BOROUGH OF MIFFLINBURG

FINANCIAL STATEMENTS

December 31, 2019

BOROUGH OF MIFFLINBURG

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INDEPENDENT AUDITOR'S REPORT

To the Borough Council
Mifflinburg, Pennsylvania

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 Mifflinburg as of and for the year ended December 31, 2019, 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 of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Mifflinburg as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 to 11, the schedules of changes in net pension liability and related ratios, the schedules of employer contributions, the schedules of investment returns, and the schedule of changes in net OPEB liability and related ratios on pages 56 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplementary information on page 63 is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wagner, Dreese, Elsasser & Associates, P.C.

WAGNER, DREESE, ELSASSER & ASSOCIATES, P.C.
Certified Public Accountants and Consultants
Selinsgrove, Pennsylvania
April 12, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Statement of Activities presents information showing how the Borough's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used sick leave). Both the Statement of Net Position and the statements of Activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the Statement of Net Position and the Statement of Activities, the Borough is divided into two kinds of activities:

- Governmental Activities – Most of the Borough's basic services are reported here, including the police, fire, planning and development, street maintenance, parks and recreation, and general administration. Earned Income Taxes, Grants, fees, and interfund transfers finance most of these activities.
- Business Type Activities – The Borough charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Borough's water, sewer and electric systems financial activity is reported here.

REPORTING THE BOROUGH'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the Borough as a whole. Some funds are required to be established by state law and by bond covenants. However, the Borough establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain grants and other money. The Borough's two kinds of funds – governmental and proprietary – utilize different accounting approaches.

- Governmental funds – The majority of the Borough's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short term view of the Borough's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Borough's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide statements, readers may better understand the long term effect of the government's near term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.
- The Borough of Mifflinburg maintains five individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the Capital Reserve Fund, which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated nonmajor fund presentation.

- Proprietary funds – The Borough charges customers for the services it provides to customers or to other units within the Borough. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The proprietary fund financial statements provide separate information for the water, sewer and electric utility operations. The Statement of Revenues, Expenses, and Changes in Net Position provides detailed information in the same manner as other for-profit entities.

THE BOROUGH AS TRUSTEE

The Borough is the trustee, or fiduciary, for the Nonuniformed Pension fund, the Police Pension Fund, Electric Security Deposit Fund and the Payroll Fund, as well as certain amounts held on behalf of developers and others. All of the Borough's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. The activities of these funds are excluded from the Borough's government-wide financial statement because the Borough cannot use these assets to finance its operations. The Borough is responsible for ensuring that the net position reported in these funds are used for their intended purpose.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the Borough's defined benefit pension plans and supplementary information concerning its proprietary funds.

THE BOROUGH AS A WHOLE - Government-wide Financial Analysis

The Borough's combined net position was $26,257,374 as of December 31, 2019. Analyzing the net assets and net expenses of governmental and business-type activities separately, the business type activities net position is $18,416,676 (Table 1).

By far the largest portion of the Borough's combined net position (60 percent) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Borough uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Borough's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Summary of Net Position
at December 31, 2019

	2018 Governmental Activities	2019 Governmental Activities	2018 Business-type Activities	2019 Business-type Activities	2018 Total Primary Government	2019 Total Primary Government
Current Assets	$2,839,875	$2,921,429	$ 7,626,672	$ 8,560,309	$10,466,547	$11,481,738
Capital Assets	$6,405,839	$6,382,477	$20,789,648	$19,668,372	$27,195,487	$26,050,849
Total Assets	$9,245,714	$9,303,906	$28,416,320	$28,228,681	$37,662,034	$37,532,587
*Deferred Outflows of Resources						
Pension Deferral	$ 865,481	$ 595,568	$ 0	$ 0	$ 865,481	$ 595,568
Current Liabilities	$ 163,733	$ 143,146	$ 866,006	$ 778,631	$ 1,029,739	$ 921,777
Long Term Liabilities	$ 1,846,167	$1,048,663	$ 9,456,678	$ 9,033,374	$ 11,302,845	$10,082,037
Total Liabilities	$ 2,009,900	$1,191,809	$ 10,322,684	$ 9,812,005	$12,332,584	$11,003,814
*Deferred Inflows of Resources						
Pension Deferral	$ 436,487	$ 866,967	$ 0	$ 0	$ 436,487	$ 866,967
Net Position:						
Net Investment in Capital Assets	$ 5,569,793	$5,646,675	$ 10,916,893	$10,214,711	$ 16,486,686	$15,861,386
Restricted – Liquid Fuels	$ 284,239	$ 281,325	$ 0	$ 0	$ 284,239	$ 281,325
Unrestricted	$ 1,810,776	$1,912,698	$ 7,176,743	$ 8,201,965	$ 8,987,519	$10,114,663
Total Net Position	**$7,664,808**	**$7,840,698**	**$ 18,093,636**	**$18,416,676**	**$25,758,444**	**$26,257,374**

- **New Disclosure required by GASB 68**

Governmental and Business type activities increased the Borough's net position by $498,930. The key elements of this increase are as follows:

Table 2
Changes in Net Position

	Governmental Activities 2018	Governmental Activities 2019	Business-type Activities 2018	Business-type Activities 2019	Total 2018	Total 2019
Revenues:						
Program Revenues:						
charges for Services	$ 77,898	$ 75,015	$ 7,787,602	$ 7,831,408	$7,865,500	$ 7,906,423
Operating Grants & Contribution	$ 151,096	$ 155,681	$ 0	$ 0	$ 151,096	$ 155,681
Capital Grants & Contributions	$ 116,785	$ 119,547	$ 0	$ 0	$ 116,785	$ 119,547
General Revenues:						
Taxes, Franchise Fees	$ 452,529	$ 454,405	$ 0	$ 0	$ 452,529	$ 454,405
Investment Earnings	$ 133,043	$ 189,771	$ 38,486	$ 53,940	$ 171,529	$ 243,711
Other	$ 56,048	$ 89,120	$ 30,877	$ 39,556	$ 86,925	$ 128,676
Total Revenues	$ 987,399	$ 1,083,539	$ 7,856,965	$ 7,924,904	$8,844,364	$ 9,008,443
Expenses:						
General Government	$ 467,931	$ 447,856	$ 0	$ 0	$ 467,931	$ 447,856
Public Safety	$ 907,158	$ 884,273	$ 0	$ 0	$ 907,158	$ 884,273
Public Works – Sanitation	$ 28,047	$ 17,794	$ 0	$ 0	$ 28,047	$ 17,794
Public Works – Highways/Street	$ 290,546	$ 290,966	$ 0	$ 0	$ 290,546	$ 290,966
Culture & Recreation	$ 181,029	$ 127,575	$ 0	$ 0	$ 181,029	$ 127,575
Community Development	$ 157	$ 914	$ 0	$ 0	$ 157	$ 914
Depreciation	$ 329,733	$ 325,610	$ 0	$ 0	$ 329,733	$ 325,610
Interest	$ 31,104	$ 27,661	$ 0	$ 0	$ 31,104	$ 27,661
Water	$ 0	$ 0	$ 595,588	$ 610,422	$ 595,588	$ 610,422
Sewer	$ 0	$ 0	$ 1,627,544	$ 1,608,416	$1,627,544	$ 1,608,416
Electric	$ 0	$ 0	$ 4,225,964	$ 4,168,026	$4,225,964	$ 4,168,026
Total Expenses	$ 2,235,705	$ 2,122,649	$ 6,449,096	$ 6,386,864	$8,684,801	$ 8,509,513
Increase/(Decrease) in Net Position before transfers	$ (1,248,306)	$ (1,039,110)	$ 1,407,869	$ 1,538,040	$ 159,563	$ 498,930
Transfers	$ 1,132,808	$ 1,215,000	$(1,132,808)	$ (1,215,000)	$ 0	$ 0
Change in Net Position	$ (115,498)	$ 175,890	$ 275,061	$ 323,040	$ 159,563	$ 498,930
Net Position, Beginning	$ 7,823,739	$ 7,664,808	$17,818,575	$ 18,093,636	$25,642,314	$ 25,758,444
Prior Period Adjustments	$ (43,433)	$ 0	$	$ 0	$ (43,433)	$ 0
Net Position, Ending	**$ 7,664,808**	**$ 7,840,698**	**$18,093,636**	**$ 18,416,676**	**$25,758,444**	**$ 26,257,374**

Governmental Activities

Revenues of the Borough's Governmental activities were $2,434,090 for 2019. The most significant revenue source for Governmental Activities is a transfer from the Borough's Business-type funds. This transfer represents $1,352,000 of the total resources necessary for governmental activities for in 2019. The third largest revenue source for Governmental activities are Intergovernmental Revenues which represents $275,228 of the total resources in 2019. Taxes are the second largest revenue source for 2019 at $430,268.

The most significant governmental expense for the Borough was $902,750 for Public Safety Costs, which include police, fire and ambulance costs. Other significant expenses for the Borough include General Government expenses of $427,072 which include building and administrative costs, public works expenses of $588,834 and culture-recreation costs of $127,575 which include park/pool costs and debt service of $127,905.

Business-type Activities

Revenues of the Borough's business-like activities were $7,924,904 for 2019, before interfund transfers in of $247,500. Expenses for the Borough's business-type activities were $6,386,864 resulting in net revenues of $1,538,040 before transfers. $1,462,500 was transferred to Government type funds to cover government type expenditures.

