration	222,675	252,780	-	475,455
Operations				
Disposal System	-	365,281	260,704	625,985
Collection System	299,577	-	-	299,577
Distribution Expense	20,104	-	-	20,104
Depreciation	151,382	318,786	-	470,168
Total Operating Expense	693,738	936,847	260,704	1,891,289
OPERATING INCOME	141,001	170,985	57,119	369,105
NON OPERATING REVENUES (EXPENSES)				
Interest Income	5,316	5,815	275	11,406
Unrealized Gain (Loss)	200	(238)	-	(38)
Interest and Fiscal Charges	-	(13,274)	-	(13,274)
Total Non Operating Revenues (Expenses)	5,516	(7,697)	275	(1,906)
Income Before Contributions and Transfers	146,517	163,288	57,394	367,199
Transfers In	-	-	-	-
Transfers Out	(2,303)	(2,303)	(2,303)	(6,909)
Change in Net Position	144,214	160,985	55,091	360,290
Total Net Position - January 1	5,713,824	9,418,803	653,845	15,786,472
TOTAL NET POSITION - December 31	\$ 5,858,038	\$ 9,579,788	\$ 708,936	\$ 16,146,762

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Water Division	Sewer Disposal	Garbage Division	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 1,115,618	\$ 1,010,137	\$ 334,476	\$ 2,460,231
Cash Payments to Suppliers for Goods and Services	(316,979)	(362,583)	(260,064)	(939,626)
Cash Payments to Employees for Services	(222,675)	(252,780)	-	(475,455)
Other Operating Receipts	93	1,157	5	1,255
Net Cash Provided by Operating Activities	<u>576,057</u>	<u>395,931</u>	<u>74,417</u>	<u>1,046,405</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Borrowing/Repayments Under Interfund Loan Agreements	-	114,676	-	114,676
Interfund Transfers to/from Other Funds	(2,303)	(2,303)	(2,303)	(6,909)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(2,303)</u>	<u>112,373</u>	<u>(2,303)</u>	<u>114,676</u>
CASH FLOWS FROM CAPITAL ACTIVITIES				
Acquisition of Capital Assets	(26,490)	(28,900)	-	(55,390)
Interest Paid on Long-Term Debt	-	(13,274)	-	(13,274)
Net Borrowing/Repayment From Other Funds	(288,242)	(49,748)	(14,578)	(352,568)
Net Borrowing/Repayment on Loan	-	(104,016)	-	(104,016)
Net Interest in Long-Term Lease Obligation	-	(114,676)	-	(114,676)
Net Cash Used by Capital Activities	<u>(314,732)</u>	<u>(310,614)</u>	<u>(14,578)</u>	<u>(639,924)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of Investments	299,800	200,238	-	500,038
Unrealized Gain (Loss)	200	(238)	-	(38)
Interest Received	5,316	5,815	275	11,406
Net Cash Provided by Investing Activities	<u>305,316</u>	<u>205,815</u>	<u>275</u>	<u>511,406</u>
Net Increase in Cash and Cash Equivalents	564,338	403,505	57,811	1,025,654
Cash and Cash Equivalents, January 1	<u>1,159,473</u>	<u>1,274,389</u>	<u>478,092</u>	<u>2,911,954</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,723,811</u>	<u>\$ 1,677,894</u>	<u>\$ 535,903</u>	<u>\$ 3,937,608</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	\$ 141,001	\$ 170,985	\$ 57,119	\$ 369,105
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	151,382	318,786	-	470,168
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	280,972	(96,538)	16,658	201,092
Increase in Accounts and Other Payables	2,702	2,698	640	6,040
Total Adjustments	<u>435,056</u>	<u>224,946</u>	<u>17,298</u>	<u>677,300</u>
Net Cash Provided by Operating Activities	<u>\$ 576,057</u>	<u>\$ 395,931</u>	<u>\$ 74,417</u>	<u>\$ 1,046,405</u>

The accompanying notes are an integral part of these financial statements.

THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AS OF DECEMBER 31, 2020**

	<u>Pension Trust Funds</u>
ASSETS:	
Cash and Cash Equivalents	\$ 52,228
Investments - at Fair Value	
Government Securities/Fixed Income	743,856
Mutual Funds	2,871,200
Accrued Interest	729
Accounts Receivable	<u>-</u>
 Total Assets	 <u>\$ 3,668,013</u>
LIABILITIES:	
Accounts Payable	\$ -
Due to Other Funds	<u>15,619</u>
 Total Liabilities	 <u>15,619</u>
NET POSITION:	
Committed	183,480
Assigned	<u>3,468,914</u>
 Total Net Position	 <u>3,652,394</u>
 Total Liabilities and Net Position	 <u>\$ 3,668,013</u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Pension Trust Funds</u>
ADDITIONS:	
Contributions:	
Employer	\$ 189,186
Plan Members	<u>24,488</u>
Total Contributions	<u>213,674</u>
Investment Earnings:	
Interest and Dividends	68,927
Realized Gain on Sale of Investments	476,864
Net Change in Fair Value	(47,587)
Less Investment Expenses	<u>(26,641)</u>
Net Investment Income	<u>471,563</u>
Total Additions	<u>685,237</u>
DEDUCTIONS:	
Administration	-
Benefit Payments	<u>167,263</u>
Total Deductions	<u>167,263</u>
NET INCREASE	517,974
NET POSITION:	
Net Position, January 1	<u>3,134,420</u>
Net Position, December 31	<u><u>\$ 3,652,394</u></u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

1. Entity

The Borough of Slatington was incorporated in 1864 and operates as a Pennsylvania Borough government under “The Borough Code” Act of February 1, 1996. The Borough Council, a seven-member group, is the level of government responsible for providing a full range of municipal services including those mandated by statute or ordinance. These include public safety (police, fire and communications), transportation (highways and streets), health and sanitation services, parks and recreation, community development and planning and general administrative services. The council receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. The report includes all of the services provided by the Borough to residents and businesses within its boundaries. Municipal services provided include public safety, recreation, public works, and general administration.

In evaluating the Borough as a reporting entity, management has addressed all potential component units for which the Borough may or may not be financially accountable, and as such, be includable within the Borough’s financial statements. In accordance with Statement of Governmental Accounting Standards Board (GASB) No. 14 and No. 39, the Borough is financially accountable if it appoints a voting majority of the organization governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burden on the Borough. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Following is a brief description of the component unit meeting the above criteria and as a result included within the financial reporting entity, a description of the component unit’s relationship with the Borough, and a discussion of how component unit information has been incorporated into the financial statements:

Slatington Borough Authority (Authority) - Operates under the laws of the Commonwealth of Pennsylvania with a board appointed by the Borough Council. The Authority was created February 1, 1957 by the Borough of Slatington for the initial purpose of constructing a sanitary sewer system which was financed by the issuance of Sewer Revenue Bonds. The Authority funds are blended into the Sewer Fund.

2. Summary of Significant Accounting Policies

The financial statements of the Borough of Slatington have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Borough’s accounting policies are described below.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. Summary of Significant Accounting Policies (Continued)

Fund Accounting

The accounts of the Borough are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent.

Basis of Presentation

The Borough's basic financial statements consist of government-wide 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.

