

EXHIBIT J1

CITY OF BEAVER FALLS

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

**CITY OF BEAVER FALLS**  
BEAVER COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS  
WITH REPORT OF  
CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**CITY OF BEAVER FALLS**

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**Members of Council  
City of Beaver Falls**

**Independent Auditor's Report**

**Report on Financial Statements**

I have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beaver Falls as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City'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**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 City'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 City's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

### ***Basis for Adverse Opinion on Governmental Activities***

As described in Note 1, the City of Beaver Falls prepares its statement of net position (Exhibit A) and statement of activities (Exhibit B) for governmental activities using the modified accrual basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Generally accepted accounting principles requires the preparation of these government-wide financial statements using the full accrual basis of accounting, including capitalizing and depreciating fixed assets and recognizing long-term debt obligations. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the governmental activities is not reasonably determinable.

### ***Adverse Opinion***

In my opinion, because of the significance of the matter described in the “Basis for Adverse Opinion on Governmental Activities” paragraph, the statement of net position (Exhibit A) and statement of activities (Exhibit B) referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of the City of Beaver Falls as of December 31, 2020, and the changes in financial position thereof for the year then ended.

### ***Unmodified Opinion***

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, each major fund and the aggregate remaining fund information of the City of Beaver Falls as of December 31, 2020, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Other Information***

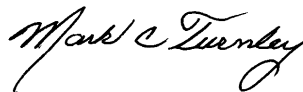
Management has omitted the Management’s Discussion and Analysis that accounting principles generally accepted in the United States requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the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

### ***Supplementary Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Beaver Falls’ basic financial statements. The supplementary information (Schedules 1-4) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

**Supplementary Information (Continued)**

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records use to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The 'memorandum only 2019' column on pages 34-41 for the year ended December 31, 2019 (Schedules 1-2) were audited by me, and I expressed an unmodified opinion on them in my report dated September 28, 2020, but I have not performed any auditing procedures since that date on these statements.



Mark C. Turnley, CPA

September 30, 2021  
New Brighton, Pennsylvania

**CITY OF BEAVER FALLS**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

**EXHIBIT A**

|                                           | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>        |
|-------------------------------------------|------------------------------------|-------------------------------------|---------------------|
| <b>ASSETS</b>                             |                                    |                                     |                     |
| <b>Current Assets:</b>                    |                                    |                                     |                     |
| Cash and Cash Equivalents                 | \$ 1,265,001                       | \$ 1,904,108                        | \$ 3,169,109        |
| Taxes Receivable (net)                    | 124,521                            | -                                   | 124,521             |
| Accounts Receivable - Sanitation/Sewage   | -                                  | 216,453                             | 216,453             |
| Due From Other Governments                | 136,048                            | -                                   | 136,048             |
| Other Receivables                         | 68,842                             | 89,309                              | 158,151             |
| Internal Balances                         | 65,891                             | (65,891)                            | -                   |
| Prepaid Expenses                          | 86,462                             | -                                   | 86,462              |
| <b>Total Current Assets</b>               | <b>\$ 1,746,765</b>                | <b>\$ 2,143,979</b>                 | <b>\$ 3,890,744</b> |
| <b>Noncurrent Assets:</b>                 |                                    |                                     |                     |
| Buildings and Improvements                | \$ -                               | \$ 10,010,405                       | \$ 10,010,405       |
| Office Equipment                          | -                                  | 90,240                              | 90,240              |
| Vehicles                                  | -                                  | 299,503                             | 299,503             |
| Machinery & Equipment                     | -                                  | 410,644                             | 410,644             |
| Infrastructure                            | -                                  | 2,487,544                           | 2,487,544           |
| Accumulated Depreciation                  | -                                  | (7,272,228)                         | (7,272,228)         |
| <b>Total Noncurrent Assets</b>            | <b>\$ -</b>                        | <b>\$ 6,026,108</b>                 | <b>\$ 6,026,108</b> |
| <b>TOTAL ASSETS</b>                       | <b>\$ 1,746,765</b>                | <b>\$ 8,170,087</b>                 | <b>\$ 9,916,852</b> |
| <b>LIABILITIES</b>                        |                                    |                                     |                     |
| <b>Current Liabilities:</b>               |                                    |                                     |                     |
| Accounts Payable                          | \$ 211,378                         | \$ 23,126                           | \$ 234,504          |
| Payroll Liabilities                       | 53,682                             | -                                   | 53,682              |
| Due to Other Governments                  | 42,512                             | -                                   | 42,512              |
| Customer Deposits                         | 98,867                             | -                                   | 98,867              |
| <b>Total Current Liabilities</b>          | <b>\$ 406,439</b>                  | <b>\$ 23,126</b>                    | <b>\$ 429,565</b>   |
| <b>TOTAL LIABILITIES</b>                  | <b>\$ 406,439</b>                  | <b>\$ 23,126</b>                    | <b>\$ 429,565</b>   |
| <b>NET POSITION</b>                       |                                    |                                     |                     |
| Net Investment in Capital Assets          | \$ -                               | \$ 6,026,108                        | \$ 6,026,108        |
| Restricted (Note 1)                       | 815,959                            | -                                   | 815,959             |
| Unrestricted                              | 524,367                            | 2,120,853                           | 2,645,220           |
| <b>TOTAL NET POSITION</b>                 | <b>\$ 1,340,326</b>                | <b>\$ 8,146,961</b>                 | <b>\$ 9,487,287</b> |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b>\$ 1,746,765</b>                | <b>\$ 8,170,087</b>                 | <b>\$ 9,916,852</b> |

**CITY OF BEAVER FALLS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

| Functions/Programs                                | Expenses             | Program Revenues        |                                          |                                        | Net (Expense) Revenue and<br>Changes in Net Position |                             | Total                 |
|---------------------------------------------------|----------------------|-------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------|-----------------------------|-----------------------|
|                                                   |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-Type<br>Activities |                       |
| <b>Governmental Activities:</b>                   |                      |                         |                                          |                                        |                                                      |                             |                       |
| Administration                                    | \$ 519,633           | \$ 103,171              | \$ 39,055                                | \$ -                                   | \$ (377,407)                                         |                             | \$ (377,407)          |
| Public Safety - Police                            | 1,695,888            | 325,743                 | 440,520                                  | -                                      | (929,625)                                            |                             | (929,625)             |
| Public Safety - Fire                              | 876,439              | 85,919                  | 142,991                                  | -                                      | (647,529)                                            |                             | (647,529)             |
| Public Safety - Code                              | 10,800               | 254,919                 | -                                        | -                                      | 244,119                                              |                             | 244,119               |
| Health and Welfare                                | 43,237               | -                       | -                                        | -                                      | (43,237)                                             |                             | (43,237)              |
| Rental Registration                               | 47,561               | -                       | -                                        | -                                      | (47,561)                                             |                             | (47,561)              |
| Public Works - Sanitation                         | 641,065              | 782,478                 | 1,346                                    | -                                      | 142,759                                              |                             | 142,759               |
| Public Works - Highways                           | 1,061,941            | 585,912                 | 358,082                                  | -                                      | (117,947)                                            |                             | (117,947)             |
| Public Works - Wastewater System                  | 427,450              | 827,144                 | -                                        | -                                      | 399,694                                              |                             | 399,694               |
| Culture and Recreation                            | 15,745               | -                       | -                                        | -                                      | (15,745)                                             |                             | (15,745)              |
| Debt Service and Refunds                          | 1,308,669            | 60,800                  | -                                        | -                                      | (1,247,869)                                          |                             | (1,247,869)           |
| Insurance                                         | 1,052,265            | -                       | -                                        | -                                      | (1,052,265)                                          |                             | (1,052,265)           |
| Miscellaneous Expenses                            | 1,811,318            | -                       | -                                        | -                                      | (1,811,318)                                          |                             | (1,811,318)           |
| <b>Total Governmental Activities</b>              | <b>\$ 9,512,011</b>  | <b>\$ 3,026,086</b>     | <b>\$ 981,994</b>                        | <b>\$ -</b>                            | <b>\$ (5,503,931)</b>                                |                             | <b>\$ (5,503,931)</b> |
| <b>Business-Type Activities:</b>                  |                      |                         |                                          |                                        |                                                      |                             |                       |
| Joint Sewer Users                                 | \$ 1,467,600         | \$ 1,521,310            | \$ -                                     | \$ -                                   |                                                      | \$ 53,710                   | \$ 53,710             |
| City Sewer Users                                  | 1,402,560            | 1,507,615               | -                                        | -                                      |                                                      | 105,055                     | 105,055               |
| <b>Total Business-Type Activities</b>             | <b>\$ 2,870,160</b>  | <b>\$ 3,028,925</b>     | <b>\$ -</b>                              | <b>\$ -</b>                            |                                                      | <b>\$ 158,765</b>           | <b>\$ 158,765</b>     |
| <b>Total Primary Government</b>                   | <b>\$ 12,382,171</b> | <b>\$ 6,055,011</b>     | <b>\$ 981,994</b>                        | <b>\$ -</b>                            | <b>\$ (5,503,931)</b>                                | <b>\$ 158,765</b>           | <b>\$ (5,345,166)</b> |
| <b>General Revenues:</b>                          |                      |                         |                                          |                                        |                                                      |                             |                       |
| Taxes:                                            |                      |                         |                                          |                                        |                                                      |                             |                       |
| Property Taxes, Levied for General Purposes       |                      |                         |                                          |                                        | \$ 1,932,544                                         | \$ -                        | \$ 1,932,544          |
| Act 511 Taxes                                     |                      |                         |                                          |                                        | 1,073,167                                            | -                           | 1,073,167             |
| Earned Income Tax Levied for Pension Obligations  |                      |                         |                                          |                                        | 954,041                                              | -                           | 954,041               |
| PURTA/Beverage Licenses/Payments in Lieu of Taxes |                      |                         |                                          |                                        | 38,985                                               | -                           | 38,985                |
| Cable Franchise Fees                              |                      |                         |                                          |                                        | 120,384                                              | -                           | 120,384               |
| Investment Earnings                               |                      |                         |                                          |                                        | 13,479                                               | 9,510                       | 22,989                |
| Miscellaneous                                     |                      |                         |                                          |                                        | 162,829                                              | -                           | 162,829               |
| Proceeds from Loan                                |                      |                         |                                          |                                        | 600,000                                              | -                           | 600,000               |
| <b>Total General Revenues</b>                     |                      |                         |                                          |                                        | <b>\$ 4,895,429</b>                                  | <b>\$ 9,510</b>             | <b>\$ 4,904,939</b>   |
| <b>Change in Net Position</b>                     |                      |                         |                                          |                                        | <b>\$ (608,502)</b>                                  | <b>\$ 168,275</b>           | <b>\$ (440,227)</b>   |
| Net Position — January 1, 2020                    |                      |                         |                                          |                                        | 1,948,828                                            | 7,978,686                   | 9,927,514             |
| <b>Net Position — December 31, 2020</b>           |                      |                         |                                          |                                        | <b>\$ 1,340,326</b>                                  | <b>\$ 8,146,961</b>         | <b>\$ 9,487,287</b>   |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2020**