- The Borough's Water system recorded revenues of $900,326 and expenditures of $610,422 plus interfund transfers of $152,000. Aside from these transfers, the most significant expenditure for the water system is depreciation at $214,862. Other significant expenditures are personnel services at $76,408, operating expenses at $123,513 and maintenance and repairs of $140,769.

- The Borough's Sewer system recorded revenues of $1,524,218 before transfers in of $15,000 and expenditures of $1,608,416 plus interfund transfers of $190,500. The most significant expenditure for the sewer system is depreciation at $806,176. Other significant expenditures include personnel services at $43,789, interest expense of $96,810, repairs and maintenance at $320,787 and operating expenses of $230,384.

- The Borough's Electric system recorded revenues of $5,500,360 before transfers and expenditures of $4,168,026 excluding interfund transfers of $1,120,000 to Governmental activity type funds which were used to help general fund operations. The most significant expenditure for the electric system is purchased power at $3,497,119. Other significant expenses are personnel services at $192,597, depreciation at $128,289, repairs and maintenance of $225,827, office expenses at $73,250 and insurance at $42,644.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the Borough had $26,050,849 invested in a broad range of capital assets, including police equipment, buildings, park facilities, roads, stormwater facilities, water, sewer, and electric lines and facilities, and general equipment.

During 2019 additions and deletions were made to the asset inventory to reflect the purchase and sale of Borough Assets.

Table 3
Capital Assets and Year End
(Net of Depreciation)

	2018 Governmental Activities	2019 Governmental Activities	2018 Business-type Activities	2019 Business-type Activities	2018 Total	2019 Total
Land	$ 374,603	$ 374,603	$ 181,192	$ 181,192	$ 555,795	$ 555,795
Construction in Progress	$	$ 250,955	$	$ 6,120	$	$ 257,075
Buildings & Improvements	$ 1,741,924	$ 1,650,560	$ 265,840	$ 254,927	$ 2,007,764	$ 1,905,487
Machinery & Equipment	$ 312,557	$ 328,617	$ 646,444	$ 600,294	$ 959,001	$ 928,911
Infrastructure	$ 3,976,755	$ 3,777,742	$19,696,172	$ 18,625,839	$23,672,927	$ 22,403,581
Totals	$ 6,405,839	$ 6,382,477	$20,789,648	$ 19,668,372	$27,195,487	$ 26,050,849

DEBT

At December 31, 2019, the Borough had $10,189,463 in General Obligation long-term debt. This debt consists of sewer fund debt of $9,453,661 and debt for the Borough Building in the amount of $735,802.

The Borough maintains a benefit for employees retiring with accumulated unused sick time. Employees are entitled to receive in cash, at retirement, reimbursement of unused sick days (maximum 120 days) at $10.00/day for non-uniformed employees and at $20.00/day for uniformed employees. Also, employees who meet eligibility requirements are entitled to a retirement bonus equal to 2% of final average salary times years of service divided by 5. The Borough has calculated the potential liability for this benefit to be $71,890.

General Fund Budgetary Highlights

There were no budget amendments, only line item amendments in 2019 for the General Fund.

The General Fund Actual Expenditures for 2019 were $1,911,748 (including transfers) compared to the budgeted amount of $2,357,860. The positive variance was due to savings achieved by voluntary cost cutting measures and postponement of some budgeted projects, due to increased construction costs. The General Fund Actual Revenues for 2019 were $2,004,657 (including transfers) compared to the Budgeted Amount of $2,332,000.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Borough's elected and appointed officials considered many factors when setting the 2020 Budget. One of these factors is the economy. The radical increases in energy prices, both fuel and electricity, has had a significant impact on the Borough's expenditures. Additionally, some of the Borough's commercial developments are aging and tenants are choosing to relocate to newer facilities in other communities. Aging infrastructure and changing regulations impacting water and sewer treatment requirements have also been considered. These indicators were taken into account when adopting the 2020 General fund and Business-like Fund Budgets.

The Borough's largest revenue source is water, sewer, and electric service and sales. Water rates were not increased in 2020. Electric rates were increased 2 percent in 2020. Sewer rates reflect a 5 percent increase to help offset increasing costs.

CONTACTING THE BOROUGH'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Borough's finances and to show the Borough's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Borough Manager's Office at the Borough of Mifflinburg, 120 N. Third Street, Mifflinburg, PA 17844.

FINANCIAL STATEMENTS

BOROUGH OF MIFFLINBURG

Statement of Net Position

December 31, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	$ 2,732,877	$ 7,497,514	$ 10,230,391
Taxes Receivable, Net	76,112	-	76,112
Other Receivables	-	778,941	778,941
Due from Other Funds	78,866	53,085	131,951
Inventories	33,574	230,769	264,343
Capital Assets:			
Land	374,603	181,192	555,795
Construction in Progress	250,955	6,120	257,075
Building and Improvements, Net	1,650,560	254,927	1,905,487
Machinery and Equipment, Net	328,617	600,294	928,911
Infrastructure, Net	3,777,742	18,625,839	22,403,581
Total Capital Assets	6,382,477	19,668,372	26,050,849
TOTAL ASSETS	9,303,906	28,228,681	37,532,587
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferral	595,568	-	595,568
TOTAL DEFERRED OUTFLOWS OF RESOURCES	595,568	-	595,568
LIABILITIES			
Accounts Payable	32,647	355,327	387,974
Due to Other Funds	6,700	-	6,700
LONG-TERM LIABILITIES			
DUE WITHIN ONE YEAR:			
Bond/Notes Payable	103,799	423,304	527,103
DUE IN MORE THAN ONE YEAR:			
Bonds/Notes Payable	632,003	9,030,357	9,662,360
Net Pension Liability	286,167	-	286,167
Compensated Absences	71,890	-	71,890
Net OPEB Liability	58,603	3,017	61,620
TOTAL LIABILITIES	1,191,809	9,812,005	11,003,814
DEFERRED INFLOWS OF RESOURCES			
Pension Deferral	866,967	-	866,967
TOTAL DEFERRED INFLOWS OF RESOURCES	866,967	-	866,967
NET POSITION			
Net Investment in Capital Assets	5,646,675	10,214,711	15,861,386
Restricted-Liquid Fuels	281,325	-	281,325
Unrestricted	1,912,698	8,201,965	10,114,663
TOTAL NET POSITION	$ 7,840,698	$ 18,416,676	$ 26,257,374

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

BOROUGH OF MIFFLINBURG
Statement of Activities
Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
GOVERNMENTAL ACTIVITIES							
General Government	$ 447,856	$ -	$ -	$ -	$ (447,856)	$ -	$ (447,856)
Public Safety	884,273	23,115	-	-	(861,158)	-	(861,158)
Public Works - Sanitation	17,794	-	-	-	(17,794)	-	(17,794)
Public Works - Highways and Streets	290,966	-	155,681	119,547	(15,738)	-	(15,738)
Culture and Recreation	127,575	51,900	-	-	(75,675)	-	(75,675)
Community Development	914	-	-	-	(914)	-	(914)
Depreciation	325,610	-	-	-	(325,610)	-	(325,610)
Interest Expense	27,661	-	-	-	(27,661)	-	(27,661)
TOTAL GOVERNMENTAL ACTIVITIES	2,122,649	75,015	155,681	119,547	(1,772,406)	-	(1,772,406)
BUSINESS - TYPE ACTIVITIES							
Water Fund	610,422	880,608	-	-	-	270,186	270,186
Sewer Fund	1,608,416	1,507,861	-	-	-	(100,555)	(100,555)
Electric Fund	4,168,026	5,482,495	-	-	-	1,314,469	1,314,469
TOTAL PRIMARY GOVERNMENT	$ 8,509,513	$ 7,945,979	$ 155,681	$ 119,547	(1,772,406)	1,484,100	(288,306)
GENERAL REVENUES AND TRANSFERS							
Taxes:							
Public Utility, Realty Transfer, Earned Income Miscellaneous Taxes Levied for General Purposes, Net					454,405	-	454,405
Investment Earnings and Rent					189,771	53,940	243,710
Miscellaneous					89,120	-	89,120
Transfers, Net					1,215,000	(1,215,000)	-
TOTAL GENERAL REVENUES AND TRANSFERS					1,948,296	(1,161,060)	787,235
CHANGE IN NET POSITION					175,890	323,040	498,930
NET POSITION - BEGINNING					7,664,808	18,093,636	25,758,444
NET POSITION - ENDING					$ 7,840,698	$ 18,416,676	$ 26,257,374

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

BOROUGH OF MIFFLINBURG
Balance Sheet
Governmental Funds
December 31, 2019

	General	Capital Reserve	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Cash and Investments	$ 201,265	$ 2,250,287	$ 281,325	$ 2,732,877
Taxes Receivable, Net	76,112	-	-	76,112
Due From Other Funds	73,866	5,000	-	78,866
Inventories	33,574	-	-	33,574
Total Assets	$ 384,817	$ 2,255,287	$ 281,325	$ 2,921,429
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$ 32,647	$ -	$ -	$ 32,647
Due to Other Funds	6,700	-	-	6,700
Total Liabilities	39,347	-	-	39,347
Fund Balances				
Nonspendable	33,574	-	-	33,574
Restricted-Liquid Fuels	-	-	281,325	281,325
Assigned	-	2,255,287	-	2,255,287
Unassigned	311,896	-	-	311,896
Total Fund Balances	345,470	2,255,287	281,325	2,882,082
Total Liabilities and Fund Balances	$ 384,817	$ 2,255,287	$ 281,325	$ 2,921,429