Government-wide Statements: Government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Borough as a whole. As a general rule the effect of interfund activity has been eliminated from these statements. Governmental activities which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately in the government-wide financial statements from business-type activities which rely, to a significant extent on fees and charges for support.

The statement of net position presents the financial condition of the governmental and business-type activity of the Borough at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the Borough and for each function of the Borough's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the Borough.

Fund Financial Statements: Fund financial statements are also provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the Borough. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. Summary of Significant Accounting Policies (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Borough's enterprise fund are service charges for water, sewer and garbage. Operating expenses for the Borough's enterprise funds include treatment and collection costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses.

The Borough reports the following major governmental funds:

General Fund is the primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

The Borough reports three major proprietary funds:

Water Fund - is used to account for all costs incurred in the collection, treatment and distribution of water for consumption and is operated in a manner similar to a private business enterprise to be self-supporting.

Sewer Fund - is used to account for the operation and maintenance of the sanitary sewage treatment plant and is operated in a manner similar to a private business enterprise and is intended to be self-supporting.

Garbage Fund - is used to account for the administration of the collection and disposal of municipal waste and recyclables in the Borough and is operated in a manner similar to a private business enterprise to be self-supporting.

The Borough's Fiduciary Fund accounts for the Police Pension Trust Fund and the Non-uniform Pension Trust Fund

Police Pension Trust Fund - is used to account for pension benefits for police officers. The principal revenue sources for this fund are employer and employee contributions.

Non-Uniformed Pension Trust Fund - is used to account for pension benefits for Borough employees. The principal revenue sources for this fund are employer and employee contributions.

Additionally, the Borough reports the following non-major governmental funds:

General Capital Reserve Fund - is used to account for transfers from the general fund and related interest income for capital outlays not accounted for in another fund.

Fire Fund - is used to account for financial activity of the Borough's fire tax collection to be used for the acquisition of fire safety related equipment.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. Summary of Significant Accounting Policies (Continued)

Liquid Fuels Tax Fund - is used to account for the financial activity of the Borough's liquid fuels tax allocation from the Commonwealth of Pennsylvania.

Measurement Focus and Basis of Accounting

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state and other grants designated for payment of specific Borough expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Budgets and Budgetary Accounting

The Borough's budget is prepared primarily on a cash basis and includes appropriations to cover prior and anticipated current encumbrances. Budgets are approved by Borough Council which contains estimated revenues adequate to fully fund appropriations. Annual operating budgets are legally adopted for the General Fund, Fire Fund, Water Fund, Sewer Fund, Garbage Fund, and Liquid Fuels Tax Fund.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. Summary of Significant Accounting Policies (Continued)

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds, "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value. Insurance holdings, if any, are valued at reported contract values.

Interfund Transactions

Flows of cash or goods from one fund to another without a requirement for repayment are reported as Inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund.

On fund financial statements, short-term inter-fund loans are classified as due from other funds and due to other funds. These amounts are eliminated in the statement of net assets, except for amounts due between governmental and business-type activities or governmental and agency funds, which are presented as internal balances.

Prepaid Expenses

In both the government-wide and fund financial statements, prepaid expenses are recorded as assets in the specific governmental fund in which future benefits will be derived.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, and grants. Business-type activities report utility charges as their major receivables.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the borough as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All reported capital assets except for, land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building and Land Improvements	20
Treatment Plants and Mains	50
Vehicles	5 to 15
Equipment	5 to 15

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. Summary of Significant Accounting Policies (Continued)

Accrued Liabilities and Long-term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance cost, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

Compensated Absences

The Borough accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums, depending on years of service with the Borough. Benefits are earned on the first day of work each year. Administration personnel can carry over any unused vacation time, however, all other personnel must use up their vacation time by the end of the year. Sick leave accrues to full-time, permanent employees up to 40 days.

In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and government-wide presentations.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Deferred revenue may also result from revenues being collected in advance of the fiscal year to which they apply or in advance of their legal due date. Property taxes for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance fiscal year 2020 operations, have been recorded as deferred revenue.

Net Position

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Borough or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Borough's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. Summary of Significant Accounting Policies (Continued)

Fund Balance Reserves

The fund balance of Governmental Fund Types and the Fiduciary Funds are classified in three separate categories. The categories, and their general meanings, are as follows:

- Committed fund balance – indicates the portion of the fund balance that can be used only for a specific purpose determined by the government’s highest level of decision-making authority.
- Assigned fund balance – indicates the portion of the fund balance that has been appropriated for specific purposes.
- Unassigned fund balance – indicates the portion of the fund balance that is available for appropriation and expenditures, in future periods.

Proprietary Fund FASB Usage

The Borough also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary fund, provided they do not conflict with or contradict GASB pronouncements.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America required management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Cash and Investments

General

Section 1316 of the Pennsylvania Borough Code provides for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Commonwealth of Pennsylvania government obligations, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes.

The deposit and investment policy of the Borough adheres to the statutes of the Commonwealth. Deposits of the Borough, except for Pension Trust Fund deposits which are administered by trustees, are either maintained in demand deposits or are held in bank money market accounts. There were no deposit or investment transactions during the year that were in violation of either the Commonwealth’s statutes or the policy of the Borough.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

3. Cash and Investments (Continued)

Cash (Cash on Hand and Bank Balances)

At December 31, 2020, the carrying amount of the Borough's bank deposits (excluding those held in the Pension Trust Funds, but including Agency Funds) totaled \$5,109,654 and the corresponding bank balances were \$5,162,618 of which \$250,000 was insured by the Federal Deposit Insurance Corporation ("FDIC"); the uninsured bank balances of \$4,912,618 were collateralized, as described below.

Under Act No. 72 of the 1972 Session of the Pennsylvania General Assembly (the "Act of 72"), financial institutions were granted the authority to secure the deposits of public bodies by pledging a pool of assets, as defined in the Act of 72, to cover all public funds deposited in excess of FDIC limits. The uninsured bank balances of the Borough in the amount of \$4,912,618 were collateralized by this pool of assets maintained by the Borough's depository institutions.

In addition, the Borough included in cash, amounts held on hand in petty cash. At December 31, 2020, the petty cash balance was \$300.

Investments

Under Section 1316 of the Pennsylvania Borough Code, the Borough is authorized to invest in United States Treasury Bills, short-term obligations of the U.S. Government or its agencies or instrumentalities, obligations of the U.S. Government or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision, shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the only investments of that company are in the authorized investments for Borough funds listed above and certificates of deposit purchased from institutions insured by the Federal Deposit Insurance Corporation or similar agencies to the extent that such accounts are so insured. Investments of pension trust funds are placed pursuant to guidelines established by the respective pension boards.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

3. Cash and Investments (Continued)

As of December 31, 2020, the Borough had the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
<u>Pension Trust Funds</u>		
Corporate Bonds	Feb. 2021 - Nov. 2047	\$ 577,496
Municipal Bonds	March 2022 - Aug. 2029	151,477
Foreign Bonds	Jan. 2021 - July 2027	14,883
Mutual Funds		<u>2,871,200</u>
		<u>\$ 3,615,056</u>

Interest Rate Risk

The Borough has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Borough has no investment policy that would limit its investment choices to certain credit ratings.