**EXHIBIT C**

|                                            | <b>GENERAL<br/>FUND</b> | <b>CAPITAL<br/>PROJECTS<br/>FUND</b> | <b>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> |
|--------------------------------------------|-------------------------|--------------------------------------|---------------------------------------------|-----------------------------------------|
| <b>ASSETS:</b>                             |                         |                                      |                                             |                                         |
| Cash and Cash Equivalents                  | \$ 554,009              | \$ 601,950                           | \$ 109,042                                  | \$ 1,265,001                            |
| Taxes Receivable, net                      | 124,521                 | -                                    | -                                           | 124,521                                 |
| Due From Other Funds                       | 68,825                  | -                                    | -                                           | 68,825                                  |
| Due From Other Governments                 | 136,048                 | -                                    | -                                           | 136,048                                 |
| Other Receivables                          | 68,842                  | -                                    | -                                           | 68,842                                  |
| Prepaid Expenses                           | 85,930                  | 532                                  | -                                           | 86,462                                  |
| <b>TOTAL ASSETS</b>                        | <b>\$ 1,038,175</b>     | <b>\$ 602,482</b>                    | <b>\$ 109,042</b>                           | <b>\$ 1,749,699</b>                     |
| <br><b>LIABILITIES AND FUND BALANCES</b>   |                         |                                      |                                             |                                         |
| <b>LIABILITIES:</b>                        |                         |                                      |                                             |                                         |
| Accounts Payable                           | \$ 191,865              | \$ 19,513                            | \$ -                                        | \$ 211,378                              |
| Payroll Liabilities                        | 53,682                  | -                                    | -                                           | 53,682                                  |
| Due to Other Funds                         | 2,934                   | -                                    | -                                           | 2,934                                   |
| Due to Other Governments                   | 42,512                  | -                                    | -                                           | 42,512                                  |
| Customer Deposits                          | 98,867                  | -                                    | -                                           | 98,867                                  |
| <b>TOTAL LIABILITIES</b>                   | <b>\$ 389,860</b>       | <b>\$ 19,513</b>                     | <b>\$ -</b>                                 | <b>\$ 409,373</b>                       |
| <br><b>FUND BALANCES:</b>                  |                         |                                      |                                             |                                         |
| Non-spendable (Note 1)                     | \$ 85,930               | \$ 532                               | \$ -                                        | \$ 86,462                               |
| Restricted (Note 1)                        | 124,480                 | 582,437                              | 109,042                                     | 815,959                                 |
| Unassigned                                 | 437,905                 | -                                    | -                                           | 437,905                                 |
| <b>TOTAL FUND BALANCES</b>                 | <b>\$ 648,315</b>       | <b>\$ 582,969</b>                    | <b>\$ 109,042</b>                           | <b>\$ 1,340,326</b>                     |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 1,038,175</b>     | <b>\$ 602,482</b>                    | <b>\$ 109,042</b>                           | <b>\$ 1,749,699</b>                     |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                                              | <b>GENERAL FUND</b> | <b>CAPITAL<br/>PROJECTS<br/>FUND</b> | <b>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> |
|--------------------------------------------------------------|---------------------|--------------------------------------|---------------------------------------------|-----------------------------------------|
| <b><u>REVENUES</u></b>                                       |                     |                                      |                                             |                                         |
| Taxes                                                        | \$ 3,959,753        | \$ -                                 | \$ -                                        | \$ 3,959,753                            |
| Licenses and Permits                                         | 386,703             | -                                    | -                                           | 386,703                                 |
| Fines and Forfeitures                                        | 125,388             | -                                    | 7,102                                       | 132,490                                 |
| Interest and Rents                                           | 35,380              | 2,606                                | 153                                         | 38,139                                  |
| Intergovernmental                                            | 800,382             | -                                    | 269,381                                     | 1,069,763                               |
| Charges for Services                                         | 2,517,647           | -                                    | -                                           | 2,517,647                               |
| Miscellaneous                                                | 192,934             | -                                    | 2,677                                       | 195,611                                 |
| <b>Total Revenue</b>                                         | <b>\$ 8,018,187</b> | <b>\$ 2,606</b>                      | <b>\$ 279,313</b>                           | <b>\$ 8,300,106</b>                     |
| <b><u>EXPENDITURES</u></b>                                   |                     |                                      |                                             |                                         |
| General Government                                           | \$ 474,997          | \$ 44,589                            | \$ 47                                       | \$ 519,633                              |
| Public Safety                                                | 2,493,228           | 82,210                               | 7,689                                       | 2,583,127                               |
| Health and Human Services                                    | 43,237              | -                                    | -                                           | 43,237                                  |
| Rental Registration                                          | 47,561              | -                                    | -                                           | 47,561                                  |
| Public Works                                                 | 2,129,872           | 584                                  | -                                           | 2,130,456                               |
| Culture and Recreation                                       | 12,595              | 3,150                                | -                                           | 15,745                                  |
| Debt Service                                                 | 699,253             | 1,500                                | 607,916                                     | 1,308,669                               |
| Insurance                                                    | 1,052,265           | -                                    | -                                           | 1,052,265                               |
| Miscellaneous Expenses (Pension/Employer Taxes)              | 1,808,320           | -                                    | -                                           | 1,808,320                               |
| <b>Total Expenditures</b>                                    | <b>\$ 8,761,328</b> | <b>\$ 132,033</b>                    | <b>\$ 615,652</b>                           | <b>\$ 9,509,013</b>                     |
| <b>Excess ( Deficiency) of Revenue<br/>over Expenditures</b> | <b>\$ (743,141)</b> | <b>\$ (129,427)</b>                  | <b>\$ (336,339)</b>                         | <b>\$ (1,208,907)</b>                   |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>                 |                     |                                      |                                             |                                         |
| Refund of Prior Year Expenses                                | \$ 3,403            | \$ -                                 | \$ -                                        | \$ 3,403                                |
| Refund of Prior Year Revenues                                | (2,998)             | -                                    | -                                           | (2,998)                                 |