The accompanying notes are an integral part of these financial statements

BOROUGH OF MIFFLINBURG
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2019

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	$2,882,082
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the capital assets is $14,244,892, and the accumulated depreciation is $7,862,415.	6,382,477
Pension deferrals are deferred outflows of resources on the statement of net position but are not reported in the governmental funds.	595,568
Some long-term liabilities are not due and payable in the current period and are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:	
Note Payable	(735,802)
Net Pension Liability	(286,167)
Compensated Absences	(71,890)
Net OPEB Liability	(58,603)
Pension deferrals are deferred inflows of resources on the statement of net position but are not reported in the governmental funds.	(866,967)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	$7,840,698

The accompanying notes are an integral part of these financial statements

BOROUGH OF MIFFLINBURG
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2019

	General	Capital Reserve	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 430,268	$ -	$ -	$ 430,268
Licenses and Permits	24,137	-	-	24,137
Fines and Forfeits	23,115	-	-	23,115
Interest and Rents	181,885	326	7,560	189,771
Intergovernmental Revenues	155,681	-	119,547	275,228
Charges for Services	51,900	-	-	51,900
Miscellaneous Revenues	87,671	-	-	87,671
Total Revenues	954,657	326	127,107	1,082,090
Expenditures				
General Government	427,072	-	-	427,072
Public Safety	902,750	-	-	902,750
Public Works - Sanitation	17,794	-	-	17,794
Public Works - Highways and Streets	172,697	286,116	130,021	588,834
Culture and Recreation	125,616	1,959	-	127,575
Community Development	914	-	-	914
Debt Service	127,905	-	-	127,905
Total Expenditures	1,774,748	288,075	130,021	2,192,844
Excess (Deficiency) of Revenues Over Expenditures	(820,091)	(287,749)	(2,914)	(1,110,754)
Other Financing Sources (Uses)				
Transfers In	1,050,000	302,000	-	1,352,000
Transfers Out	(137,000)	-	-	(137,000)
Sale of Capital Assets	-	1,450	-	1,450
Total Other Financing Sources (Uses)	913,000	303,450	-	1,216,450
Net Change in Fund Balances	92,909	15,701	(2,914)	105,696
Fund Balances - Beginning	252,561	2,239,586	284,239	2,776,386
Fund Balances - Ending	$ 345,470	$ 2,255,287	$ 281,325	$ 2,882,082

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

BOROUGH OF MIFFLINBURG

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended December 31, 2019

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	$	105,696
Amounts reported for governmental activities in the statement of activities are different in amount as a result of the following differences in accounting between governmental fund statements and the government wide statement of activities:		
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. These are the amounts for the current year:		
Capital Outlays		302,248
Less Depreciation Expense		(325,610)
Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		100,244
Expenses reported in the statement of activities, such as compensated absences and other postemployment benefits, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Changes in Compensated Absences		(5,150)
Changes in Net Other Postemployment Benefits		6,064
In the statement of activities, deferred inflows of resources-pension, deferred outflows of resources-pension, and pension expense are recognized in conjunction with net pension liability. Whereas in the governmental funds, pension expense is recorded when required contributions are payable.		(7,602)
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	$	175,890

The accompanying notes are an integral part of these financial statements

BOROUGH OF MIFFLINBURG

Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual

General Fund

Year Ended December 31, 2019

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 345,000	$ 345,000	$ 430,268	$ 85,268
Licenses and Permits	12,100	12,100	24,137	12,037
Fines and Forfeits	18,200	18,200	23,115	4,915
Interest and Rents	63,700	63,700	181,885	118,185
Intergovernmental Revenues	162,700	162,700	155,681	(7,019)
Charges for Service	71,000	71,000	51,900	(19,100)
Miscellaneous Revenues	-	-	87,671	87,671
TOTAL REVENUES	672,700	672,700	954,657	281,957
EXPENDITURES				
General Government	595,600	595,600	427,072	(168,528)
Public Safety	1,072,460	1,072,460	902,750	(169,710)
Public Works - Sanitation	54,800	54,800	17,794	(37,006)
Public Works - Highways and Streets	213,600	213,600	172,697	(40,903)
Culture and Recreation	150,100	150,100	125,616	(24,484)
Community Development	-	-	914	914
Miscellaneous Expenditures	5,800	5,800	-	(5,800)
Debt Service	128,500	128,500	127,905	(595)
TOTAL EXPENDITURES	2,220,860	2,220,860	1,774,748	(446,112)
Excess (Deficiency) of Revenues Over Expenditures	(1,548,160)	(1,548,160)	(820,091)	728,069
OTHER FINANCING SOURCES (USES)				
Transfers In	1,660,000	1,660,000	1,050,000	(610,000)
Transfers Out	(137,000)	(137,000)	(137,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,523,000	1,523,000	913,000	(610,000)
NET CHANGE IN FUND BALANCES	(25,160)	(25,160)	92,909	118,069
FUND BALANCE - BEGINNING OF YEAR	252,561	252,561	252,561	-
FUND BALANCE - END OF YEAR	$ 227,401	$ 227,401	$ 345,470	$ 118,069

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

BOROUGH OF MIFFLINBURG
Statement of Net Position-Proprietary Funds
Decmeber 31, 2019

	Water Fund	Sewer Fund	Electric Fund	Total Proprietary Funds
Assets				
Current Assets				
Cash	$ 2,181,319	$ 695,310	$ 4,620,885	$ 7,497,514
Accounts Receivable	84,213	141,709	553,019	778,941
Due from other Funds	11,228	7,756	34,101	53,085
Inventory	62,360	38,183	130,226	230,769
Total Current Assets	2,339,120	882,958	5,338,231	8,560,309
Non-Current Assets				
Land	165,782	10,241	5,169	181,192
Construction in Progress	6,120	-	-	6,120
Buildings and Improvements, Net	2,046	252,881	-	254,927
Machinery and Equipment, Net	218,133	140,222	241,939	600,294
Infrastructure, Net	4,273,274	14,047,588	304,977	18,625,839
Total Non-Current Assets	4,665,355	14,450,932	552,085	19,668,372
Total Assets	7,004,475	15,333,890	5,890,316	28,228,681
Liabilities				
Current Liabilities				
Accounts Payable	10,240	31,936	313,151	355,327
Current Portion of Long Term Debt	-	423,304	-	423,304
Total Current Liabilities	10,240	455,240	313,151	778,631
Non-Current Liabilities				
Bonds/Notes Payable	-	9,030,357	-	9,030,357
Other Post Employment Benefits	-	-	3,017	3,017
Total Non-Current Liabilities	-	9,030,357	3,017	9,033,374
Total Liabilities	10,240	9,485,597	316,168	9,812,005
Net Position				
Net Investment in Capital Assets	4,665,355	4,997,271	552,085	10,214,711
Unrestricted	2,328,880	851,022	5,022,063	8,201,965
Total Net Position	$ 6,994,235	$ 5,848,293	$ 5,574,148	$ 18,416,676

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

BOROUGH OF MIFFLINBURG
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2019

	Water Fund	Sewer Fund	Electric Fund	Totals Memorandum Only
Operating Revenues				
Charges and Fees	$ 878,164	$ 1,476,269	$ 5,476,975	$ 7,831,408
Other	2,444	31,592	5,520	39,556
Total Operating Revenues	880,608	1,507,861	5,482,495	7,870,964
Operating Expenses				
Personnel Services	76,408	43,789	192,597	312,794
Purchased Power	-	-	3,497,119	3,497,119
Operating Expenses	123,513	230,384	-	353,897
Office Expenses	29,286	84,382	73,250	186,918
Repairs and Maintenance	140,769	320,787	225,827	687,383
Professional Services	4,800	3,600	8,300	16,700
Insurance	20,784	22,488	42,644	85,916
Depreciation	214,862	806,176	128,289	1,149,327
Total Operating Expenses	610,422	1,511,606	4,168,026	6,290,054
Operating Income (Loss)	270,186	(3,745)	1,314,469	1,580,910
Non-Operating Revenues(Expenses)				
Income from Investments	19,718	16,357	17,865	53,940
Interest Expense	-	(96,810)	-	(96,810)
Total Non-Operating Revenue or (Expense)	19,718	(80,453)	17,865	(42,870)
Income (Loss) Before Transfers	289,904	(84,198)	1,332,334	1,538,040
Transfers In	500	15,000	232,000	247,500
Transfers Out	(152,000)	(190,500)	(1,120,000)	(1,462,500)
Change in Net Position	138,404	(259,698)	444,334	323,040
Net Position - Beginning of Year	6,855,831	6,107,991	5,129,814	18,093,636
Net Position - End of Year	$ 6,994,235	$ 5,848,293	$ 5,574,148	$ 18,416,676