Concentration of Credit Risk

The Borough places limits on the amount the Borough may invest in any one issuer. Of the Borough's investments, (not including Pension Trust Funds) 100% are in certificates of deposit at various financial institutions all under the FDIC limit.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral security that are in the possession of any outside party. The Borough has no investments subject to custodial credit risk.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. Taxes Receivable

Based upon assessed valuations provided by the County (\$173,938,400 in 2020), the Borough bills and collects its own property taxes. The schedule for property taxes levied for 2020 is as follows:

April 1	- levy date
April 1 - May 30	- 2% discount period
June 1 - July 31	- face payment period
August 1 - December 31	- 10% penalty period
January 29	- lien date

The Borough tax rate for all purposes in 2020 was 5.30 mills (\$5.30 per \$1,000 of assessed valuation), of which 0.50 mills is allocated for the Fire Fund and the remaining 4.80 mills is allocated for the General Fund. The limit on millage for the general operations of the Borough is 30 mills, with separate millage limits available for fire protection, library, pension contributions and other uses. The Borough does not currently categorize the mills levied.

The balances at December 31, 2020 are as follows:

	Gross Taxes Receivable	Allowance for Uncollectible Taxes	Net Estimated to be Collectible	Tax Revenue Recognized	Deferred Taxes
Real Estate	\$ 76,972	\$ -	\$ 76,972	\$ 1,204	\$ 75,768
Per Capita	3,822	3,440	382	-	382
Earned Income Tax	102,404	-	102,404	-	-
Real Estate Transfer Tax	3,047	-	3,047	-	-
	<u>\$ 186,245</u>	<u>\$ 3,440</u>	<u>\$ 182,805</u>	<u>\$ 1,204</u>	<u>\$ 76,150</u>

The deferred revenue balance in the General Fund contains deferred taxes of \$76,150.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

5. Inter-fund Receivables and Payables

Inter-fund receivable and payable balances as of December 31, 2020 as follows:

	Due From Other Funds	Due to Other Funds
<i><u>Governmental Activities</u></i>		
General Fund	\$ 11,488,800	\$ 11,831,962
Nonmajor Funds	131,844	277,962
<i><u>Business Type Activities</u></i>		
Water Fund	1,011,238	1,037,959
Sewer Fund	1,098,866	701,794
Garbage Fund	134,548	-
<i><u>Fiduciary Activities</u></i>		
Pension Trust Funds	-	15,619
	\$ 13,865,296	\$ 13,865,296
	Transfers from Other Funds	Transfers to Other Funds
<i><u>Governmental Activities</u></i>		
General Fund	\$ 37,435	\$ -
Water Fund	-	2,303
Sewer Fund		2,303
Garbage Fund		2,303
Nonmajor Funds	-	30,526
	\$ 37,435	\$ 37,435

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

6. Capital Assets

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

	Balance Jan. 1, 2020	Additions	Retirements	Balance Dec. 31, 2020
Governmental Activities:				
<i>Capital Assets not Being Depreciated:</i>				
Land	\$ 166,486	\$ -	\$ -	\$ 166,486
Construction In Progress	-	19,902	-	19,902
Total Capital Assets Not Being Depreciated	<u>166,486</u>	<u>19,902</u>	<u>-</u>	<u>186,388</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	2,276,157	98,085	-	2,374,242
Building and Building Improvements	704,463	12,000	-	716,463
Machinery and Equipment	114,042	7,925	-	121,967
Vehicles	1,276,730	-	(51,982)	1,224,748
Total at Historical Cost	<u>4,371,392</u>	<u>118,010</u>	<u>(51,982)</u>	<u>4,437,420</u>
Less Accumulated Depreciation for:				
Land Improvements	(668,780)	(73,400)	-	(742,180)
Building and Improvements	(652,632)	(7,152)	-	(659,784)
Machinery and Equipment	(108,743)	(2,353)	-	(111,096)
Vehicles	(1,167,747)	(31,247)	-	(1,147,013)
Total Accumulated Depreciation	<u>(2,597,902)</u>	<u>(114,152)</u>	<u>-</u>	<u>(2,660,073)</u>
Government Activity Capital Assets, Net	<u>\$ 1,939,976</u>	<u>\$ 23,760</u>	<u>\$ (51,982)</u>	<u>\$ 1,963,735</u>

Depreciation expense for general fund was \$114,152 in 2020.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

6. Capital Assets (Continued)

	Balance Jan. 1, 2020	Additions	Retirements	Balance Dec. 31, 2020
Business-Type Activities:				
<i>Capital Assets not Being</i>				
<i>Depreciated:</i>				
Land	\$ 80,223	\$ -	\$ -	\$ 80,223
Construction In Progress	43,770	-	(43,770)	-
Total Capital Assets not Being Depreciated	<u>123,993</u>	<u>-</u>	<u>(43,770)</u>	<u>80,223</u>
<i>Capital Assets Being Depreciated</i>				
Treatment Plants and Mains	9,644,687	43,770	-	9,688,457
Improvements	12,425,001	55,390	-	12,480,391
Machinery and Equipment	1,012,258	-	-	1,012,258
Furniture and Fixtures	32,791	-	-	32,791
Total Capital Assets Being Depreciated	<u>23,114,736</u>	<u>99,160</u>	<u>-</u>	<u>23,213,897</u>
Less Accumulated Depreciation	<u>(10,275,614)</u>	<u>(470,168)</u>	<u>-</u>	<u>(10,745,782)</u>
Business-type Capital Assets, Net	<u>\$ 12,963,115</u>	<u>\$ (371,008)</u>	<u>\$ -</u>	<u>\$ 12,548,338</u>

Depreciation expense for water and sewer fund was \$470,168 in 2020.

7. Agreements with Other Governments

Borough of Walnutport

In 1976, the Borough of Slatington entered into an agreement with the Borough of Walnutport which provided that Slatington will process Walnutport's sewage at Slatington's treatment plant. The agreement states that Walnutport will reimburse Slatington a portion of the operating costs of the treatment plant and also a percentage of Slatington's debt service relating to the treatment plant. For the year ended December 31, 2020, the Borough of Walnutport's share of the treatment plant's costs amounted to \$152,700.

Washington Township

Agreement with Washington Township - In 1999, the Borough of Slatington entered into an agreement with the Township of Washington which provided that Slatington will process Washington Township sewage at Slatington's treatment plant. The agreement states that Washington Township will reimburse Slatington a portion of the operating costs of the treatment plant and shared portions of the collection system. For the year ended December 31, 2020, the Township of Washington's share of the treatment plant's cost and shared portions of the collection system amounted to \$118,354.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

8. Compensated Absences

Changes in compensated absences for the year ended December 31, 2020, are as follows:

	Balance Jan. 1, 2020	Increases	Decreases	Balance Dec. 31, 2020	Amounts Due Within One Year
<i>Governmental Activities</i>					
Compensated Absences	119,954	-	1,450	121,404	-
	<u>\$ 119,954</u>	<u>\$ -</u>	<u>\$ 1,450</u>	<u>\$ 121,404</u>	<u>\$ -</u>

9. Commitments and Contingencies

The Borough receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement by the Federal and State agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the Borough's management, such disallowances, if any, will not be significant to the Borough's basic purpose financial statements.