| Proceeds - Tax Anticipation Loan                             | 600,000             | -                                    | -                                           | 600,000                                 |
| Operating Transfers In                                       | 320,239             | -                                    | 607,560                                     | 927,799                                 |
| Operating Transfers Out                                      | (607,560)           | (85,846)                             | (234,393)                                   | (927,799)                               |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>\$ 313,084</b>   | <b>\$ (85,846)</b>                   | <b>\$ 373,167</b>                           | <b>\$ 600,405</b>                       |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>\$ (430,057)</b> | <b>\$ (215,273)</b>                  | <b>\$ 36,828</b>                            | <b>\$ (608,502)</b>                     |
| FUND BALANCE - JANUARY 1, 2020                               | 1,078,372           | 798,242                              | 72,214                                      | 1,948,828                               |
| <b>FUND BALANCE - DECEMBER 31, 2020</b>                      | <b>\$ 648,315</b>   | <b>\$ 582,969</b>                    | <b>\$ 109,042</b>                           | <b>\$ 1,340,326</b>                     |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                                               | Budgeted Amounts    |                     | Actual<br>(Budgetary Basis) | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------------------|---------------------|---------------------|-----------------------------|---------------------------------------------------------|
|                                                               | Original            | Final               |                             |                                                         |
| <b>REVENUES</b>                                               |                     |                     |                             |                                                         |
| Taxes                                                         | \$ 4,097,350        | \$ 4,097,350        | \$ 3,959,753                | \$ (137,597)                                            |
| Licenses and Permits                                          | 337,460             | 337,460             | 386,703                     | 49,243                                                  |
| Fines and Forfeitures                                         | 98,010              | 98,010              | 125,388                     | 27,378                                                  |
| Interest and Rents                                            | 33,660              | 33,660              | 35,380                      | 1,720                                                   |
| Intergovernmental                                             | 487,154             | 487,154             | 800,382                     | 313,228                                                 |
| Charges for Services                                          | 2,630,603           | 2,630,603           | 2,517,647                   | (112,956)                                               |
| Miscellaneous                                                 | 175,100             | 175,100             | 192,934                     | 17,834                                                  |
| <b>Total Revenues</b>                                         | <b>\$ 7,859,337</b> | <b>\$ 7,859,337</b> | <b>\$ 8,018,187</b>         | <b>\$ 158,850</b>                                       |
| <b>EXPENDITURES</b>                                           |                     |                     |                             |                                                         |
| Legislative                                                   | \$ 18,700           | \$ 18,700           | \$ 18,734                   | \$ (34)                                                 |
| Executive                                                     | 217,517             | 217,517             | 273,725                     | (56,208)                                                |
| Financial Administration                                      | 50,913              | 50,913              | 76,426                      | (25,513)                                                |
| Tax Collection                                                | 68,311              | 68,311              | 34,578                      | 33,733                                                  |
| Legal                                                         | 32,500              | 32,500              | 31,239                      | 1,261                                                   |
| Data Processing                                               | 15,000              | 15,000              | 15,194                      | (194)                                                   |
| Municipal Building                                            | 30,000              | 30,000              | 25,101                      | 4,899                                                   |
| Public Safety - Police                                        | 1,606,186           | 1,606,186           | 1,633,425                   | (27,239)                                                |
| Public Safety - Fire                                          | 774,970             | 774,970             | 859,803                     | (84,833)                                                |
| Emergency Management                                          | 1,000               | 1,000               | -                           | 1,000                                                   |
| Health and Human Services                                     | 66,007              | 66,007              | 43,237                      | 22,770                                                  |
| Rental Registration                                           | 59,232              | 59,232              | 47,561                      | 11,671                                                  |
| Public Works - Sanitation                                     | 684,500             | 684,500             | 641,065                     | 43,435                                                  |
| Public Works - Highways                                       | 1,023,391           | 1,023,391           | 1,061,357                   | (37,966)                                                |
| Public Works - Wastewater System                              | 422,643             | 422,643             | 427,450                     | (4,807)                                                 |
| Culture and Recreation                                        | 13,700              | 13,700              | 12,595                      | 1,105                                                   |
| Debt Service                                                  | 697,150             | 697,150             | 699,253                     | (2,103)                                                 |
| Insurance                                                     | 1,045,156           | 1,045,156           | 1,052,265                   | (7,109)                                                 |
| Miscellaneous Expenses (Pension/Employer Taxes)               | 1,351,392           | 1,351,392           | 1,808,320                   | (456,928)                                               |
| <b>Total Expenditures</b>                                     | <b>\$ 8,178,268</b> | <b>\$ 8,178,268</b> | <b>\$ 8,761,328</b>         | <b>\$ (583,060)</b>                                     |
| <b>Excess ( Deficiency) of Revenues<br/>over Expenditures</b> | <b>\$ (318,931)</b> | <b>\$ (318,931)</b> | <b>\$ (743,141)</b>         | <b>\$ (424,210)</b>                                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                     |                     |                             |                                                         |
| Refund of Prior Year Expenses                                 | \$ 2,618            | \$ 2,618            | \$ 3,403                    | \$ 785                                                  |
| Refund of Prior Year Revenues                                 | -                   | -                   | (2,998)                     | (2,998)                                                 |
| Proceeds - Tax Anticipation Loan                              | 600,000             | 600,000             | 600,000                     | -                                                       |
| Operating Transfers In                                        | 340,410             | 340,410             | 320,239                     | (20,171)                                                |
| Operating Transfers Out                                       | (597,917)           | (597,917)           | (607,560)                   | (9,643)                                                 |
| <b>Total Other Financing Sources (Uses)</b>                   | <b>\$ 345,111</b>   | <b>\$ 345,111</b>   | <b>\$ 313,084</b>           | <b>\$ (32,027)</b>                                      |
| <b>NET CHANGE IN FUND BALANCES</b>                            | <b>\$ 26,180</b>    | <b>\$ 26,180</b>    | <b>\$ (430,057)</b>         | <b>\$ (456,237)</b>                                     |
| FUND BALANCE - JANUARY 1, 2020                                | -                   | -                   | 1,078,372                   | 1,078,372                                               |
| <b>FUND BALANCE - DECEMBER 31, 2020</b>                       | <b>\$ 26,180</b>    | <b>\$ 26,180</b>    | <b>\$ 648,315</b>           | <b>\$ 622,135</b>                                       |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2020**