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

BOROUGH OF MIFFLINBURG

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2019

	Business-Type Activities			
	Water Fund	Sewer Fund	Electric Fund	Totals Memorandum Only
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers and Other Revenues	$ 885,883	$ 1,503,379	$ 5,493,246	$ 7,882,508
Cash Payments to Employees for Services	(196,107)	(201,558)	(388,646)	(786,311)
Cash Paid for Other Operating Expenses	(194,826)	(593,032)	(3,670,624)	(4,458,482)
NET CASH PROVIDED BY OPERATING ACTIVITIES	494,950	708,789	1,433,976	2,637,715
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers from (to) Other Funds	(151,500)	(175,500)	(888,000)	(1,215,000)
NET CASH USED FOR NON-CAPITAL FINANCING ACTIVITIES	(151,500)	(175,500)	(888,000)	(1,215,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Paid on Long-term Debt	-	(419,094)	-	(419,094)
Interest Paid	-	(96,810)	-	(96,810)
Acquisition of Capital Assets	(23,686)	(4,365)	-	(28,051)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(23,686)	(520,269)	-	(543,955)
CASH FLOWS FROM INVESTING ACTIVITIES				
Earnings on Investments	19,718	16,357	17,865	53,940
NET CASH PROVIDED BY INVESTING ACTIVITIES	19,718	16,357	17,865	53,940
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	339,482	29,377	563,841	932,700
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,841,837	665,933	4,057,044	6,564,814
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,181,319	$ 695,310	$ 4,620,885	$ 7,497,514
OPERATING INCOME (LOSS)	$ 270,186	$ (3,745)	$ 1,314,469	$ 1,580,910
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Depreciation and Amortization	214,862	806,176	128,289	1,149,327
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable, Net	5,275	(4,482)	10,751	11,544
(Increase) Decrease in Due from Other Funds	(3,172)	(1,326)	(9,366)	(13,864)
(Increase) Decrease in Inventory	2,884	(7,392)	5,891	1,383
(Decrease) Increase in Accounts Payable	4,915	(80,442)	(16,058)	(91,585)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 494,950	$ 708,789	$ 1,433,976	$ 2,637,715

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

BOROUGH OF MIFFLINBURG
Statement of Fiduciary Net Position
All Trust Fund Types
December 31, 2019

	PENSION TRUST FUNDS		
	Non-Uniform Employees	Police	Agency
ASSETS			
Cash	$ 115,867	$ 38,170	$ 236,473
Investments	2,425,483	3,077,130	-
Interest Receivable	-	445	-
Due from Other Funds	-	-	108
TOTAL ASSETS	2,541,350	3,115,745	236,581
LIABILITIES			
Payroll Withholdings	-	-	6,617
Due to Other Funds	-	-	124,602
Deposits Payable	-	-	65,273
TOTAL LIABILITIES	-	-	196,492
NET POSITION			
Restricted	$ 2,541,350	$ 3,115,745	$ 40,089

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

BOROUGH OF MIFFLINBURG
Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended December 31, 2019

	Non-Uniform Employees	Police
ADDITIONS		
Contributions		
Employer	$ 103,889	$ 138,069
Employee	32,545	22,514
Net Appreciation (Depreciation) in Fair Value of Investments and Gain (Loss) on Sale of Investments	308,924	454,739
Investment Income	46,173	63,184
TOTAL ADDITIONS	491,532	678,506
DEDUCTIONS		
Benefits Paid	126,231	100,234
Professional Fees	3,835	17,103
Administrative Expenses	15,947	-
TOTAL DEDUCTIONS	146,013	117,337
CHANGE IN NET POSITION	345,519	561,169
NET POSITION		
Beginning of Year	2,195,831	2,554,576
End of Year	$ 2,541,350	$ 3,115,745

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Borough of Mifflinburg is chartered under the laws of the State of Pennsylvania as a borough and operates under an elected Mayor-Council form of government. The Borough provides services in many areas to its residents, including various general government services, public safety, sanitation, highway maintenance, sewer, water, electric, and recreation. Generally accepted accounting principles require the financial statements of the reporting entity to include those of the Borough of Mifflinburg (the primary government) and its component units.

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

Reporting Entity

In evaluating the Borough as a reporting entity, management has addressed all potential component units which may or may not fall within the Borough's financial responsibility. The criteria used to evaluate component units for possible inclusion as part of Borough's reporting entity are financial accountability and the nature and significance of the relationship. The Borough is not a component unit of another reporting entity, nor does it have any component units.

Government-wide and Fund Financial Statements

Government-wide statements – The statement of net position and the statement of activities provide information about the financial activities of the overall Borough, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Borough. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Government-wide and Fund Financial Statements - continued

- Direct Expenses are those that are clearly identifiable with a specific program. Program revenues include (1) charges to customers or recipients who purchase, use or directly benefit from goods, services or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

- Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Fiduciary funds are reported by fund type.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

In the Government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Borough gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Net position (assets plus deferred outflows of resources less liabilities less deferred inflows of resources) are used as a practical measure of economic resources, and the statement of activities includes all transactions and events that increased or decreased net position. Depreciation is charged as an expense against current operations and accumulated depreciation is reported in the statement of net position.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Borough considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred as under accrual accounting. However, debt service expenditures, claims and judgments, and compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - continued

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

The Borough uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate fund types as follows:

The Borough reports the following major governmental funds:

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

Capital Reserve Fund – The Capital Reserve Fund is used to account for and report financial resources to be used for expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The Borough reports the following proprietary fund types:

Water, Sewer, and Electric Funds account for the operation of the Borough's water, sewer, and electricity utility services.

The Borough also reports for the following fiduciary funds:

The Non-Uniform Employee's Pension Fund and the Police Pension Fund were established to account for assets held by the Borough in a trustee capacity for the Non-Uniformed and Police Pension Plans. The Agency Fund accounts for assets held by the Borough and consists of employee payroll deductions and electric meter customer deposits.

Budgets and Budgetary Accounting

Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance for all funds of the Borough. The budgets are prepared on the modified accrual basis of accounting and are required by state law to be put on public display for at least 20 days prior to final adoption. After adoption, the budget is to be filed with the state within 30 days. All encumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and bank certificates of deposit. Investments are stated at fair value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Inventories

The Borough uses the consumption method to account for inventories of materials used in its governmental and proprietary funds. Under the consumption methods, inventories are recorded as expenditures when used.

Capital Assets

Capital assets, which include land, buildings and improvements, infrastructure, site improvements, and furniture and equipment, are reported in the government-wide financial statements. The Borough defines capital assets as assets with an initial, individual cost of more than $1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is capitalized.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Useful Life
Land	Not Depreciated
Site Improvements	20-40 years
Building and Improvements	20-40 years
Furniture and Equipment	8-10 years
Infrastructure	20-50 years

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 represents a consumption of net position that applies to a future period(s) 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 element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Long-Term Liabilities

In government-wide financial statements and proprietary fund types presented in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Debt issue costs are recognized as an expense in the period incurred.

In the fund financial statements, the face amount of debt issued is reported as other financing sources and the repayment of debt is reported as an expenditure. Issuance costs whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

Compensated absences are those for which employees receive pay. Employees are entitled to receive in cash at retirement, reimbursement of unused sick days (maximum – 120 days) at $10/per day for non-uniformed employees and at $20/day for uniformed employees. Employees who meet eligibility requirements are entitled to a retirement bonus equal to 2% of final average salary times years of service divided by 5.

Fund Balances

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance is classified as non-spendable, restricted, committed, assigned or unassigned. Following are descriptions of fund classifications used by the Borough.

Non-spendable fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed, or assigned) and activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund.

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the Board, the Borough's highest level of decision-making authority. This formal action is the approval of a resolution for a specific purpose.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fund Balances - continued

Assigned fund balance includes amounts that are constrained by the Borough's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed. Assignments of fund balance are created by the Borough Manager pursuant to authorization established by the board.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the Borough's general policy to use restricted resources first. When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the Borough's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

The deposit and investment policies of the Borough adhere to state statues and prudent business practices. Pennsylvania statutes provide for investment of governmental funds (which excludes pension trust funds) into certain authorized investment types including U.S. Treasury Bills, other short term U.S. and Pennsylvania government obligations, insured or collateralized time deposits, and certificates of deposit. Deposits of the Borough are held in one financial institution and are recorded at cost. Investments are reported at fair value. The following is a description of the Borough's deposit and investment risks:

NOTE 2 – DEPOSITS AND INVESTMENTS -continued

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned. The Borough does not have a policy for custodial credit risk on deposits. At December 31, 2019, the carrying amount of the Borough's deposits, which is displayed on the financial statements as "cash", was $10,230,392. Of the bank balance, $250,000 was covered by federal depository insurance and $9,904,942 was exposed to custodial credit risk because it was uninsured and the collateral held by the depository's agent was not in the Borough's name. The Borough's deposits with banks were collateralized in accordance with Pennsylvania Act 72 at December 31, 2019.

Investments

Interest Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. It is the practice of the Borough to limit its interest rate risk by investing in securities with maturity dates under one year.

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 an outside party. The Borough has no investments subject to custodial credit risk.

Credit Risk

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

Concentration Risk

The Borough does not have a formal policy that would limit the amount it may invest in any one issuer.