10. Deferred Revenue

In June 2002, the Northern Lehigh Playground Assoc., Inc. prepaid rent to the Borough in the amount of \$50,000 to lease a parcel of land for the construction of a new community center. This deferred rent is being amortized over 50 years and the unamortized balance at December 31, 2020 is \$31,000.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

11. Intergovernmental Grants

A summary of intergovernmental grants recognized in the financial statements is as follows:

	Federal	State	Local
Alcoholic Beverage Licenses (D)	\$ -	\$ 600	\$ -
PA Liquid Fuels Grant (D)	-	127,356	-
PA Public Utility Realty Tax (D)	-	1,281	-
PA Act 205 Pension Grant (D)	-	93,553	-
Payment in Lieu of Taxes (D)	-	-	9,619
PA Foreign Fire Insurance Tax (D)	-	18,844	-
PA Dept. of Community & Economic Development (D)	-	70,770	-
CDBG Grant (P)	98,085	-	-
	\$ 98,085	\$ 312,404	\$ 9,619

(D)

Represents Direct Funding.

(P) Represents Pass-Through Funding.

12. Defined Contribution Retirement Plan

The Borough provides pension benefits for all of its eligible full-time non-uniformed employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees who complete 1,000 hours of service are eligible to participate. The plan requires the Borough to contribute an amount equal to 9% of the employee's salary as defined by the plan each year. The Borough's contributions for each employee and investment earnings allocated to the employee's account are fully vested upon entering the plan.

The Borough's total non-police officer payroll for 2020 was \$635,133. The Borough's contribution using the above salaries amounts to \$53,122 for 2020.

At December 31, 2020, participants in the plans were as follows:

Participants:	
Retirees and Beneficiaries	0
Deferred Vested	0
Active Employees:	
Vested	11
Non-vested	0

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

13. Defined Benefit Retirement Plan

Plan Description

The Borough of Slatington Police Pension Plan is a single-employer defined benefit pension plan controlled by the provisions of Ordinance 663 adopted pursuant to Act 600. The plan is governed by the Borough of Slatington which may amend plan provisions, and which is responsible for the management of plan assets. The Borough of Slatington has delegated the authority to manage certain plan assets to Branch Banking and Trust Company.

The Borough of Slatington filed actuarial valuation report Form 201C with the Municipal Pension Reporting Program. The report dated January 1, 2019, was the most recently certified by the municipality's chief administrative officer. This report indicated the municipality maintains a pension plan to provide pension or retirement benefits for Uniform employees.

Benefits Provided

Borough of Slatington provides normal retirement, early retirement, and disability benefits to plan members and their beneficiaries. Normal retirement benefits are calculated on 50% of members average monthly compensation during the last 36 months of employment with the Borough when the member obtains the age of 50 and completes 25 years of credited service. In addition, a member shall receive a service increment of \$100 per month for each full year of service in excess of 25 years. The monthly benefit attributable to the service increment shall not exceed \$100. Early retirement benefits are determined based on an actuarial equivalent of the accrued retirement benefit, the member must have completed 20 years of service. Disability retirement benefits are equal to 50% of the salary of the member.

At January 1, 2020, the following employees were covered by the benefit terms:

Participants:

Retirees and Beneficiaries	6
Active Employees	6
Terminated Employees	0

Contributions

Act 205 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. In accordance with the plan's governing document, employees are required to contribute 5% of compensation to the plan. The plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

13. Defined Benefit Retirement Plan (Continued)

Contributions (Continued)

Investment expenses, including investment manager and custodial services, are funded through investment earnings. Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions.

Employee contributions are based on the employee's annual covered salary. For the year ended December 31, 2020, the employee contribution rate was 5%. The Borough Council may, on an annual basis, reduce or eliminate member contributions to the fund.

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board. The investment policy of the plan is to maximize the total rate of return over the long term, subject to preservation of capital, by diversifying the allocation of capital among various investments in domestic equity securities, international equity securities, domestic fixed income instruments and other asset classes as may be deemed prudent.

The plan's investment policy established that the portfolio may be invested in the following asset classes with the following target asset allocation:

Asset Class	Target	Asset Class	Target
Domestic Equity		International Equity	14%
Large Cap	38%	Fixed Income	29%
Mid Cap	11%	Cash	2%
Small Cap	6%		

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 15.32%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the municipality as of December 31, 2020 were as follows:

Total Pension Liability (TPL)	\$ 2,800,936
Plan Fiduciary Net Position	\$ 2,548,487
Net Pension Liability (NPL)	\$ 252,449
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.0%

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

13. Defined Benefit Retirement Plan (Continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation of 2.17%) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity		International Equity	8.04%
Large Cap	6.19%	Fixed Income	2.77%
Mid Cap	7.37%	Cash	0.11%
Small Cap	7.37%		

Discount Rate

The discount rate used to measure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumption, the Fund'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.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

13. Defined Benefit Retirement Plan (Continued)

Changes in Net Position Liability

The following table shows the changes in net pension liability recognized over the measurement period:

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2019	\$ 2,673,119	\$ 2,220,991	\$ 452,128
Changes for the year:			
Service Cost	81,408	-	81,408
Interest	213,672	-	213,672
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumptions	-	-	-
Contributions - Employer	-	42,511	(42,511)
Contributions - State Aid	-	93,553	(93,553)
Contributions - Member	-	25,347	(25,347)
Net Investment Income	-	339,358	(339,358)
Benefit Payments	(167,263)	(167,263)	-
Administrative Expense	-	(6,010)	6,010
Balance at December 31, 2020	<u>\$ 2,800,936</u>	<u>\$ 2,548,487</u>	<u>\$ 252,449</u>

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

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 8% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7%) or 1 percentage point higher (9%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	7.00%	8.00%	9.00%
Net Pension Liability	\$ 574,852	\$ 252,449	\$ (23,018)

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

13. Defined Benefit Retirement Plan (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended December 31, 2020, the Borough recognized pension expense of \$52,881. At December 31, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ (68,682)
Changes in Assumptions	2,683	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>-</u>	<u>(165,529)</u>
Total	<u>\$ 2,683</u>	<u>\$ (234,211)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Years Ended December 31,	
2021	\$ (57,620)
2022	(39,886)
2023	(95,018)
2024	(39,004)
2025	-
Thereafter	-

At December 31, 2020, the Borough of Slatington had no outstanding employer contributions for the year.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

14. Fund Balances

The fund balances have been categorized based on the relative strength of the spending constraints placed on the purpose for which the resources can be used, as follows:

	<u>General Fund</u>	<u>Fire Fund</u>	<u>General Capital Reserve Fund</u>	<u>Liquid Fuels Tax Fund</u>	<u>Totals</u>
Committed	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	-	(201,752)	287,968	66,444	152,660
Unassigned	<u>544,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>544,935</u>
Totals	<u>\$ 544,935</u>	<u>\$ (201,752)</u>	<u>\$ 287,968</u>	<u>\$ 66,444</u>	<u>\$ 697,595</u>

15. Operating Lease

The Borough leases certain equipment under a long-term lease agreement, expiring 2025. Expenses incurred under the leases were \$4,508 for 2020. Future minimum lease payments are as follows:

Year ending December 31,		
	2021	\$ 3,440
	2022	3,440
	2023	3,440
	2024	1,308
	2025	<u>1,090</u>
Total Minimum Lease Payments		<u>\$ 12,718</u>

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

16. Capital Lease

The Borough leases a police car under a non-cancellable lease that is classified as a capital lease expiring June 2021. The lease agreement contains a bargain purchase option at the end of the lease term.