| <b>ASSETS</b>                             | <b>JOINT<br/>SEWER<br/>USERS FUND</b> | <b>CITY SEWER<br/>USERS FUND</b> | <b>TOTAL</b>        |
|-------------------------------------------|---------------------------------------|----------------------------------|---------------------|
| <b>Current Assets:</b>                    |                                       |                                  |                     |
| Cash and cash equivalents                 | \$ 1,725,909                          | \$ 178,199                       | \$ 1,904,108        |
| Due from Other Fund                       | -                                     | 2,934                            | 2,934               |
| Accounts receivable:                      |                                       |                                  |                     |
| Sanitation/Sewage (Net)                   | -                                     | 216,453                          | 216,453             |
| Other                                     | 89,309                                | -                                | 89,309              |
| <b>Total Current Assets</b>               | <b>\$ 1,815,218</b>                   | <b>\$ 397,586</b>                | <b>\$ 2,212,804</b> |
| <b>Noncurrent Assets:</b>                 |                                       |                                  |                     |
| Buildings and improvements                | \$ 10,010,405                         | \$ -                             | \$ 10,010,405       |
| Office Equipment                          | 78,355                                | 11,885                           | 90,240              |
| Vehicles                                  | 150,933                               | 148,570                          | 299,503             |
| Machinery & Equipment                     | -                                     | 410,644                          | 410,644             |
| Infrastructure                            | 1,700,472                             | 787,072                          | 2,487,544           |
| Accumulated depreciation                  | (6,540,156)                           | (732,072)                        | (7,272,228)         |
| <b>Total Noncurrent Assets</b>            | <b>\$ 5,400,009</b>                   | <b>\$ 626,099</b>                | <b>\$ 6,026,108</b> |
| <b>TOTAL ASSETS</b>                       | <b>\$ 7,215,227</b>                   | <b>\$ 1,023,685</b>              | <b>\$ 8,238,912</b> |
| <br><b>LIABILITIES AND NET POSITION</b>   |                                       |                                  |                     |
| <b>LIABILITIES</b>                        |                                       |                                  |                     |
| <b>Current Liabilities:</b>               |                                       |                                  |                     |
| Accounts payable                          | \$ 22,752                             | \$ 374                           | \$ 23,126           |
| Due to other funds                        | 68,825                                | -                                | 68,825              |
| <b>Total Current Liabilities</b>          | <b>\$ 91,577</b>                      | <b>\$ 374</b>                    | <b>\$ 91,951</b>    |
| <b>TOTAL LIABILITIES</b>                  | <b>\$ 91,577</b>                      | <b>\$ 374</b>                    | <b>\$ 91,951</b>    |
| <br><b>NET POSITION</b>                   |                                       |                                  |                     |
| Net Investment in Capital Assets          | \$ 5,400,009                          | \$ 626,099                       | \$ 6,026,108        |
| Unrestricted                              | 1,723,641                             | 397,212                          | 2,120,853           |
| <b>TOTAL NET POSITION</b>                 | <b>\$ 7,123,650</b>                   | <b>\$ 1,023,311</b>              | <b>\$ 8,146,961</b> |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b>\$ 7,215,227</b>                   | <b>\$ 1,023,685</b>              | <b>\$ 8,238,912</b> |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                                                             | <b>JOINT SEWER<br/>USERS FUND</b> | <b>CITY SEWER<br/>USERS FUND</b> | <b>TOTAL</b>        |
|-----------------------------------------------------------------------------|-----------------------------------|----------------------------------|---------------------|
| <b>OPERATING REVENUES:</b>                                                  |                                   |                                  |                     |
| Sewage charges                                                              | \$ 1,516,345                      | \$ 1,506,821                     | \$ 3,023,166        |
| Tap-In Fees                                                                 | 3,510                             | -                                | 3,510               |
| Miscellaneous                                                               | 1,455                             | 794                              | 2,249               |
| <b>TOTAL OPERATING REVENUES</b>                                             | <b>\$ 1,521,310</b>               | <b>\$ 1,507,615</b>              | <b>\$ 3,028,925</b> |
| <b>OPERATING EXPENSES:</b>                                                  |                                   |                                  |                     |
| Contractual services                                                        | \$ -                              | \$ 676,100                       | \$ 676,100          |
| Wages and Benefits                                                          | 726,870                           | 200,000                          | 926,870             |
| Administrative                                                              | 30,210                            | 240,000                          | 270,210             |
| Office                                                                      | 5,315                             | -                                | 5,315               |
| Repair and maintenance                                                      | 171,933                           | 21,734                           | 193,667             |
| Billing expense                                                             | -                                 | 20,015                           | 20,015              |
| Depreciation                                                                | 203,920                           | 35,546                           | 239,466             |
| Engineering                                                                 | 4,005                             | 3,569                            | 7,574               |
| Utilities                                                                   | 137,700                           | -                                | 137,700             |
| Chemicals/Chlorine                                                          | 24,286                            | -                                | 24,286              |
| Sludge/grit removal                                                         | 61,270                            | -                                | 61,270              |
| Janitorial Supplies                                                         | 2,995                             | -                                | 2,995               |
| Gas and Oil                                                                 | 1,721                             | -                                | 1,721               |
| Equipment                                                                   | 8,195                             | -                                | 8,195               |
| Small Tools                                                                 | -                                 | 4,745                            | 4,745               |
| Uniforms                                                                    | 2,317                             | -                                | 2,317               |
| Permits and testing                                                         | 16,150                            | 500                              | 16,650              |
| Certification & Training                                                    | 440                               | -                                | 440                 |
| Insurance                                                                   | 30,273                            | -                                | 30,273              |
| Miscellaneous                                                               | -                                 | 351                              | 351                 |
| Line Rental Expense                                                         | 40,000                            | -                                | 40,000              |
| Sewer-Line Reimbursement                                                    | -                                 | 200,000                          | 200,000             |
| <b>TOTAL OPERATING EXPENSES</b>                                             | <b>\$ 1,467,600</b>               | <b>\$ 1,402,560</b>              | <b>\$ 2,870,160</b> |
| <b>OPERATING INCOME (LOSS) BEFORE NON<br/>OPERATING REVENUES (EXPENSES)</b> | <b>\$ 53,710</b>                  | <b>\$ 105,055</b>                | <b>\$ 158,765</b>   |
| <b>NONOPERATING REVENUES (EXPENSES):</b>                                    |                                   |                                  |                     |
| Interest income                                                             | \$ 7,431                          | \$ 2,079                         | \$ 9,510            |
| <b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>                               | <b>\$ 7,431</b>                   | <b>\$ 2,079</b>                  | <b>\$ 9,510</b>     |
| <b>CHANGE IN NET POSITION</b>                                               | <b>\$ 61,141</b>                  | <b>\$ 107,134</b>                | <b>\$ 168,275</b>   |
| NET POSITION - January 1, 2020                                              | 7,062,509                         | 916,177                          | 7,978,686           |
| <b>NET POSITION - December 31, 2020</b>                                     | <b>\$ 7,123,650</b>               | <b>\$ 1,023,311</b>              | <b>\$ 8,146,961</b> |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                                                                                                  | <b>JOINT SEWER<br/>USERS FUND</b> | <b>CITY SEWER<br/>USERS FUND</b> | <b>TOTAL</b>        |
|------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|---------------------|
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>                                                              |                                   |                                  |                     |
| Cash Received from User Charges                                                                                  | \$ 1,541,705                      | \$ 1,506,900                     | \$ 3,048,605        |
| Miscellaneous Revenue                                                                                            | 1,455                             | 794                              | 2,249               |
| Cash Paid to Vendors for Goods and Services                                                                      | (1,008,059)                       | (1,545,637)                      | (2,553,696)         |
| <b>Net cash provided (used) by operating activities</b>                                                          | <b>\$ 535,101</b>                 | <b>\$ (37,943)</b>               | <b>\$ 497,158</b>   |
| <b><u>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES:</u></b>                                      |                                   |                                  |                     |
| Fixed asset purchases & additions                                                                                | \$ (87,357)                       | \$ -                             | \$ (87,357)         |
| <b>Net cash provided (used) by capital and related financing activities</b>                                      | <b>\$ (87,357)</b>                | <b>\$ -</b>                      | <b>\$ (87,357)</b>  |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>                                                              |                                   |                                  |                     |
| Interest income                                                                                                  | \$ 7,431                          | \$ 2,079                         | \$ 9,510            |
| <b>Net cash provided by investing activities</b>                                                                 | <b>\$ 7,431</b>                   | <b>\$ 2,079</b>                  | <b>\$ 9,510</b>     |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                                      | <b>\$ 455,175</b>                 | <b>\$ (35,864)</b>               | <b>\$ 419,311</b>   |
| <b>CASH AND CASH EQUIVALENTS - January 1, 2020</b>                                                               | <b>1,270,734</b>                  | <b>214,063</b>                   | <b>1,484,797</b>    |
| <b>CASH AND CASH EQUIVALENTS - December 31, 2020</b>                                                             | <b>\$ 1,725,909</b>               | <b>\$ 178,199</b>                | <b>\$ 1,904,108</b> |
| <b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br/>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b> |                                   |                                  |                     |
| Operating Income (Loss)                                                                                          | \$ 53,710                         | \$ 105,055                       | \$ 158,765          |
| <b>Adjustments to reconcile excess revenues over expenditures<br/>provided (used) by operating activities:</b>   |                                   |                                  |                     |
| Depreciation                                                                                                     | 203,920                           | 35,546                           | 239,466             |
| <b>Changes in assets and liabilities:</b>                                                                        |                                   |                                  |                     |
| (Increase) decrease in sewer/refuse receivables                                                                  | -                                 | 79                               | 79                  |
| (Increase) decrease in other accounts receivable                                                                 | 21,850                            | -                                | 21,850              |
| (Increase) decrease in due from other funds                                                                      | 176,039                           | (2,934)                          | 173,105             |
| Increase (decrease) in accounts payable                                                                          | 10,874                            | 350                              | 11,224              |
| Increase (decrease) in due to other funds                                                                        | 68,708                            | (176,039)                        | (107,331)           |
| <b>Net cash provided (used) by operating activities</b>                                                          | <b>\$ 535,101</b>                 | <b>\$ (37,943)</b>               | <b>\$ 497,158</b>   |