NOTE 3 – TAXES ASSESSED

During the year ended December 31, 2019, the Borough had the following tax levies under ordinance:

Tax Type	Mileage/Rate
Real Estate	None
Earned Income	0.50%
Emergency and Municipal Services	$10.00/person
Real Estate Transfer	0.50%

NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity during the fiscal year follows:

	Balance 12/31/2018	Additions	Dispositions	Balance 12/31/2019
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	$ 374,603	$ -	$ -	$ 374,603
Construction in Progress	-	250,955	-	250,955
Total Capital Assets, Not Being Depreciated	374,603	250,955	-	625,558
Capital Assets, Being Depreciated:				
Buildings and Improvements	3,483,024	-	(36,042)	3,446,982
Machinery and Equipment	1,240,032	51,293	-	1,291,325
Infrastructure	8,881,027	-	-	8,881,027
Total Capital Assets, Being Depreciated	13,604,083	51,293	(36,042)	13,619,334
Less Accumulated Depreciation For:				
Buildings and Improvements	1,741,100	91,364	(36,042)	1,796,422
Machinery and Equipment	927,475	35,233	-	962,708
Infrastructure	4,904,272	199,013	-	5,103,285
Total Accumulated Depreciation	7,572,847	325,610	(36,042)	7,862,415
Total Capital Assets Being Depreciated, Net	6,031,236	(274,317)	-	5,756,919
Governmental Activities – Capital Assets, Net	$ 6,405,839	$ (23,362)	$ -	$ 6,382,477

NOTE 4 – CAPITAL ASSETS-continued

	Balance 12/31/2018	Additions	Dispositions	Balance 12/31/2019
Business-Type Activities:				
Capital Assets, Not Being Depreciated				
Land	$ 181,192	$ -	$ -	$ 181,192
Construction in Progress	-	6,120		6,120
Total Capital Assets, Not Being Depreciated	181,192	6,120	-	187,312
Capital Assets, Being Depreciated:				
Buildings and Improvements	446,791	-	-	446,791
Machinery and Equipment	1,428,028	21,931	-	1,449,959
Infrastructure	37,554,561	-	-	37,554,561
Total Capital Assets, Being Depreciated	39,429,380	21,931	-	39,451,311
Less Accumulated Depreciation For:				
Buildings and Improvements	180,952	10,913	-	191,865
Machinery and Equipment	781,584	68,080	-	849,664
Infrastructure	17,858,388	1,070,334	-	18,928,722
Total Accumulated Depreciation	18,820,924	1,149,327	-	19,970,251
Total Capital Assets Being Depreciated, Net	20,608,456	(1,127,396)	-	19,481,060
Business-Type Activities – Capital Assets, Net	$20,789,648	$(1,121,276)	$ -	$19,668,372

Depreciation expense was charged to functions of the Borough as follows:

Governmental Activities:	$ 325,610
Business-Type Activities	
Water Fund	$ 214,862
Sewer Fund	806,176
Electric Fund	128,289
Total Business-Type Activities	$ 1,149,327

NOTE 5 – LONG-TERM LIABILITIES

Penn Vest Loan of 2008

During October 2008, the Borough entered into a Guaranteed Sewer Revenue Note agreement with PennVest in the amount of $13,518,994. The note was issued for the purpose of major sewer system work and treatment plant upgrades. Terms of the loan require a pledge of the Borough's taxing authority, interest at 1% during construction, followed by 360 monthly payments of principal and interest at 1%. The balance at December 31, 2019 was $9,453,661.

The Borough incurred interest costs related to the note of $96,810 in 2019.

Annual debt service requirements to maturity for the Guaranteed Sewer Revenue Note are shown below:

Year Ending December 31,	Principal	Interest	Total
2020	$ 423,304	$ 92,600	$ 515,904
2021	427,556	88,348	515,904
2022	431,852	84,052	515,904
2023	436,190	79,714	515,904
2024	440,572	75,332	515,904
2025-2029	2,270,145	309,374	2,579,519
2030-2034	2,386,488	193,031	2,579,519
2035-2039	2,508,793	70,726	2,579,519
2040	128,761	213	128,974
Total	$ 9,453,661	$ 993,390	$10,447,051

Bank Loan of 2010

During July 2010, the Borough began draws on a $1,500,000 bank loan to finance the construction on a new borough office building. Terms of the loan require interest at 4.49% for a term of 20 years. On November 2, 2011 the loan was modified and the interest rate was changed to 3.5%. The balance at December 31, 2019 was $735,802.

The Borough incurred interest costs related to the loan of $27,661 in 2019.

NOTE 5 –LONG-TERM LIABILITIES - continued

Bank Loan of 2010-continued

Annual debt service requirements to maturity for the Bank Loan of 2010 are shown below:

Year Ending December 31,	Principal	Interest	Total
2020	$ 103,799	$ 24,106	$ 127,905
2021	107,506	20,399	127,905
2022	111,325	16,580	127,905
2023	115,284	12,621	127,905
2024	119,378	8,527	127,905
2025-2026	178,510	4,771	183,281
Total	$ 735,802	$ 87,004	$ 822,806

Changes in long-term debt for the year ended December 31, 2019 are as follows:

	Balance at December 31, 2018	Additions	Reductions	Balance at December 31, 2019	Due Within One Year
Governmental Activities					
Bank Loan-2010	$ 836,046	$ -	$ (100,244)	$ 735,802	$ 103,799
Business-Type Activities					
Guaranteed Sewer Revenue Note-PennVest	$ 9,872,755	$ -	$ (419,094)	$ 9,453,661	$ 423,304

Other Long-Term Liabilities

At December 31, 2019, the Borough had other long-term liabilities which consisted of a net pension liability which is discussed in Note 6. The Borough also had liabilities for compensated absences for unused sick days, payable at retirement, and a retirement bonus for employees who meet certain eligibility requirements. The Borough also provides other postemployment benefits for employees. That liability consists of future payments for health insurance premium contributions for retirees who meet certain eligibility requirements and is discussed in Note 8.

NOTE 5 –LONG-TERM LIABILITIES - continued

Other Long-Term Liabilities-continued

Changes in other long-term liabilities for the year ended December 31, 2019 are as follows:

	Balance at December 31, 2018	Additions	Reductions	Balance at December 31, 2019
Governmental Activities				
Net Pension Liability (Note 6)	$ 978,958	$ -	$ (692,791)	$ 286,167
Compensated Absences	$ 66,741	$ 5,149	$ -	$ 71,890
Other Postemployment Benefits (Note 8)	$ 64,666	$ -	$ (6,063)	$ 58,603
Business-Type Activities				
Other Postemployment Benefits	$ 3,017	$ -	$ -	$ 3,017

NOTE 6 – PENSION PLANS

The Borough offers two single-employer defined benefit pension plans: Police Pension Plan and Non-Uniformed Employee's Pension Plan. Both plans issue publicly available stand-alone reports that include financial statements, notes to the financial statements and required supplementary information. These reports may be obtained by writing to the Borough of Mifflinburg.

Police Pension Plan

Plan Description

Plan Administration

The Borough of Mifflinburg Police Pension Plan is a single-employer defined benefit pension plan. The Plan was established August 27, 1968. The Plan was amended and restated on January 1, 2017. The Plan is governed by the Borough Council which may amend plan provisions, and is responsible for the management of Plan assets. The Council has delegated the authority to manage certain Plan assets to the Wilmington Trust.

NOTE 6 – PENSION PLANS-continued

Plan Description-continued

Plan Administration-continued

The Plan is required to file Form PC-201C biennially with the Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP). The most recent filing was as of January 1, 2019. The most recent actuarial valuation was completed as of January 1, 2019.

Plan Membership

The Plan provides pension's for full time uniformed employees of the Borough. As of December 31, 2019, pension plan membership consists of:

Active Employees	6
Retirees and Beneficiaries Currently Receiving	5
Terminated Emloyees Entitled to Benefits But Not Receiving Them	1
Total	12

Benefit Provisions

The Plan provides retirement benefits as well as death and disability benefits to plan members and beneficiaries. The normal retirement date is the first day of the month following the attainment of age 50 and 25 years of service. Participants are 100% vested after 12 years of service. The normal retirement benefit is equal to 50% of gross pay averaged over the final 36 months of employment plus a service increment of $100 for each completed year of service over 25 years, up to a maximum increment of $500. Post retirement adjustments in benefits are available for retirees. The adjustments are determined by the change in the CPI during the last year (not to exceed 3%) and the total of all increases may not exceed 30% of the retiree's original benefit nor may the sum of the retiree's benefit and all increases exceed 75% of the average monthly salary used to compute the original benefit.

The death benefit for a participant before retirement consists of a refund of contributions if any, plus interest. The death benefit for a participant after retirement eligibility consist of monthly payments for life to the surviving spouse equal to 50% of the amount the participant was entitled to receive. In the event of the spouse's death, the participant's children will share the benefit until age 18, or until age 23 if attending college.

NOTE 6 – PENSION PLANS - continued

Plan Description-continued

Benefit Provisions-continued

Disability benefits are available to a participant disabled in the line of duty. For total and permanent disablement, a monthly benefit equal to 50% of the member's salary at the time the disability was incurred, offset by social security disability benefits for the same injury.

Contributions

The Borough follows the funding policy prescribed by Act 205 of 1984 (as amended), which requires that annual contributions be based upon the Minimum Municipal Obligation (MMO) using the plan's most recent biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) if the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds state contributions must be funded by the employer. Employees are required to contribute 5% of covered payroll to the Plan. This contribution is governed by the Plan's governing ordinances and collective bargaining. Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the Plan and funded through the MMO and/or plan earnings.

Deposits and Investment Risk Disclosures

Deposits

At December 31, 2019, the Plan held $630 in deposits. All deposits were fully insured by the Federal Deposit Insurance Corporation (FDIC).

Investments

The Plan is authorized to invest in legal investment permitted under the Pennsylvania Fiduciaries Investment Act. According to the Borough's investment policy, the Plan's target asset allocation is as follows:

Asset Class	Target
Equities	53%
Fixed Income	37%
Inflation Hedges	5%
Cash & Equivalents	3%

NOTE 6 – PENSION PLANS - **continued**

Deposits and Investment Risk Disclosures-continued

Investments-continued

Investment Type	Fair Value	Investment Maturities in Years		
		Less Than 1	1-5.99	6-9.99
Corporate Debt	$ 32,000	$ -	$ -	$ 32,200
Fixed Income Mutual Funds*	1,008,526	-	674,618	333,908
Total	$ 1,040,526	$ -	$ 674,618	$ 366,108

*Average Portfolio Maturity

Net Pension Liability

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

Total Pension Liability	$ 3,105,786
Plan Fiduciary Net Position	(3,115,744)
Net Pension Liability	$ (9,958)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.3%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2019 and rolled forward to the reporting date. Significant actuarial assumptions used in this valuation included (1) inflation 2.75% (2) expected long term rate of return on investments of 7.00% per year (3) projected salary increases of 5.0% including inflation, plus an additional 10% in the final year of employment and (4) mortality rates based on the RP-2014 Mortality Table with 50% Blue Collar adjustment with rates set forward 5 years for disabled lives.