Future minimum lease payments under the capital lease is as follows:

Year ending December 31,	2021	\$ 12,361
		<hr/>
Total minimum lease payments		12,361
Less: amount representing interest		(145)
Present value of minimum lease payments		\$ 12,216
Less: Current Portion		<hr/> (12,216)
		<hr/>
Capital Lease Obligation, Net		\$ -
		<hr/> <hr/>

Property and equipment include the following amounts for lease obligations which have been capitalized.

Equipment	\$ 76,339
Less: Accumulated Depreciation	<hr/> (38,170)
Net Book Value	<hr/> \$ 38,169
	<hr/> <hr/>

Lease amortization, included in depreciation expense, was \$38,823 in 2020.

17. Risk Management and Litigation

Risk Management

The Borough is exposed to various risk of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are provided for through insurance from private insurance companies. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred, and the amount of the loss can be reasonably stated. In determining claims, events that might create claims, but for which none have been reported are considered. During the year ended December 31, 2020 and the two previous fiscal years, no settlements exceeded insurance coverage.

Litigation

In the normal course of operations, the Borough is involved in various civil disputes. Management and Borough solicitor estimate that the amount of actual potential claims against the Borough as of December 31, 2020, will not materially affect the financial condition of the Borough.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

18. Commitments and Contingencies

Loan Guarantee

Borough of Slatington is a Guarantor of the loan with a related party Slatington Borough Authority as of December 31, 2020. The Borough would be obligated to perform under these guarantees if Slatington Borough Authority failed to pay principal and interest payments to the lenders when due.

19. Subsequent Events

Management has evaluated subsequent events through November 16, 2022, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
GENERAL FUND - SCHEDULE OF REVENUES AND OTHER
FINANCING SOURCES - BUDGET COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		Final to Actual
<u>TAXES</u>				
Real Estate,				
Current Year	\$ 797,500	\$ 797,500	\$ 786,897	\$ (10,603)
Prior Year	41,000	41,000	55,803	14,803
Interim	250	250	-	(250)
Per Capita,				
Current Year	8,500	8,500	7,736	(764)
Prior Year	2,500	2,500	1,760	(740)
Proportional Assessment, Act 511				
Real Estate Transfer Tax	47,500	47,500	55,485	7,985
Earned Income Taxes	367,500	367,500	393,286	25,786
Local Service Tax	29,500	29,500	28,742	(758)
Total Taxes	1,294,250	1,294,250	1,329,709	35,459
<u>LICENSES AND PERMITS</u>				
Building Permits	17,775	17,775	5,400	(12,375)
Miscellaneous Permits and Fees	1,700	1,700	14,735	13,035
Franchise	64,500	64,500	61,830	(2,670)
Total Licenses and Permits	83,975	83,975	81,965	(2,010)
<u>FINES AND FORFEITS</u>				
Violation of Ordinances	8,150	8,150	8,375	225
Justices	26,000	26,000	24,864	(1,136)
Total Fines and Forfeits	34,150	34,150	33,239	(911)
<u>INTEREST AND RENTS</u>				
Interest Income	900	900	260	(640)
Rent of Building	151,484	151,484	135,574	(15,910)
Total Interest and Rents	152,384	152,384	135,834	(16,550)
<u>INTERGOVERNMENTAL REVENUE</u>				
Public Utility Realty Tax	1,300	1,300	1,281	(19)
Beverage Licenses	1,100	1,100	600	(500)
State Aid for Pension	97,500	97,500	93,553	(3,947)
Snow Removal and Recycling Grants	1,600	1,600	-	(1,600)
Volunteer Fireman Relief Association	18,750	18,750	18,844	94
Miscellaneous Grants	128,085	128,085	168,855	40,770
Payments in Lieu of Taxes	9,718	9,718	9,619	(99)
Total Intergovernmental Revenue	258,053	258,053	292,752	34,699

See independent auditor's report on required supplementary information.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
GENERAL FUND - SCHEDULE OF REVENUES AND OTHER
FINANCING SOURCES - BUDGET COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		Final to Actual
<u>CHARGES FOR CURRENT</u>				
<u>SERVICES:</u>				
Protection Services for Plant	\$ 45,000	\$ 45,000	\$ 45,000	\$ -
Parking Meters, Permits and Signs	6,150	6,150	5,400	(750)
Animal Control	-	-	-	-
Recreational Facilities	1,400	1,400	400	(1,000)
Total Charges for Services	<u>52,550</u>	<u>52,550</u>	<u>50,800</u>	<u>(1,750)</u>
<u>MISCELLANEOUS REVENUES:</u>				
Sale of Supplies	-	-	100	100
Postage and Certified Fees	8,200	8,200	9,790	1,590
Miscellaneous	75	75	2,088	2,013
Insurance Proceeds	-	-	6,748	6,748
Proceeds from Sale of Assets	700	700	2,538	1,838
Refunds of Prior Year Expenditures	100	100	-	(100)
Refund of Medical Benefit Expenses	22,500	22,500	-	(22,500)
Total Miscellaneous Revenue	<u>31,575</u>	<u>31,575</u>	<u>21,264</u>	<u>(10,311)</u>
<u>OTHER FINANCING PROVIDED:</u>				
Transfer from Other Funds	-	-	12,010	(12,010)
Transfer from Liquid Fuels	-	-	25,425	(25,425)
Total Other Financing Provided	<u>-</u>	<u>-</u>	<u>37,435</u>	<u>(37,435)</u>
TOTAL REVENUES	<u>\$ 1,906,937</u>	<u>\$ 1,906,937</u>	<u>\$ 1,982,998</u>	<u>\$ 38,626</u>