**CITY OF BEAVER FALLS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2020**

|                                    | <b>POLICE<br/>PENSION<br/>FUND</b> | <b>FIREFIGHTERS<br/>PENSION<br/>FUND</b> | <b>CITY<br/>EMPLOYEES<br/>PENSION<br/>FUND</b> | <b>TOTAL</b>         |
|------------------------------------|------------------------------------|------------------------------------------|------------------------------------------------|----------------------|
| <b>ASSETS</b>                      |                                    |                                          |                                                |                      |
| Cash and Cash Equivalents          | \$ 214,171                         | \$ 480,310                               | \$ 225,091                                     | \$ 919,572           |
| Investments, at Fair Value:        |                                    |                                          |                                                |                      |
| U.S. Treasury Securities           | 272,808                            | 94,462                                   | -                                              | 367,270              |
| U.S. Agency Securities             | 67,340                             | -                                        | -                                              | 67,340               |
| Municipal Bonds                    | 432,310                            | 117,347                                  | -                                              | 549,657              |
| Corporate Bonds                    | 364,528                            | 76,278                                   | -                                              | 440,806              |
| Money Market Funds                 | 821,279                            | 128,404                                  | 94,367                                         | 1,044,050            |
| Mutual Funds                       | 9,027,047                          | 4,036,421                                | 7,802,293                                      | 20,865,761           |
| Exchange Traded Products           | 909,714                            | 412,870                                  | 662,565                                        | 1,985,149            |
| Accrued Interest                   | 8,596                              | 2,118                                    | -                                              | 10,714               |
| Other Accounts Receivable          | 400                                | -                                        | -                                              | 400                  |
| <b>TOTAL ASSETS</b>                | <b>\$ 12,118,193</b>               | <b>\$ 5,348,210</b>                      | <b>\$ 8,784,316</b>                            | <b>\$ 26,250,719</b> |
| <b>LIABILITIES</b>                 |                                    |                                          |                                                |                      |
| Accounts Payable                   | \$ 823                             | \$ 1,200                                 | \$ 1,200                                       | \$ 3,223             |
| <b>TOTAL LIABILITIES</b>           | <b>\$ 823</b>                      | <b>\$ 1,200</b>                          | <b>\$ 1,200</b>                                | <b>\$ 3,223</b>      |
| <b>NET POSITION</b>                |                                    |                                          |                                                |                      |
| Held in Trust for Pension Benefits | \$ 12,117,370                      | \$ 5,347,010                             | \$ 8,783,116                                   | \$ 26,247,496        |
| <b>TOTAL NET POSITION</b>          | <b>\$ 12,117,370</b>               | <b>\$ 5,347,010</b>                      | <b>\$ 8,783,116</b>                            | <b>\$ 26,247,496</b> |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                                         | POLICE<br>PENSION<br>FUND | FIREFIGHTERS<br>PENSION FUND | CITY<br>EMPLOYEES<br>PENSION<br>FUND | TOTAL                |
|---------------------------------------------------------|---------------------------|------------------------------|--------------------------------------|----------------------|
| <b>ADDITIONS</b>                                        |                           |                              |                                      |                      |
| Contributions                                           |                           |                              |                                      |                      |
| Employer                                                | \$ 951,284                | \$ 470,793                   | \$ 243,388                           | \$ 1,665,465         |
| Plan Members                                            | 77,975                    | 27,035                       | 63,374                               | 168,384              |
| <b>Total Contributions</b>                              | <b>\$ 1,029,259</b>       | <b>\$ 497,828</b>            | <b>\$ 306,762</b>                    | <b>\$ 1,833,849</b>  |
| Investment Earnings                                     |                           |                              |                                      |                      |
| Net Increase <Decrease> in Fair Value<br>of Investments | \$ 822,579                | \$ 359,487                   | \$ 650,717                           | \$ 1,832,783         |
| Interest and Dividends                                  | 331,646                   | 146,093                      | 264,764                              | 742,503              |
| Total Investment Earnings                               | \$ 1,154,225              | \$ 505,580                   | \$ 915,481                           | \$ 2,575,286         |
| Less Investment Expense                                 | -                         | -                            | -                                    | -                    |
| <b>Net Investment Earnings</b>                          | <b>\$ 1,154,225</b>       | <b>\$ 505,580</b>            | <b>\$ 915,481</b>                    | <b>\$ 2,575,286</b>  |
| <b>Total Additions</b>                                  | <b>\$ 2,183,484</b>       | <b>\$ 1,003,408</b>          | <b>\$ 1,222,243</b>                  | <b>\$ 4,409,135</b>  |
| <b>DEDUCTIONS</b>                                       |                           |                              |                                      |                      |
| Benefits                                                | \$ 653,124                | \$ 322,008                   | \$ 317,327                           | \$ 1,292,459         |
| Member Refunds (Lump Sum)                               | 159                       | -                            | 29,920                               | 30,079               |
| Administrative Expenses                                 | 49,797                    | 29,070                       | 43,463                               | 122,330              |
| Miscellaneous                                           | -                         | -                            | 3,395                                | 3,395                |
| <b>Total Deductions</b>                                 | <b>\$ 703,080</b>         | <b>\$ 351,078</b>            | <b>\$ 394,105</b>                    | <b>\$ 1,448,263</b>  |
| <b>CHANGE IN NET POSITION</b>                           | <b>\$ 1,480,404</b>       | <b>\$ 652,330</b>            | <b>\$ 828,138</b>                    | <b>\$ 2,960,872</b>  |
| NET POSITION - JANUARY 1, 2020                          | 10,636,966                | 4,694,680                    | 7,954,978                            | 23,286,624           |
| <b>NET POSITION - DECEMBER 31, 2020</b>                 | <b>\$ 12,117,370</b>      | <b>\$ 5,347,010</b>          | <b>\$ 8,783,116</b>                  | <b>\$ 26,247,496</b> |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

The City of Beaver Falls was incorporated on December 3, 1928, under the provisions governing the creation of municipal corporations in the Commonwealth of Pennsylvania. The administration of the City consists of four (4) Councilmen and a City Mayor. Members of City Council are elected by the voting public. City Council appoints a City Manager to administer the day-to-day operations of the City. The major functions of the City include public safety, maintenance of City infrastructure (roads), sanitation and sewage control, maintenance of parks and other recreational facilities for use by City residents and general administrative functions necessary to facilitate City resident needs and responsibilities.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City of Beaver Falls consists of all funds, departments, boards, and agencies that are not legally separate from the City. Generally accepted accounting standards defines component units are legally separate entities that are included in the City's reporting entity because of the significance of their operating or financial relationships with the City. The City of Beaver Falls has no component units.

**FINANCIAL STATEMENT PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** – The statement of net position (Exhibit A) and the statement of activities (Exhibit B) report information about the City as a whole. These financial statements combine all of the financial activity of the primary government excluding fiduciary funds. As a general rule, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are recorded separately from business-type activities, which rely to a significant extent on fees and charges for services.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies, and contributions that are restricted to meeting the operational or capital requirements of a particular program.

**FUND FINANCIAL STATEMENTS** – Fund financial statements report detailed information about the City. Under generally accepted accounting standards, the focus of governmental fund financial statements is on major funds rather than reporting funds by type. Major funds represent the City's most important funds and are determined based on a percentage of assets, liabilities, revenues, and expenditures/expenses. For the City of Beaver Falls the General Fund always considered a major fund. Each major governmental fund is presented in a separate column. Non-major governmental funds, if any, are segregated and combined in a single column. Fiduciary funds are reported separately.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. The governmental activities on the government-wide financial statements are presented in conformity with the modified accrual basis of accounting, which is a basis of accounting other than generally accepted accounting standards. The governmental fund financial statements of the City of Beaver Falls are presented on the modified accrual basis of accounting, in accordance with accounting standards generally accepted in the United States of America (GAAP) established by the Government Accounting Standards Board (GASB). Business-type activities on the government-wide financial statements, the proprietary fund financial statements, and the Fiduciary Fund financial statements use the accrual basis of accounting in conformity with GAAP.

Revenue resulting from exchange transactions, in which the City receives value without directly giving equal values in return, includes property taxes, grants and contributions. On the modified accrual basis, revenue from current year property taxes is recognized when received, and within sixty days subsequent to year-end if they are both measurable and available to fund current year general operations. Revenues from grants and contributions are recognized in the calendar year in which all eligibility requirements have been satisfied. On the modified accrual basis, revenue from non-exchange transactions must also be 'available' before it can be recognized.

The management of the City of Beaver Falls has determined that the revenues most susceptible to accrual at December 31, 2020 are **1)** current real estate taxes estimated to be collected within 60 days, **2)** delinquent real estate taxes earned by the City in December of 2020, **3)** deed transfer taxes and vehicle violations earned by the City in December of 2020, **4)** certain taxpayer assessed Act 511 taxes, **5)** solid waste and sewage fees billed to City residents, **6)** cable franchise fees earned during the year, and **7)** other miscellaneous revenues estimable and available to the City for 2020 but not as yet collected at December 31, 2020. On the governmental fund financial statements, receivables that will not be collected within the 'available' period have been reported as 'deferred inflows of resources'.