Expected Long-Term Rate of Return

The expected long-term rate of return on Plan investments was determined using the building block method in which the best estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the target allocation as of December 31, 2019 are summarized in the following table:

NOTE 6 – PENSION PLANS - **continued**

Net Pension Liability-continued

Expected Long-Term Rate of Return-continued

Asset Class	Long Term Expected Real Rate of Return
Equities	5.0% to 7.0%
Fixed Income	1.0% to 3.0%
Cash Equivalents	0.0% to 1.0%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the Plan will continue to be funded based on the MMO as determined in accordance with ACT 205. Based on these assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability Sensitivity

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 7.00% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	$ 420,628	$ (9,958)	$ (361,407)

NOTE 6 – PENSION PLANS - **continued**

Net Pension Liability-continued

Change in Net Pension Liability

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

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2018	$ 2,992,059	$ 2,554,576	$ 437,483
Changes for the Year			
Service Cost	97,249	-	97,249
Interest	206,516	-	206,516
Changes in Benefit Terms	-	-	-
Differences Between Expected	(89,805)		(89,805)
and Actual Experience	-	-	-
Changes in Assumptions	-	-	-
Contributions-Employer	-	136,376	(136,376)
Contributions-Member	-	24,207	(24,207)
Net Investment Income		517,922	(517,922)
Benefit Payments	(100,233)	(100,233)	-
Administrative Expense	-	(17,104)	17,104
Other Charges	-	-	-
Net Changes	113,727	561,168	(447,441)
Balance at 12/31/2019	$ 3,105,786	$ 3,115,744	$ (9,958)

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

Components of Pension Expense for the year ended December 31, 2019 is as follows:

NOTE 6 – PENSION PLANS - continued

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources-continued

Service Cost	$	97,249
Interest on Total Pension Liability		206,516
Recognition of Differences between Expected and Actual Experience		(31,235)
Changes in Benefit Terms		-
Amortization of Changes of Assumptions		34,083
Employee Contributions		(24,207)
Projected Earnings on Plan Investments		(177,942)
Recognition of Differences Between Projected and Actual Earnings on Plan Investments		4,169
Plan Administrative Expense		17,104
Other Changes in Fiduciary Net Position		-
Total Pension Expense	$	125,737

The Borough reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources at December 31, 2019:

	Deferred Outflows of	Deferred Inflows of Resources
Defferences Between Expected and Actual Experience	$ -	$ 107,821
Changes in Assumptions	61,348	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	209,568	350,118
Total	$ 270,916	$ 457,939

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

Years Ended December 31:	
2020	$ (25,554)
2021	(42,414)
2022	(16,518)
2023	(81,812)
2024	(13,816)
Thereafter	(6,909)

NOTE 6 – PENSION PLANS - **continued**

Non-Uniformed Employees Pension Plan

Plan Description

Plan Administration

The Borough of Mifflinburg Non-Uniformed Employee's Pension Plan is a single-employer defined benefit pension plan. The Plan was established August 1, 1974. The Plan was amended and restated on January 1, 2013. The Plan is governed by the Borough Council which may amend plan provisions, and is responsible for the management of Plan assets. The Council has delegated the authority to manage certain Plan assets to the PSABMRT. The Plan is required to file Form PC-203C biennially with the Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP). The most recent filing was as of January 1, 2019. The most recent actuarial valuation was completed as of January 1, 2019.

Plan Membership

The Plan provides pension's for full time non-uniformed employees of the Borough. Effective January 1, 2013, new participants are required to enter the Borough of Mifflinburg Money Purchase Plan. As of December 31, 2019, pension plan membership consists of:

Active Employees	9
Retirees and Beneficiaries Currently Receiving Receiving Benefits	8
Terminated Emloyees Entitled to Benefits But Not But Not Yet Receiving Them	2
Total	19

NOTE 6 – PENSION PLANS-continued

Plan Description-continued

Benefit Provisions

The Plan provides retirement benefits as well as death and disability benefits to plan members and beneficiaries. The normal retirement date is the first day of the month following the attainment of age 65. Early retirement is available at age 62 and 5 years of service. Participants are 100% vested after 5 years of service.The normal retirement benefit is equal to the greater of (a)1.275% of final monthly average compensation (average over the final 36 months of employment) multiplied by credited service; or (b) the actuarial equivalent of the account balance as of retirement date.

The death benefit for a participant before retirement consists of a refund of contributions if any, plus interest. In lieu of a refund, the surviving spouse may elect to receive a monthly benefit commencing at what would have been the participant's early retirement date. That benefit would be the actuarial equivalent of 50% of the participant's accrued benefit (using only the 1.275% benefit formula) converted to a joint and 50% survivor annuity. The death benefit for a participant after retirement eligibility consists of a life annuity. At retirement, the participant may select an optional form of payment that is the actuarial equivalent of the normal form.

Disability benefits are available to a disabled participant. For total and permanent disablement that renders a participant unable to perform a duty of gainful employment for which the participant is suited, the accrued benefit at date of disablement will be payable.

Contributions

The Borough follows the funding policy prescribed by Act 205 of 1984 (as amended), which requires that annual contributions be based upon the Minimum Municipal Obligation (MMO) using the plan's most recent biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds state contributions must be funded by the employer. Employees are required to contribute 4% of base pay to the Plan. This contribution is governed by the Plan's governing ordinances and collective bargaining. Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the Plan and funded through the MMO and/or plan earnings.

NOTE 6 – PENSION PLANS - **continued**

Deposits and Investment Risk Disclosures

Deposits

At December 31, 2019, the Plan held no deposits.

Investments

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

Credit Risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan has no formal policy for credit risk. At December 31, 2019, all Plan assets were invested in the PSABMRT General Balance Fund, which is not rated. However, the formal investment policy of the PSABMRT requires fixed income securities within the portfolio to be rated BBB- or higher at the time of purchase, and requires any asset-backed or mortgage-backed securities within the portfolio to be rated AAA at the time of purchase.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The PSAB Balanced Fund utilizes a multi-investment manager investment structure. While the Plan places no composite limit on the amount that may be invested in any one issuer, individual managers have limits placed on their respective portfolios. At December 31, 2019, the Plan had no investments (other than U.S. Government and U.S. Government guaranteed obligations, mutual funds or other pooled investments) in any one issuer that represents 5% or more of the Fiduciary Net Position.

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

Net Pension Liability

The components of the net pension liability at December 31, 2018 are as follows:

Total Pension Liability	$	2,721,192
Plan Fiduciary Net Position		(2,425,067)
Net Pension Liability	$	296,125
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		89.1%

NOTE 6 – PENSION PLANS - continued

Net Pension Liability-continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2019 and rolled forward to the reporting date. Significant actuarial assumptions used in this valuation included (1) inflation 2.75% (2) expected long term rate of return on investments of 6.75% per year (3) projected salary increases of 4.5% including inflation and (4) mortality rates based on the RP-2014 Mortality Table with rates set forward 5 years for disabled lives. Mortality improvement based on Long-Range Assumptions for the 2015 SSA's Trustee Report.

Expected Long-Term Rate of Return

The expected long-term rate of return on Plan investments was determined using the building block method in which the best estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the target allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Equities	5.0% to 7.0%
Fixed Income	1.0% to 3.0%
Cash Equivalents	0.0% to 1.0%

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the Plan will continue to be funded based on the MMO as determined in accordance with Act 205. Based on that assumption, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 6 – PENSION PLANS - continued

Net Pension Liability-continued

Net Pension Liability Sensitivity

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 6.75% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	$ 630,725	$ 296,125	$ 10,976

Change in Net Pension Liability

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

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2018	$ 2,658,104	$ 2,116,629	$ 541,475
Changes for the Year			
Service Cost	50,733		50,733
Interest	175,938		175,938
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(43,068)	-	(43,068)
Changes in Assumptions	-	-	-
Contributions-Employer	-	86,579	(86,579)
Contributions-Member	-	17,914	(17,914)
Net Investment Income	-	341,198	(341,198)
Benefit Payments and Refunds	(120,515)	(120,515)	-
Administrative Expense	-	(16,738)	16,738
Other Charges	-	-	-
Net Changes	63,088	308,438	(245,350)
Balance at 12/31/2019	$ 2,721,192	$ 2,425,067	$ 296,125

NOTE 6 – PENSION PLANS - **continued**

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

Components of Pension Expense for the year ended December 31, 2019 is as follows:

Service Cost	$	50,733
Interest on Total Pension Liability		175,938
Recognition of Differences between Expected and Actual Experience		(38,690)
Changes in Benefit Terms		-
Amortization of Changes in Assumptions		31,397
Contributions-Member		(17,914)
Projected Earnings of Plan Investments		(140,336)
Recognition of Differences Between Projected and Actual Earnings on Plan Investments		26,954
Administrative Expense		16,738
Other Changes in Fiduciary Net Position		-
Total Pension Expense	$	104,820

The Borough reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources at December 31, 2019:

	Deferred Outflows of	Deferred Inflows of Resources
Defferences Between Expected and Actual Experience	$ -	$ 196,191
Changes in Assumptions	160,126	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	164,526	212,837
Total	$ 324,652	$ 409,028

NOTE 6 – PENSION PLANS - continued

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources-continued

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

Years Ended December 31:	
2020	$ (11,963)
2021	(22,063)
2022	4,010
2023	(45,408)
2024	(416)
Thereafter	(8,536)

NOTE 7 – DEFINED CONTRIBUTION PLANS

The Borough maintains a Money Purchase Pension Plan for employees hired after January 1, 2013. The Plan is a single-employer defined contribution plan. The Plan is governed by the Borough Council, which may amend plan provisions, and which is responsible for the management of Plan assets. The Council has delegated the authority to manage certain Plan assets to the PSABMRT. Employees are eligible to participate following 6 months of probation and are required to contribute 5% of compensation to the Plan. Normal retirement is at age 65 and participants are 100% vested after 5 years of service. Forfeitures due to non-vested terminations are distributed to the remaining eligible participants as described in the Plan document. The Borough is required to contribute 5% to the Plan. The Borough's contribution to the Plan for the year ended December 31, 2019 was $17,310.