See independent auditor's report on other required supplementary information.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
GENERAL FUND - SCHEDULE OF EXPENDITURES AND OTHER
FINANCING USES - BUDGET COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		Final to Actual
GENERAL GOVERNMENT:				
<i>Administration:</i>				
Council-Salaries	\$ 2,063	\$ 2,063	\$ 2,062	\$ 1
Mayor-Salary	375	375	375	-
Borough Manager - Salary	9,000	9,000	7,780	1,220
Secretary-Salary	6,700	6,700	5,944	756
Treasurer-Salary	7,835	7,835	7,749	86
Janitorial Wages	20,750	20,750	16,694	4,056
Materials and Supplies-General	5,650	5,650	25,491	(19,841)
Postage	1,450	1,450	1,156	294
Mileage	100	100	4	96
Advertising and Printing	2,300	2,300	2,016	284
Insurance	17,950	17,950	16,106	1,844
Association Expenses	1,140	1,140	966	174
Auditing Services	29,200	29,200	14,280	14,920
Engineering Services	4,000	4,000	678	3,322
Legal Services	23,750	23,750	22,644	1,106
Communication Expenses	3,000	3,000	2,814	186
Bank Fees	4,200	4,200	3,093	1,107
IT and Data Processing	5,500	5,500	12,786	(7,286)
Processing Fees	2,850	2,850	2,652	198
Vehicle Maintenance and Repairs	500	500	-	500
Gas and Oil	200	200	-	200
Property Taxes	-	-	-	-
Seminars and Education	650	650	-	650
Capital Purchases	1,000	1,000	-	1,000
	<u>150,163</u>	<u>150,163</u>	<u>145,290</u>	<u>4,873</u>
<i>Tax Collection:</i>				
Tax Enumerator-Salary	9,500	9,500	8,709	791
Contracted Services - EIT Collection	4,750	4,750	5,085	(335)
Miscellaneous	1,200	1,200	423	777
	<u>15,450</u>	<u>15,450</u>	<u>14,217</u>	<u>1,233</u>
<i>Municipal Buildings or Offices:</i>				
Fuel, Light and Water	32,600	32,600	28,583	4,017
Maintenance and Repairs	41,075	41,075	49,234	(8,159)
	<u>73,675</u>	<u>73,675</u>	<u>77,817</u>	<u>(4,142)</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 239,288</u>	<u>\$ 239,288</u>	<u>\$ 237,324</u>	<u>\$ 1,964</u>

See independent auditor's report on required supplementary information.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
GENERAL FUND - SCHEDULE OF EXPENDITURES AND OTHER
FINANCING USES - BUDGET COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		Final to Actual
PUBLIC SAFETY:				
<i>Police:</i>				
Chief-Salary	\$ 90,775	\$ 90,775	\$ 87,145	\$ 3,630
Patrolmen-Salary	468,650	468,650	391,570	77,080
Special-Salary	115,000	115,000	128,070	(13,070)
Foreman and Labor	2,100	2,100	(3,269)	5,369
Materials and Supplies	5,500	5,500	7,116	(1,616)
Uniforms	5,000	5,000	4,300	700
Ammunition and Similar Supplies	2,620	2,620	2,704	(84)
Postage	450	450	381	69
Mileage	500	500	-	500
Advertising and Printing	450	450	661	(211)
Insurance	52,235	52,235	55,975	(3,740)
Association Expense	805	805	980	(175)
Legal Services	17,500	17,500	9,088	8,412
Communication Expense	2,200	2,200	2,844	(644)
IT and Data Processing	10,000	10,000	9,695	305
Maintenance and Repairs	5,000	5,000	5,917	(917)
Lab Testing and Evidence Collection	350	350	171	179
Court Reporter	-	-	-	-
Capital Outlay	8,155	8,155	3,480	4,675
Police - Seminars	1,000	1,000	624	376
Child Abuse Investigator	1,500	1,500	1,500	-
Vehicle Expense,-				
Insurance	5,465	5,465	4,474	991
Communication Expense	150	150	50	100
Vehicle Maintenance and Repairs	11,500	11,500	13,247	(1,747)
Gas, Oil and Grease	11,400	11,400	7,916	3,484
Vehicle Purchases	12,517	12,517	12,361	156
	<u>830,822</u>	<u>830,822</u>	<u>747,000</u>	<u>83,822</u>
<i>Planning and Zoning:</i>				
Ordinance Enforcement Officer	37,500	37,500	35,700	1,800
Zoning Hearing Board	200	200	336	(136)
General Expense	475	475	661	(186)
Office Supplies	250	250	442	(192)
Uniforms	75	75	-	75
Professional Services	50	50	-	50
Legal Services	1,500	1,500	1,365	135
Postage	250	250	744	(494)
Vehicle Maintenance	250	250	417	(167)
Printing	300	300	140	160
Education	100	100	-	100
Advertising	300	300	512	(212)
Communication Expense	300	300	429	(129)
Gas and Oil	-	-	173	(173)
Court Reporter	500	500	430	70
	<u>42,050</u>	<u>42,050</u>	<u>41,349</u>	<u>701</u>
<i>Ambulance</i>				
Donation	9,500	9,500	9,520	(20)
Insurance	500	500	480	20
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<i>Fire Proection</i>				
Volunteer Fireman Relief Association	18,750	18,750	18,844	(94)
TOTAL PUBLIC SAFETY	<u>\$ 901,622</u>	<u>\$ 901,622</u>	<u>\$ 817,193</u>	<u>\$ 84,429</u>

See independent auditor's report on required supplementary information.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
GENERAL FUND - SCHEDULE OF EXPENDITURES AND OTHER
FINANCING USES - BUDGET COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		Final to Actual
HEALTH AND HUMAN SERVICES:				
<i>Health Services</i>				
Wages	\$ 900	\$ 900	\$ 1,050	\$ (150)
General Expense	200	200	50	150
Uniforms	-	-	-	-
Contracted Services	600	600	-	600
Legal Services	-	-	-	-
Communication Expense	-	-	-	-
Postage	-	-	-	-
Mileage	-	-	-	-
Advertising	100	100	39	61
Gas and Oil	-	-	-	-
Vehicle Maint. and Repairs	-	-	-	-
TOTAL HEALTH AND HUMAN SERVICES	\$ 1,800	\$ 1,800	\$ 1,139	\$ 661

See independent auditor's report on required supplementary information.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
GENERAL FUND - SCHEDULE OF EXPENDITURES AND OTHER
FINANCING USES - BUDGET COMPARISON
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		Final to Actual
HIGHWAY AND STREETS:				
<i>General Services:</i>				
Salaries, Foreman and Labor	\$ 157,000	\$ 157,000	\$ 151,053	\$ 5,947
Borough Manager	-	-	-	-
Supplies and Materials	16,785	16,785	14,701	2,084
Advertising	2,000	2,000	1,970	30
Insurance	19,530	19,530	17,907	1,623
Engineering Services	25,000	25,000	22,358	2,643
Contracted Services	-	-	-	-
Legal Services	2,525	2,525	1,910	615
IT and Data Processing	200	200	1,274	(1,074)
Highway - Seminars	1,000	1,000	800	200
Vehicle Expense -				
Maintenance and Repairs (Vehicles)	10,350	10,350	7,237	3,113
Gas, Oil and Grease	13,500	13,500	5,437	8,063
Tires and Tubes	1,500	1,500	1,410	90
Maint. and Repairs (Equipment)	8,250	8,250	12,115	(3,865)
Construction Projects	107,285	107,285	114,880	(7,595)
Major Equipment Purchase	-	-	34,638	(34,638)
	<u>364,925</u>	<u>364,925</u>	<u>387,690</u>	<u>(22,765)</u>
<i>Winter Maintenance:</i>				
Snow and Ice Removal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Traffic Control Devices:</i>				
Street Signs and Markings	1,000	1,000	718	282
Electrical, Street Lights	-	-	-	-
Electrical, Traffic Lights	-	-	-	-
Maintenance, Traffic Lights	500	500	278	222
	<u>1,500</u>	<u>1,500</u>	<u>996</u>	<u>504</u>
<i>Repairs of Tools & Machinery</i>				
Tool and Machinery	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Parking Facilities</i>				
Lighting and Maintenance	1,075	1,075	3,909	(2,834)
	<u>1,075</u>	<u>1,075</u>	<u>3,909</u>	<u>(2,834)</u>
TOTAL HIGHWAYS AND STREETS	<u>\$ 367,500</u>	<u>\$ 367,500</u>	<u>\$ 392,595</u>	<u>\$ (25,095)</u>