On the modified accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures, with certain exceptions, are recognized in the accounting period in which the related fund liability is incurred, if measurable. The primary expenditures deemed susceptible to accrual at December 31, 2020, are those for which the City's intention was to expense these items as budgeted for in the 2020 official budget, and for which the City has incurred an obligation during 2020 but has not paid as of December 31, 2020.

**FUND ACCOUNTING**

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities. 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. Fund categories are defined as follows:

**Governmental Funds** – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major and non-major governmental funds:

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**MAJOR GOVERNMENTAL FUNDS:**

**GENERAL FUND** - Established under 'The Third-Class City Code' of the Commonwealth of Pennsylvania and is used for the general operations of the City. Income in this fund is derived mainly from assessed revenues such as real estate taxes, local taxes established under Act 511, charges for sanitation service and other miscellaneous revenues not designated for other restricted fund purposes. These revenues are used for general ongoing government services such as public safety, public works, general administration of the City and other miscellaneous operating expenses.

**CAPITAL PROJECTS FUND** - Established from the proceeds of a portion of the City's General Obligation Bonds – Series of 2017 to fund capital projects of the City.

**NON-MAJOR GOVERNMENTAL FUNDS:**

**HIGHWAY AID FUND** - Established and restricted under Act 655 of the Commonwealth of Pennsylvania. Funding is received from the Commonwealth and is restricted in use for the maintenance, repair and construction of roads, streets, and bridges for which the City is responsible.

**LOCAL DRUG INVESTIGATIVE FUND** - Established to account for monies received primarily from the Local Drug Enforcement Agency for forfeited drug funds to be used for training and other allowable expenses.

**K-9 FUND** - Established to account for monies received through donations to be used for K-9 expenses.

**CRIMEWATCH FUND** - Established to account for monies received through donations to be used for Crimewatch expenses.

**DEBT SERVICE FUND** - Established from the proceeds of the City's General Obligation Bonds – Series of 2017. The main purpose of the fund is to pay the principal and interest due on the City's general obligation bonds and notes. Funding is received through transfers from the General Fund.

**Proprietary Funds** - used to account for activities similar to those found in the private sector, where the determination of net income is necessary and useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies within the City (internal service funds). The City maintains two (2) proprietary funds: **1)** City Sewer Users Fund and **2)** Joint Sewer Users Fund. Based on the criteria for determining major funds as set forth in GASB Statement No. 34, each of the City's proprietary funds are considered major funds.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**Fiduciary Funds** – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Custodial funds report fiduciary activities that are not held in a Trust or equivalent arrangement that meets specific criteria. The City has three pension trust funds (police pension, firefighter's pension, and non-uniform service employee's pension). The City does not maintain any other type of fiduciary fund.

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the City's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**BUDGETS**

In December of 2019, the City of Beaver Falls adopted its 2020 annual budget for its General Fund totaling \$8,776,185 in accordance with the provisions of the Third-Class City Code. The budget is prepared utilizing the modified accrual method of accounting in accordance with generally accepted accounting principles. Budgetary transfers among various expenditure line items are performed as approved by the City Council. The original and adjusted budgetary amounts are reflected in these financial statements (Exhibit E). Actual expenditures of the General Fund exceeded budgeted expenditures for 2020. All annual appropriations of the general fund lapse at year-end.

The City uses the following procedures in establishing this budgetary data:

- a. In accordance with the Third-Class City Code, each year at the last stated meeting in November, the chief fiscal officer shall, on behalf of Council, present to Council for introduction a proposed budget ordinance. The proposed budget ordinance shall show the estimated receipts, expenditures, and liabilities for the ensuing year, with the balance of unexpended appropriations and all other information of value as a basis for fixing the levy and tax rate for the next calendar year. Council shall upon introducing the proposed budget ordinance, fix a date of adoption, which shall be not later than December 31 of that year.
- b. When the proposed budget ordinance is submitted to Council and has been introduced, the City Clerk shall immediately make the proposed budget ordinance available for public inspection at the City Clerk's office and shall publish a notice to that effect once in a newspaper of general circulation that states the date fixed by Council for enactment of the proposed budget ordinance. The notice shall be published at least 20 days prior to the time fixed by Council for enactment of the proposed budget ordinance. The proposed budget ordinance shall be available for public inspection at the City Clerk's office for at least 10 days after the newspaper notice is published.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BUDGETS (Continued)**

- c. Council shall, after making the changes and modifications as appear proper, enact the budget and any appropriation measures required to put it into effect upon the date fixed for enactment. Any budget revisions whereby total expenditures would be increased by more than 10%, or more than 25% in any individual line-item over the proposed budget, the proposed budget shall not be enacted unless made available for public inspection for a period of at least 10 days after notice to that effect is published.

**CASH AND CASH EQUIVALENTS**

For the purposes of these basic financial statements, cash and cash equivalents include amounts in demand deposit accounts and all highly liquid short-term investments with original maturity terms of less than three months.

**INVESTMENTS**

Provisions of the Third-Class City Code authorize the following investments:

- I. Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- II. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.
- III. U.S. government obligations, short-term commercial paper issued by a public corporation, and banker's acceptances.
- IV. Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933.

Fiduciary fund type investments include investments consisting of fixed income securities, U.S. Treasury securities, mutual funds and exchange-traded products held by Hefren-Tillotson, Inc. for the benefit of the City's pension plans (Trust Funds). Investments are stated at fair value. The City's portfolio is in compliance with these statutes at December 31, 2020.

**RECEIVABLES**

Sanitation, sewage, and other receivables are reflected at net realizable value as of December 31, 2020.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as 'due from/to other funds' on the governmental funds balance sheet. For the purposes of the government-wide statement of Net position, governmental inter-fund receivables and payables have been eliminated. Amounts due between governmental activities and business-type activities are offset as 'Internal Balances' on the Statement of Net position.

**CAPITAL ASSETS AND DEPRECIATION**

All capital assets of the City's business-type activities are recorded at cost (or estimated historical cost). Donated fixed assets are recorded at fair value at the time of receipt. The City does not maintain a specific dollar threshold for fixed asset capitalization. The cost of infrastructure is included in the government-wide statement of net position for business-type activities and the proprietary fund financial statements. Routine repair and maintenance costs that do not add to the value of the asset or extend its useful life are charged as an expense.

All reported capital assets for business-type activities, except land, are depreciated using the straight-line method over the following useful lives:

| <u>CATEGORY</u>            | <u>BUSINESS-TYPE<br/>ACTIVITIES</u> |
|----------------------------|-------------------------------------|
| Buildings and Improvements | 10-50 years                         |
| Office Equipment           | 5-7 years                           |
| Vehicles                   | 5-15 Years                          |
| Infrastructure             | 50 Years                            |

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or 'financial flow' measurement focus. This means that only the current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of 'available resources'. Governmental operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of 'available spendable resources' during a period. Under the modified accrual method of accounting, capital assets purchased by governmental funds are recorded as expenditures in the fund financial statements (Exhibit D). The City does not capitalize and depreciate the cost of its governmental activities fixed asset purchases in accordance with generally accepted accounting principles.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements for business-type activities only. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, liabilities that mature or come due for payment within 60 days of the end of the fiscal year-end, are considered to be paid with current available financial resources. Notes and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. The City's General Fund and Debt Service Fund are typically used to liquidate long-term liability obligations.

**LONG-TERM DEBT FINANCING COSTS**

Bond and note issue costs are recorded as expenditures in the governmental or proprietary fund financial statements in the year paid. During the 2020 calendar year, the City incurred no bond/note issuance costs.

**COMPENSATED ABSENCES**

In accordance with the terms of its various collective bargaining unit agreements, the City is responsible to pay eligible employees at the rate of \$10 per day for each accumulated unused sick day upon separation of service from the City. For governmental fund financial statements under the modified accrual method of accounting, compensated absences are recorded as expenditures when paid rather than accrued when earned.