The Borough also maintains a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to non-uniformed employees of the Borough, permits them to defer a portion of their salary until future years. Participation in the plan is optional and participants elect how their deferrals are invested. The deferred compensation is not available to employees until normal retirement age or death. Effective December 20, 2015, no newly hired non-uniformed employees are eligible to participate in the Plan and no additional compensation deferrals shall be allowed to the Plan. All other provisions of the Plan are to remain intact.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

The Borough of Mifflinburg Retiree Health Care Plan (the Plan) is a single-employer defined benefit healthcare plan administered by Borough Council. The Plan provides postemployment healthcare insurance benefits to eligible retirees of the Borough in accordance with the various labor contracts and personnel policies. In as much as the Plan has no assets, reporting another employee benefit trust fund in the accompanying financial statements is not required nor was a separate or stand-alone report issued.

For purposes of measuring the Borough's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Benefits Provided:

Police

Eligibility: Police officers hired full-time on or before July 1, 1993 who retire after attaining age 55 and completing 25 years of service.
Coverage: Eligible retired police officer, his/her spouse, and/or dependent children.
Benefits: Covered individuals receive a maximum amount of $3,600 annually toward the payment of medical insurance premiums until the earliest of the availability of similar coverage (cost free) through another source, the retiree's death, or the retiree's Medicare eligibility.
Medical Plans Available: PPO with $1,000 deductible for individual coverage level and $2,000 deductible for other coverage levels.
Special Case: The surviving spouse of a retiree who retired under prior contract receives medical coverage for the rest of her life, at the borough's expense. She receives a Medicare supplement and prescription drug coverage.

Non-Uniformed Employees

Eligibility: Non-uniformed employees hired full-time on or before January 1, 1995 who retire after age 62 with at least 25 years of service.
Coverage: Eligible retired employees, his/her spouse, and/or dependent children.
Benefits: Covered individuals receive a maximum amount of $3,600 annually toward the payment of medical insurance premiums until the earliest of the availability of similar coverage (cost free) through another source, until the retiree's death or the retiree's Medicare eligibility.
Medical Plans Available: PPO with $1,000 deductible for individual coverage level and $2,000 deductible for other coverage levels.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued

General Information about the OPEB Plan-continued

Contributions:

The OPEB expense and Net OPEB Liability figures that are provided in the valuation are based on estimated contributions. Because the Plan is unfunded, the estimated contributions equal the estimated benefit payments. Contributions to the Plan for the year ended December 31, 2019 were $8,622. Employees are not required to contribute to the Plan.

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

At December 31, 2019, the Borough reported a liability of $58,603 for its net OPEB liability. The net OPEB liability was measured as of December 31, 2019. The total OPEB liability used to calculate the net OPEB liability was calculated based on a roll-forward of the liabilities reflected in the January 1, 2018 actuarial valuation based on actuarial assumptions contained in the valuation.

For the year ended December 31, 2019, the Borough recognized OPEB expense of $2,559. At December 31, 2019, the Borough had no deferred outflows of resources and no deferred inflows of resources related to OPEB.

Actuarial Assumptions:

The total OPEB liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions:

Economic Assumptions

Annual Medical Trend Rates:

Year	Increase
2018	6.00%
2019	10.00%
2020	9.50%
2021	9.00%
2022	8.25%
2023	7.75%
2024	7.00%
2025	6.50%
2026	6.00%
2027	5.50%
2028 and later	5.00%

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued

Actuarial Assumptions-continued

Inflation: 2.75%

Discount Rate: 3.25%- The discount rate was based on the index rate for 20 year tax-exempt general obligation bonds with an average rating of AA/Aa or higher.

Demographic Assumptions

Mortality:
Police-RP-2014 Mortality Table with 50% Blue Collar Adjustment.
Non-Uniformed-RP-2014 Mortality Table.

Mortality Improvement: Rates derived from the Long-Range Demographic Assumptions for the 2015 Social Security Administrations Trustee Report.

Withdrawal: None Assumed

Disablement: None Assumed

Retirement Age:
Non-Uniformed-Age 62 and 25 years of service.

Participation: 80% if those retiring with eligibility for OPEB benefits, 25% of those will remain on Borough's coverage while 75% will obtain coverage elsewhere for which the Borough's reimbursement will apply.

Percent Electing Husband/Wife Coverage: 50% of retiring participants who are assumed to participate.

Spouse Age: Female spouse assumed to be 3 years younger than male.

Annual Premium Costs and Other Assumptions

Current Premium Schedules: The following are the reported applicable annual rates for medical (including prescription Drug) coverage:

	Pre-65 Medical/RX
Single	$10,050.60
Parent/Child(ren)	$22,865.16
Husband/Wife	$22,865.16
Family	$22,865.16

Medicare Supplement/Rx: $4,022.64 per person

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued

Actuarial Assumptions-continued

Age Adjustments:

Medical/RX: 2018 healthcare rates were provided by the Borough. Pre-65 costs are projected with age-adjusted reates derived from the 2018 premium schedule for the available plan. Since premiums do not reflect a retiree-only group and these costs tend to increase significantly by age, GASB 75 requires an age-adjustment. Accordingly, age-adjusted per person costs have been estimated. The following amounts represent the cost of pre-65 medical coverage at selected ages:

Age 45	$8,402
Age 50	$10,243
Age 55	$12,804
Age 60	$15,605
Age 64	$17,685

Post-65 medical coverage is not age dependent. Therefore the premiums were not age-adjusted.

Actuarial Cost Method: The actuarial costs for this valuation are determined under the Entry Age Normal Actuarial Cost Method as described in Paragraph 42 of GASB 75. The Actuarial Present Value of the Projected Benefits of each individual is allocated as a level percentage of pay between entry age and assumed exit age(s) for health care costs. Pays are assumed to increase over that period at the assumed rate of inflation. Entry Age is calculated based upon date of hire. Assumed exit ages are based upon the actuarial assumptions as to termination, disability, death of retirement. The portion of the Actuarial Present Value allocated to a single valuation year is called Normal Cost. The accumulation of normal costs prior to the current valuation year is the current Actuarial Accrued Liability. Actuarial Accrued Liability is thus also the portion of Actuarial Present Value of the Projected Benefits not provided by the Actuarial Present Value of Future Normal Costs. Under this method, The Actuarial Gains (Losses), as they occur, reduce (increase) the Actuarial Accrued Liability.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued

Sensitivity of the Borough's Net OPEB Liability to changes in the Discount Rate: The following presents the Net OPEB Liability of the Borough, as well as what the Borough's Net OPEB Liability would be if it were calculated using a discount rate that is 1% higher or lower that the current rate:

	1% Decrease 2.25%	Current Discount Rate 3.25%	1% Increase 4.25%
Net OPEB Liability	$ 61,154	$ 58,603	$ 56,221

Sensitivity of the Borough's Net OPEB Liability to changes in the Healthcare Cost Trend Rates: The following presents the Net OPEB Liability of the Borough, as well as what the Borough's Net OPEB Liability would be if it were calculated using Healthcare Cost Trend Rates that are 1% higher or lower than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	$ 55,925	$ 58,603	$ 61,488

NOTE 9 – RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets, errors, or omissions. The Borough maintains commercial insurance covering each of these risks of loss. Management believes such coverage is sufficient to prevent any significant uninsured losses to the Borough. Settled claims have not exceeded coverage in any of the last three years and there have been no significant reductions in coverage compared to prior years.

NOTE 10 – SUBSEQUENT EVENTS

At various times from January 1, 2020 through April 12, 2021, the Borough awarded various contracts for equipment purchases, engineering services, construction and repairs and maintenance of the Boroughs sewer and water systems and roads totaling approximately $1,625,000.

NOTE 10 – SUBSEQUENT EVENTS-continued

Also at various time between January 1, 2020 and April 12, 2021, the Borough was awarded three grants totaling $652,000 to provide funding for certain Borough projects.