See independent auditor's report on required supplementary information.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
GENERAL FUND - SCHEDULE OF EXPENDITURES AND OTHER
FINANCING USES - BUDGET COMPARISON
For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		Final to Actual
CULTURE AND RECREATION:				
<i>General Services</i>				
Wages	\$ 7,250	\$ 7,250	\$ 11,439	\$ (4,189)
General Expense	7,075	7,075	945	6,130
Advertising	25	25	39	(14)
Insurance	280	280	259	21
Legal Services	300	300	70	230
Parks and Playgrounds	5,500	5,500	3,749	1,751
Repairs and Maintenance - Building	1,500	1,500	6,291	(4,791)
Recreation Authority	-	-	-	-
Contributions	37,740	37,740	38,990	(1,250)
Capital Projects	46,000	46,000	4,832	41,168
TOTAL CULTURE AND RECREATION	\$ 105,670	\$ 105,670	\$ 66,614	\$ 39,056
MISCELLANEOUS:				
<i>Miscellaneous:</i>				
Unemployment Compensation	\$ 3,000	\$ 3,000	\$ 2,975	\$ (25)
Social Security	36,843	36,843	35,693	(1,150)
Non-Uniform Pension Expense	18,170	18,170	17,310	(860)
Hospitalization	95,050	95,050	77,863	(17,187)
Transfer to Employees' Pension Fund	-	-	-	-
Miscellaneous	1,550	1,550	951	(599)
TOTAL MISCELLANEOUS	\$ 154,613	\$ 154,613	\$ 134,792	\$ (19,821)
DEBT SERVICE:				
Interest	\$ -	\$ -	\$ -	\$ -
TOTAL DEBT SERVICE	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING USES:				
<i>Transfers:</i>				
Transfer to Police Pension	\$ 136,064	\$ 136,064	\$ 136,064	\$ -
Transfer to Other Funds	-	-	-	-
TOTAL OTHER FINANCING USES	\$ 136,064	\$ 136,064	\$ 136,064	\$ -
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 1,906,557	\$ 1,906,557	\$ 1,785,721	\$ 81,194

See independent auditor's report on required supplementary information.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
SCHEDULE OF BOROUGH CONTRIBUTIONS -
POLICE PENSION PLAN
FOR THE LAST TEN YEARS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 108,991	\$ 114,149	\$ 107,484	\$ 129,978	\$ 124,276	\$ 142,190	\$ 148,077	\$ 163,902	\$ 138,787	\$ 136,064
Contributions in Relation to the Actuarially Determined Contribution	<u>108,991</u>	<u>114,149</u>	<u>107,484</u>	<u>129,978</u>	<u>142,276</u>	<u>142,190</u>	<u>148,077</u>	<u>163,902</u>	<u>138,787</u>	<u>136,064</u>
Contribution Excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,000)</u>	<u>\$ -</u>				
Covered Employee Payroll	\$ 437,681	\$ 485,464	\$ 438,293	\$ 488,686	\$ 400,816	\$ 432,497	\$ 497,131	\$ 674,000	\$ 547,800	\$ 547,800
Contributions as a Percentage of Covered Employee Payroll	24.9%	23.5%	24.5%	26.6%	35.5%	32.9%	29.8%	24.3%	25.3%	24.8%

See independent auditor's report on required supplementary information.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS –
POLICE PENSION PLAN
FOR THE LAST TEN YEARS ENDED**

	2015	2016	2017	2018	2019	2020
Total Pension Liability						
Service Cost	\$ 62,023	\$ 65,124	\$ 73,828	\$ 77,519	\$ 77,531	\$ 81,408
Interest	179,899	186,841	189,051	198,656	204,161	213,672
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	-	(89,057)	-	(51,035)	-
Changes of Assumptions	-	-	6,699	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(161,567)	(154,936)	(146,417)	(146,602)	(166,097)	(167,263)
Net Change in Total Pension Liability	80,355	97,029	34,104	129,573	64,560	127,817
Total Pension Liability - Beginning	<u>2,267,498</u>	<u>2,347,853</u>	<u>2,444,882</u>	<u>2,478,986</u>	<u>2,608,559</u>	<u>2,673,119</u>
Total Pension Liability - Ending	<u>\$ 2,347,853</u>	<u>\$ 2,444,882</u>	<u>\$ 2,478,986</u>	<u>\$ 2,608,559</u>	<u>\$ 2,673,119</u>	<u>\$ 2,800,936</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 63,859	\$ 67,141	\$ 65,488	\$ 69,194	\$ 34,341	\$ 42,511
Contributions - State Aid	78,417	75,049	82,589	94,708	107,530	93,553
Contributions - Member	24,391	25,330	26,502	27,874	22,358	25,347
Net Investment Income	(20,057)	80,080	222,884	(141,445)	369,279	339,358
Benefit Payments, Including Refunds of Member Contributions	(161,567)	(154,936)	(146,417)	(146,602)	(166,097)	(167,263)
Administrative Expense	-	-	-	(800)	(930)	(6,010)
Net Change in Plan Fiduciary Net Position	(14,957)	92,664	251,046	(97,071)	366,481	327,496
Plan Net Position - Beginning	<u>1,622,828</u>	<u>1,607,871</u>	<u>1,700,535</u>	<u>1,951,581</u>	<u>1,854,510</u>	<u>2,220,991</u>
Plan Net Position - Ending	<u>\$ 1,607,871</u>	<u>\$ 1,700,535</u>	<u>\$ 1,951,581</u>	<u>\$ 1,854,510</u>	<u>\$ 2,220,991</u>	<u>\$ 2,548,487</u>
Municipality's Net Pension Liability	\$ 739,982	\$ 744,347	\$ 527,405	\$ 754,049	\$ 452,128	\$ 252,449
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.5%	69.6%	78.7%	71.1%	83.1%	91.0%
Covered Employee Payroll	\$ 400,816	\$ 432,497	\$ 497,131	\$ 674,000	\$ 547,800	\$ 508,250
Municipality's Net Pension Liability as a Percentage of Covered Employee Payroll	184.6%	172.1%	106.1%	111.9%	82.5%	49.7%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.

See independent auditor's report on required supplementary information.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES -
POLICE PENSION PLAN
DECEMBER 31, 2020**

Actuarial Methods

1. Liabilities - All plan benefits are valued using the entry age normal cost valuation method.

Actuarial Assumptions

1. Economic Assumptions
 - a) Investment Return - 8% per annum, net investment expenses
 - b) Salary Increases - 5% compounded annually

2. Economic Assumptions
 - a) Mortality
Pre-Retirement - None
Post-Retirement - The Blue Collar RP-2000 Mortality Table Projected to 2017 using Scale AA
 - b) Termination - None assumed
 - c) Disability - None assumed
 - d) Retirement Age - normal retirement age, or age on valuation date if greater
 - e) Marital Status - 100% of active members are assumed to be married. Female spouse is assumed to be 3 years younger than male spouse
 - f) Form of Annuity - 50% Joint and Survivor

See independent auditor's report on required supplementary information.