**NET POSITION**

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy City obligations. Net position is classified as follows:

- **Net Investment in Capital Assets** – This component of net position consists of capital assets net of accumulated depreciation, and reduced by the outstanding balances of debt that is attributable to the acquisition, construction and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.
- **Restricted Net Position** – This component of net position consists of restricted assets reduced by liabilities and deferred inflows related to those assets. Restricted net position consists of the following:
  - Act 205 Earned Income Taxes for pension obligations - \$124,480
  - Highway Aid Funds restricted under Act 655 for highway/road projects - \$53,468
  - Capital Project funds restricted for City capital improvements - \$582,437
  - Drug Investigative Fund restricted for police public safety costs - \$49,094
  - K-9 Fund restricted for police public safety costs - \$6,358
  - Crimewatch Fund restricted for police safety costs - \$122.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**NET POSITION (Continued)**

- **Unrestricted** – Consists of net position that does not meet the definition of ‘restricted’ or ‘net investment in capital assets’.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources

**FUND EQUITY**

In the Balance Sheet – Governmental Funds (Exhibit C), fund balances are reported in specific categories to make the nature and extent of the constraints placed on any entity’s fund balance more transparent in accordance with GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Non-spendable fund balance** – amounts that are not in spendable form (such as prepaid) or are required to be maintained intact – The City’s non-spendable fund balance is comprised of prepaid expenses paid in calendar year 2020 for the benefit of future periods totaling \$86,462.
- **Restricted fund balance** – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation. Restricted fund balance of \$815,959 is detailed above under restricted net position.
- **Committed fund balance** – amount constrained to specific purposes by the City itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- **Assigned fund balance** – amounts the City intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- **Unassigned fund balance** – amount that are available for any purpose.

**OPERATING REVENUES AND EXPENSES**

Proprietary fund operating revenues are those revenues that are generated directly from the primary activity of the City’s Joint Sewer User’s Fund and City Sewer User’s Fund. For the City, these revenues are sewer user charges, tap-in fees, and miscellaneous revenues directly related to the operations of these two funds. Operating expenses are the necessary costs incurred to operate the City’s two proprietary funds. Non-operating revenues of the City consist of interest income.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ADOPTION OF GASB PRONOUNCEMENTS**

The requirements of the following GASB Statements were adopted for the City's 2020 financial statements. Except where noted, the adoption of these pronouncements did not have a significant impact on the City's financial statements.

**GASB Statement No. 83, 'Certain Asset Retirement Obligations'.** The primary objective of this Statement is to provide financial statement users with information about 'asset retirement obligations (ARO) that were not addressed in GASB Standards by establishing uniform accounting and financial reporting requirements for these obligations.

**GASB Statement No. 84, 'Fiduciary Activities'.** The primary objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries.

**GASB Statement No. 90, 'Majority Equity Interests (an amendment of GASB Statements No. 14 and No. 61'.** The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units.

**PENDING GASB PRONOUNCEMENTS**

**GASB Statement No. 87, 'Leases'.** The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The provisions of this Statement are effective for the City's December 31, 2022 financial statements.

**GASB Statement No. 89, 'Accounting for Interest Cost Incurred before the end of a Construction Period'.** The primary objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and, (b) to simplify accounting for certain interest costs. The provisions of this Statement are effective for the City's December 31, 2021 financial statements.

**GASB Statement No. 91, 'Conduit Debt Obligations'.** The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement are effective for the City's December 31, 2022 financial statements.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS (Continued)**

**GASB Statement No. 92, ‘Omnibus 2020’.** The primary objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of GASB Statement Nos. 73, 74, 84, and 87. In addition the Statement addresses various topics and includes specific provisions concerning the following:

- Measurement of liabilities (and assets, if any) related to asset retirement obligations (ARO) in a government acquisition
- Reporting by entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The provisions of this Statement are effective for the City’s December 31, 2022 financial statements.

**GASB Statement No. 93, ‘Replacement of Interbank Offered Rates’.** The primary objectives of this Statement are to address the accounting and financial reporting implications that result from the replacement of an interbank offering rate (IBOR). The provisions of this Statement are effective for the City’s December 31, 2021 financial statements.

**GASB Statement No. 94, ‘Public-Private and Public-Public Partnerships and Availability Payment Arrangements’.** The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs), and provide guidance for accounting and financial reporting for availability payment arrangements (APAs). The provisions of this Statement are effective for the City’s December 31, 2023 financial statements.

**GASB Statement No. 96, ‘Subscription-Based Information Technology Arrangements (SBITA)’.** The primary objectives of this Statement are as follows:

- Defines a SBITA
- Establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability
- Provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA
- Requires note disclosures regarding a SBITA

The provisions of this Statement are effective for the City’s December 31, 2023 financial statements.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS (Continued)**

**GASB Statement No. 97**, ‘*Certain Component Unit Criteria and Accounting and Financial Report for Internal Revenue Code Section 457 Deferred Compensation Plans*’. The primary objectives of this Statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement are effective for the City’s December 31, 2022 financial statements.

The effects of implementing these Statements on the City’s financial statements have not yet been determined.

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS**

At December 31, 2020, the City of Beaver Falls had the following carrying values on its cash and cash equivalent accounts held with its depositories:

|                              | <b>Bank</b>         | <b>(Memo Only)</b>  |
|------------------------------|---------------------|---------------------|
|                              | <b>Balance</b>      | <b>Book</b>         |
|                              | <b>Balance</b>      | <b>Balance</b>      |
| General Fund                 | \$ 602,672          | \$ 554,009          |
| Capital Projects Fund        | 614,250             | 601,950             |
| Non-Major Governmental Funds | 109,042             | 109,042             |
| Proprietary Funds            | 1,905,451           | 1,904,108           |
| Fiduciary Funds              | 1,623,952           | 919,572             |
| <b>TOTAL</b>                 | <b>\$ 4,855,367</b> | <b>\$ 4,088,681</b> |

The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government account \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**CASH DEPOSITS (Continued)**

**Custodial Credit Risk:**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a separate policy for custodial credit risk in addition to the requirements of the Third-Class City Code. As of December 31, 2020, \$4,355,367 of the City's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the City's name. In accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, the aforementioned deposits, in excess of \$250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

**INVESTMENTS:**

The fair value and maturity term of the City's fiduciary fund investments as of December 31, 2020, is as follows:

|                 | <b>Fair Value</b>           | <b>No Stated</b>            |                          |                          |                          |                          |
|-----------------|-----------------------------|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                 |                             | <b>Maturity</b>             | <b>1-5 Years</b>         | <b>6-10 Years</b>        | <b>11-15 Years</b>       | <b>16-30 Years</b>       |
| U.S. Agencies   | \$ 67,340                   | \$ -                        | \$ 2,747                 | \$ -                     | \$ 16,834                | \$ 47,759                |
| U.S. Treasury   | 367,270                     | -                           | 284,185                  | -                        | -                        | 83,085                   |
| Municipal Bonds | 549,657                     | -                           | 174,344                  | 284,899                  | 90,414                   | -                        |
| Corporate Bonds | 440,806                     | -                           | 259,232                  | 162,181                  | -                        | 19,393                   |
| Mutual Funds    | 20,865,761                  | 20,865,761                  | -                        | -                        | -                        | -                        |
| Exchange Traded | 1,985,149                   | 1,985,149                   | -                        | -                        | -                        | -                        |
| Money Funds     | 1,044,050                   | 1,044,050                   | -                        | -                        | -                        | -                        |
|                 | <b><u>\$ 25,320,033</u></b> | <b><u>\$ 23,894,960</u></b> | <b><u>\$ 720,508</u></b> | <b><u>\$ 447,080</u></b> | <b><u>\$ 107,248</u></b> | <b><u>\$ 150,237</u></b> |

Investments classified as U.S. Agencies are securities of agencies of the U.S. Government that have an implied but not explicit guarantee.

**Custodial Credit Risk:**

For an investment, custodial risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The City's investments in mutual funds and money funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The City does not have a specific policy that would limit its investment choices to those with certain credit ratings.

**Credit Risk:**

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has no formal investment policy, in addition to the requirements of the Third-Class City Code that and the Intergovernmental Cooperation Act, that limits its investment choices based on credit ratings by nationally recognized rating organizations. As of December 31, 2020, investments in U.S. Agencies, U.S. Treasury, Municipal Bonds, and Corporate Bonds of the City's pension plans are rated individually by nationally recognized statistical rating agencies (Moody's and S&P) as follows:

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS (Continued)**

**Credit Risk: (Continued)**

| Bond<br>Quality | Market<br>Value     |
|-----------------|---------------------|
| Aaa             | \$ 367,270          |
| AAA             | 84,622              |
| AA+             | 92,121              |
| AA              | 419,769             |
| AA-             | 22,346              |
| A-              | 27,524              |
| A2              | 92,979              |
| BBB+            | 98,964              |
| BBB             | 102,719             |
| Not Rated       | 116,759             |
|                 | <b>\$ 1,425,073</b> |

**Interest Rate Risk:**

The City does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Concentration of Credit Risk:**

The City places no limit on the amount it may invest in any one issuer.