REQUIRED SUPPLEMENTARY INFORMATION

BOROUGH OF MIFFLINBURG
POLICE PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED-BENEFIT PENSION
Schedule of Changes in Net Pension Liability and Related Ratios

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	$ 88,249	$ 91,734	$ 96,321	$ 84,398	$ 88,618	$ 97,249
Interest	145,979	158,665	172,900	186,064	198,922	206,516
Changes in benefit terms	-	-	-	4,475	-	-
Differences between expected and actual experience	-	(11,234)	-	(76,019)	-	(89,805)
Changes in assumptions	-	-	-	163,597	-	-
Benefit payments	(51,500)	(51,500)	(66,010)	(86,555)	(95,594)	(100,233)
Net Change in Total Pension Liability	182,728	187,665	203,211	275,960	191,946	113,727
Total pension liability-beginning	1,950,549	2,133,277	2,320,942	2,524,153	2,800,113	2,992,059
Total pension liability-ending	$ 2,133,277	$ 2,320,942	$ 2,524,153	$ 2,800,113	$ 2,992,059	$ 3,105,786
Plan Fiduciary Net Position						
Contributions-Employer	$ 107,005	$ 108,956	$ 108,749	$ 85,083	$ 87,486	$ 136,376
Contributions-Employee	21,653	21,415	21,838	21,693	24,139	24,207
Net investment income	65,944	(7,803)	92,626	357,386	(140,109)	517,922
Benefit payments	(51,500)	(51,500)	(66,010)	(86,555)	(95,594)	(100,233)
Administrative expense	(13,626)	(13,993)	(14,454)	(15,440)	(17,223)	(17,104)
Net Change in Plan Fiduciary Net Position	129,476	57,075	142,749	362,167	(141,301)	561,168
Plan Net Position-Beginning	2,004,410	2,133,886	2,190,961	2,333,710	2,695,877	2,554,576
Plan Net Position-Ending	$ 2,133,886	$ 2,190,961	$ 2,333,710	$ 2,695,877	$ 2,554,576	$ 3,115,744
Net Pension Liability	$ (609)	$ 129,981	$ 190,443	$ 104,236	$ 437,483	$ (9,958)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.0%	94.4%	92.5%	96.3%	85.4%	100.3%
Covered Employee Payroll	$ 428,149	$ 412,206	$ 342,205	$ 447,856	$ 475,237	$ 417,710
Net Pension Liability as a Percentage of Covered Employee Payroll	-0.1%	31.5%	55.7%	23.3%	92.1%	-2.4%

Ultimately this schedule should present information for the last ten years. However, until 10 years of information can be compiled, information is presented for as many years as is available.

BOROUGH OF MIFFLINBURG

POLICE PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED-BENEFIT PENSION
Schedule of Employer Contributions

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	$ 101,948	$ 108,291	$ 110,583	$ 107,282	$ 107,005	$ 108,956	$ 108,749	$ 85,083	$ 87,486	$ 136,376
Contributions in Relation to the Actuarially Determined Contribution	101,948	148,048	110,583	107,282	107,005	108,956	108,749	85,083	87,486	136,376
Contribution Deficiency (Excess)	$ -	$ (39,757)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Employee Payroll	$ 364,570	$ -	$ 394,144	$ -	$ 428,149	$ 412,206	$ 342,205	$ 447,856	$ 475,237	$ 417,710
Contributions as a Percentage of Covered Payroll	28.0%	N/A	28.1%	N/A	25.0%	26.4%	31.8%	19.0%	18.4%	32.6%

BOROUGH OF MIFFLINBURG
POLICE PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED-BENEFIT PENSION
Schedule of Investment Returns
Last 6 Years

Annual money-weighted rate of return, net of investment expenses not funded through the MMO.

2014	3.30%
2015	-0.37%
2016	4.23%
2017	15.48%
2018	-5.25%
2019	2044%

BOROUGH OF MIFFLINBURG
NON-UNIFORMED EMPLOYEES PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED-BENEFIT PENSION
Schedule of Changes in Net Pension Liability and Related Ratios

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	$ 51,593	$ 49,198	$ 51,658	$ 47,588	$ 49,729	$ 50,733
Interest	153,482	159,092	167,622	164,700	171,207	175,938
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(59,834)	-	(211,779)	-	(43,068)
Changes in assumptions	-	-	-	254,317	-	-
Benefit payments, including refunds	(65,469)	(65,469)	(121,697)	(137,987)	(97,405)	(120,515)
Net Change in Total Pension Liability	139,606	82,987	97,583	116,839	123,531	63,088
Total pension liability-beginning	2,097,558	2,237,164	2,320,151	2,417,734	2,534,573	2,658,104
Total pension liability-ending	$ 2,237,164	$ 2,320,151	$ 2,417,734	$ 2,534,573	$ 2,658,104	$ 2,721,192
Plan Fiduciary Net Position						
Contributions-Employer	$ 106,239	$ 104,813	$ 78,406	$ 76,000	$ 55,117	$ 86,579
Contributions-Employee	21,103	20,766	17,759	16,681	17,533	17,914
Net investment income	112,220	(14,090)	92,868	266,373	(106,671)	341,198
Benefit payments, including refunds	(65,469)	(65,469)	(121,697)	(137,987)	(97,405)	(120,515)
Administrative expense	(18,318)	(13,935)	(25,090)	(16,673)	(20,545)	(16,738)
Net Change in Plan Fiduciary Net Position	155,775	32,085	42,246	204,394	(151,971)	308,438
Plan Net Position-Beginning	1,834,100	1,989,875	2,021,960	2,064,206	2,268,600	2,116,629
Plan Net Position-Ending	$ 1,989,875	$ 2,021,960	$ 2,064,206	$ 2,268,600	$ 2,116,629	$ 2,425,067
Net Pension Liability	$ 247,289	$ 298,191	$ 353,528	$ 265,973	$ 541,475	$ 296,125
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.9%	87.1%	85.4%	89.5%	79.6%	89.1%
Covered Employee Payroll	$ 552,841	$ 557,843	$ 410,990	$ 427,957	$ 443,125	$ 429,947
Net Pension Liability as a Percentage of Covered Employee Payroll	44.7%	53.5%	86.0%	62.1%	122.2%	68.9%

Ultimately this schedule should present information for the last ten years. However, until 10 years of information can be compiled, information is presented for as many years as is available.

BOROUGH OF MIFFLINBURG
NON-UNIFORMED EMPLOYEES PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED-BENEFIT PENSION
Schedule of Investment Returns
Last 5 Years

Annual money-weighted rate of return, net of investment expenses not funded through the MMO.

2014	6.08%
2015	-0.71%
2016	4.66%
2017	13.24%
2018	-4.78%
2019	16.40%

BOROUGH OF MIFFLINBURG

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net OPEB Liability and Related Ratios

Year Ending*	2018	2019
Total OPEB Liability		
Service Cost	$ 563	$ 578
Benefit Payments	(8,500)	(8,622)
Interest	2,170	1,981
Changes of Benefit Terms	-	-
Changes of Assumptions or Other Inputs	-	-
Differences Between Expected and Actual Experience	-	-
Net Change	(5,767)	(6,063)
Total OPEB Liability - Beginning	70,433	64,666
Total OPEB Liability - Ending	$ 64,666	$ 58,603
Covered Employee Payroll	$ 183,681	$ 183,681
Total OPEB Liability as a % of Covered-Employee Payroll	35.21%	31.90%

*This information is shown for the last 10 years if available

SUPPLEMENTARY INFORMATION

BOROUGH OF MIFFLINBURG

Comparative Statement of Revenues, Expenses, and Changes in Net Position
All Proprietary Funds
Years Ending December 31, 2019 and 2018

	Water Fund		Sewer Fund		Electric Fund	
	2019	2018	2019	2018	2019	2018
OPERATING REVENUES						
Charges and Fees	$ 878,164	$ 868,242	$ 1,476,269	$ 1,438,421	$ 5,476,975	$ 5,480,939
Other	2,444	3,173	31,592	23,360	5,520	4,344
TOTAL OPERATING REVENUES	880,608	871,415	1,507,861	1,461,781	5,482,495	5,485,283
OPERATING EXPENSES						
Personnel Services	76,408	67,624	43,789	59,552	192,597	183,926
Purchased Power	-	-	-	-	3,497,119	3,549,497
Operating Expenses	123,513	124,261	230,384	202,582	-	103
Office Expense	29,286	23,842	84,382	146,512	73,250	57,657
Repairs and Maintenance	140,769	137,751	320,787	325,697	225,827	250,874
Professional Services	4,800	3,200	3,600	3,200	8,300	6,400
Insurance	20,784	24,494	22,488	25,176	42,644	49,332
Depreciation	214,862	214,416	806,176	763,846	128,289	128,175
TOTAL OPERATING EXPENSES	610,422	595,588	1,511,606	1,526,565	4,168,026	4,225,964
OPERATING INCOME	270,186	275,827	(3,745)	(64,784)	1,314,469	1,259,319
NON-OPERATING REVENUES (EXPENSES)						
Income from Investments	19,718	12,937	16,357	12,765	17,865	12,784
Interest Expense	-	-	(96,810)	(100,979)	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	19,718	12,937	(80,453)	(88,214)	17,865	12,784
Income (Loss) Before Transfers	289,904	288,764	(84,198)	(152,998)	1,332,334	1,272,103
Interfund Transfers In	500	500	15,000	14,000	232,000	231,000
Interfund Transfers Out	(152,000)	(69,000)	(190,500)	(239,308)	(1,120,000)	(1,070,000)
CHANGE IN NET POSITION	138,404	220,264	(259,698)	(378,306)	444,334	433,103
NET POSITION - BEGINNING OF YEAR	6,855,831	6,635,567	6,107,991	6,486,297	5,129,814	4,696,711
NET POSITION - END OF YEAR	$ 6,994,235	$ 6,855,831	$ 5,848,293	$ 6,107,991	$ 5,574,148	$ 5,129,814