OTHER SUPPLEMENTARY INFORMATION

THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
COMBINING BALANCE SHEET – NON - MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>Special Revenue Funds</u>			Fire Fund	Total Non-Major Governmental Funds
	Liquid Fuels Tax	General Capital Reserve Fund	Total		
ASSETS					
Cash and Cash Equivalents	\$ 165,497	\$ 177,968	\$ 343,465	\$ 8,969	\$ 352,434
Due from Other Funds	-	110,000	110,000	21,844	131,844
Total Assets	\$ 165,497	\$ 287,968	\$ 453,465	\$ 30,813	\$ 484,278
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	99,053	-	99,053	178,909	277,962
Note Payable to Sewer Fund	-	-	-	53,656	53,656
Total Liabilities	99,053	-	99,053	232,565	331,618
Fund Balances					
Assigned	66,444	287,968	354,412	(201,752)	152,660
Total Fund Balances	66,444	287,968	354,412	(201,752)	152,660
Total Liabilities and Fund Balances	\$ 165,497	\$ 287,968	\$ 453,465	\$ 30,813	\$ 484,278

See independent auditor's report on supplementary information.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – NON - MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020**

	Special Revenue Funds			Fire Fund	Total Non-Major Governmental Funds
	Liquid Fuels Tax	General Capital Reserve Fund	Total		
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 87,237	\$ 87,237
Interest Earnings	79	88	167	-	167
Intergovernmental	127,356	-	127,356	-	127,356
Miscellaneous	-	-	-	-	-
Total Revenues	<u>127,435</u>	<u>88</u>	<u>127,523</u>	<u>87,237</u>	<u>214,760</u>
EXPENDITURES					
General Government	-	-	-	-	-
Administration	-	-	-	267	267
Highways and Streets	90,014	-	90,014	-	90,014
Fire Station and Truck	-	-	-	59,803	59,803
Community Develop. and Housing	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	1,839	1,839
Total Expenditures	<u>90,014</u>	<u>-</u>	<u>90,014</u>	<u>61,909</u>	<u>151,923</u>
Excess of Revenues over Expenditures	<u>37,421</u>	<u>88</u>	<u>37,509</u>	<u>25,328</u>	<u>62,837</u>
OTHER FINANCING USES					
Transfers In (Out)	<u>(25,426)</u>	<u>-</u>	<u>(25,426)</u>	<u>(5,100)</u>	<u>(30,526)</u>
Total Other Financing Sources and Uses	<u>(25,426)</u>	<u>-</u>	<u>(25,426)</u>	<u>(5,100)</u>	<u>(30,526)</u>
Net Changes in Fund Balances	11,995	88	12,083	20,228	32,311
Fund Balances, January 1	<u>54,449</u>	<u>287,880</u>	<u>342,329</u>	<u>(221,980)</u>	<u>120,349</u>
Fund Balances, December 31	<u>\$ 66,444</u>	<u>\$ 287,968</u>	<u>\$ 354,412</u>	<u>\$ (201,752)</u>	<u>\$ 152,660</u>

See independent auditor's report on supplementary information.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
COMBINING STATEMENT OF NET POSITION
ALL PENSION AND PRIVATE PURPOSE TRUST FUNDS
DECEMBER 31, 2020**

	Pension Trust Funds		
	Police Pension	Non-Uniformed Pension	Total
ASSETS:			
Cash and Cash Equivalents	\$ 52,228	\$ -	\$ 52,228
Investments - At Fair Value			
Government Securities/Fixed Income	743,856	-	743,856
Mutual Funds	1,751,674	1,119,526	2,871,200
Accrued Interest	729	-	729
Accounts Receivable	-	-	-
Total Assets	<u>\$ 2,548,487</u>	<u>\$ 1,119,526</u>	<u>\$ 3,668,013</u>
LIABILITIES:			
Accounts Payable	\$ -	\$ -	\$ -
Due to Other Funds	15,619	-	15,619
Due to Employer	-	-	-
Deferred Pension Contribution	-	-	-
Total Liabilities	<u>15,619</u>	<u>-</u>	<u>15,619</u>
NET POSITION:			
Committed	183,480	-	183,480
Assigned	<u>2,349,388</u>	<u>1,119,526</u>	<u>3,468,914</u>
Total Net Position	<u>2,532,868</u>	<u>1,119,526</u>	<u>3,652,394</u>
Total Liabilities and Net Position	<u>\$ 2,548,487</u>	<u>\$ 1,119,526</u>	<u>\$ 3,668,013</u>

See independent auditor's report on supplementary information.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
COMBINING STATEMENT OF CHANGES IN NET POSITION
ALL PENSION AND PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Pension Trust Funds		
	Police Pension	Non-Uniformed Pension	Total
ADDITIONS:			
Contributions:			
Employer	\$ 136,064	\$ 53,122	\$ 189,186
Plan Members	24,488	-	24,488
Total Contributions	<u>160,552</u>	<u>53,122</u>	<u>213,674</u>
Investment Earnings:			
Interest and Dividends	68,927	-	68,927
Realized Gain on Sale of Investments	476,864	-	476,864
Net Change in Fair Value	(183,930)	136,343	(47,587)
Less Investment Expenses	<u>(24,263)</u>	<u>(2,378)</u>	<u>(26,641)</u>
Total Additions	<u>498,150</u>	<u>187,087</u>	<u>685,237</u>
DEDUCTIONS:			
Administration	-	-	-
Benefit Payments	<u>167,263</u>	<u>-</u>	<u>167,263</u>
Total Deductions	<u>167,263</u>	<u>-</u>	<u>167,263</u>
NET INCREASE	330,887	187,087	517,974
NET POSITION			
Net Position, January 1,	<u>2,201,981</u>	<u>932,439</u>	<u>3,134,420</u>
Net Position, December 31	<u>\$ 2,532,868</u>	<u>\$ 1,119,526</u>	<u>\$ 3,652,394</u>

See independent auditor's report on supplementary information.

**BOROUGH OF SLATINGTON
SLATINGTON, PENNSYLVANIA
SCHEDULE OF ACCUMULATED EMPLOYEE CONTRIBUTIONS
POLICE PENSION FUND**

	Balance 1/1/2020	Contributions 2020	Payments 2020	Balance 12/31/2020
Alercia, David	\$ 33,949	\$ 4,319	\$ -	\$ 38,268
Borst, William	25,404	4,783	-	30,187
Concilio, Michael	-	1,952	-	1,952
Dorward, Dwayne	36,500	5,230	-	41,730
Rachman, David	32,210	4,242	-	36,452
Wagner, Timothy	30,929	3,962	-	34,891
TOTAL ASSETS	\$ 158,992	\$ 24,488	\$ -	\$ 183,480

Auditor's Note: (1) Ordinance #402 provides for employee contributions to be refunded within 60 days upon discontinuance of employment for reasons other than retirement.

See independent auditor's report on supplementary information.