**Fair Value Measurements:**

The City of Beaver Fall's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. Generally accepted accounting standards establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy provides the highest priority to unadjusted quoted prices for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

- **Level 1** – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes
- **Level 2** – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data
- **Level 3** – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS (Continued)**

**Fair Value Measurement: (Continued)**

The following schedule presents the Investments of the City by level within the fair value hierarchy:

|                          | Value<br>at 12/31/20 | Fair Value Measurements |             |             |
|--------------------------|----------------------|-------------------------|-------------|-------------|
|                          |                      | Level 1                 | Level 2     | Level 3     |
| U.S. Treasury            | \$ 367,270           | \$ 367,270              | \$ -        | \$ -        |
| U.S. Agencies            | 67,340               | 67,340                  | -           | -           |
| Municipal Bonds          | 549,657              | 549,657                 | -           | -           |
| Corporate Bonds          | 440,806              | 440,806                 | -           | -           |
| Mutal Funds              | 20,865,761           | 20,865,761              | -           | -           |
| Exchange Traded Products | 1,985,149            | 1,985,149               | -           | -           |
|                          | <b>\$ 24,275,983</b> | <b>\$ 24,275,983</b>    | <b>\$ -</b> | <b>\$ -</b> |

**NOTE 3 - PROPERTY TAXES**

The City of Beaver Falls levies property taxes March 1st of each calendar year. The calendar dates for payment of these taxes are as follows:

**PAYMENT PERIOD**

|                             |                   |
|-----------------------------|-------------------|
| February 1 – March 31, 2020 | (Discount period) |
| April 1 – May 31, 2020      | (Face period)     |
| June 1 – March 31, 2021     | (Penalty period)  |

Taxpayers are entitled to a 2% discount if taxes are paid prior to May 1st. Collections after June 30st are assessed a 10% penalty. Taxes unpaid as of April of the year following levy are liened through Beaver County. As of December 31, 2020, the City had \$391,564 in unpaid 2020 property taxes which represents 18% of the total assessed property taxes for the current year.

The tax millage assessment for the 2020 calendar year is 34 mills on the assessed value of land and buildings, which represents \$34.00 of revenue for every \$1,000 of assessed value. The total millage includes 24.5928 dedicated for general revenue purposes, 9.1747 dedicated for debt service and .2325 mills dedicated for the maintenance and operation of recreation places. No provision has been made for amounts estimated to be uncollectable.

Taxes receivables, as reflected in Exhibit A and C, consist of the following at December 31, 2020:

|                        |                   |
|------------------------|-------------------|
| Delinquent Real Estate | 39,524            |
| Act 511 Taxes          | 84,997            |
|                        | <b>\$ 124,521</b> |

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 4 – INTERFUND TRANSACTIONS**

Interfund receivable and payable obligations, as reflected in Exhibit C and Exhibit F, are comprised of the following at December 31, 2020:

|                   | <b><u>DUE FROM<br/>OTHER FUNDS</u></b> | <b><u>DUE TO<br/>OTHER FUNDS</u></b> |
|-------------------|----------------------------------------|--------------------------------------|
| General Fund      | \$ 68,825                              | \$ 2,934                             |
| Joint Sewer Users | -                                      | 68,825                               |
| City Sewer Users  | 2,934                                  | -                                    |
|                   | <b><u>\$ 71,759</u></b>                | <b><u>\$ 71,759</u></b>              |

During the 2020 calendar year, the following transfers were made between funds:

- General Fund transferred \$607,560 to the Debt Service Fund for the Series of 2012 General Obligation Bond principal and interest payments
- Highway Aid Fund transferred \$234,393 to the General Fund for street lighting
- Capital Projects Fund transferred \$85,846 to the General Fund for the General Obligation Bond Series B of 2017 principal and interest payments

**NOTE 5 - DUE FROM OTHER GOVERNMENTAL UNITS**

The 'due from other governmental units' total of \$136,048, as reflected in Exhibits A and C for governmental activities and governmental funds, represents amounts earned by and due the City of Beaver Falls for 2020 from other governmental agencies as follows:

|                                     |                          |
|-------------------------------------|--------------------------|
| Fines - Magistrate                  | \$ 4,725                 |
| Reimbursements from School District | 20,550                   |
| Beaver County Housing Authority     | 25,310                   |
| County of Beaver                    | 14,400                   |
| PennDOT - Winter Agreement          | 45,912                   |
| Reimbursements for Police Services  | 25,151                   |
|                                     | <b><u>\$ 136,048</u></b> |

**NOTE 6 – OTHER RECEIVABLES**

Other receivables, as reflected in Exhibit A and C, consist of the following at December 31, 2020:

|                               | <b><u>GOVERNMENTAL<br/>ACTIVITIES</u></b> | <b><u>BUSINESS-TYPE<br/>ACTIVITIES</u></b> |
|-------------------------------|-------------------------------------------|--------------------------------------------|
| Cable Franchise Fees          | \$ 30,558                                 | \$ -                                       |
| Sewage                        | -                                         | 216,453                                    |
| Columbia Gas (Street Opening) | 30,450                                    | -                                          |
| Miscellaneous                 | 7,834                                     | -                                          |
|                               | <b><u>\$ 68,842</u></b>                   | <b><u>\$ 216,453</u></b>                   |

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 7 – BUSINESS-TYPE FIXED ASSETS**

A summary of the business-type fixed asset activity for the 2020 calendar year was as follows:

|                                       | <b>Balance<br/>1/1/2020</b> | <b>Additions</b>           | <b>Deductions</b>  | <b>Balance<br/>12/31/2020</b> |
|---------------------------------------|-----------------------------|----------------------------|--------------------|-------------------------------|
| Building and Improvements             | \$ 10,010,405               | \$ -                       | \$ -               | \$ 10,010,405                 |
| Office Equipment                      | 45,590                      | 44,650                     | -                  | 90,240                        |
| Vehicles                              | 256,796                     | 42,707                     | -                  | 299,503                       |
| Machinery & Equipment                 | 410,644                     | -                          | -                  | 410,644                       |
| Infrastructure                        | 2,487,544                   | -                          | -                  | 2,487,544                     |
|                                       | <u>\$ 13,210,979</u>        | <u>\$ 87,357</u>           | <u>\$ -</u>        | <u>\$ 13,298,336</u>          |
| <b>Less: Accumulated depreciation</b> |                             |                            |                    |                               |
| Building and Improvements             | \$ (5,531,610)              | \$ (163,365)               | \$ -               | \$ (5,694,975)                |
| Office Equipment                      | (43,136)                    | (1,478)                    | -                  | (44,614)                      |
| Vehicles                              | (250,901)                   | (6,132)                    | -                  | (257,033)                     |
| Machinery & Equipment                 | (286,093)                   | (19,934)                   | -                  | (306,027)                     |
| Infrastructure                        | (921,022)                   | (48,557)                   | -                  | (969,579)                     |
|                                       | <u>\$ (7,032,762)</u>       | <u>\$ (239,466)</u>        | <u>\$ -</u>        | <u>\$ (7,272,228)</u>         |
| <b>Business-Type Activities</b>       |                             |                            |                    |                               |
| <b>Capital Assets, Net</b>            | <u><u>\$ 6,178,217</u></u>  | <u><u>\$ (152,109)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 6,026,108</u></u>    |

**NOTE 8 – LONG TERM DEBT OBLIGATIONS**

**BONDS PAYABLE – GENERAL OBLIGATION BONDS SERIES B OF 2017**

In November of 2017, the City of Beaver Falls issued General Obligation Bonds, Series B of 2017 in the amount of \$2,380,000. Proceeds from the sale of the bonds will be used to provide funds for and towards the costs of planning, designing, acquiring, constructing, furnishing, and equipping additions and improvements to the City's capital improvement plan and pay the costs of issuing and insuring the bonds. The bonds were issued in denominations of \$5,000 with interest payable on May 15 and November 15 each year through maturity. Interest rates range between 1.55% and 3.375%, with the bonds scheduled to mature on November 15, 2034. The bonds provide for early redemption options for the city as more fully described in the detailed Official Statement.

**DEFAULT PROVISIONS**

The Bonds are general obligations of the City, payable from its tax and other general revenues, which taxing power presently includes ad valorem taxes which may be levied on all taxable real property within the City presently without limitation as to rate or amount. The City has covenanted that it will provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of debt service on the Bonds for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund, as hereinafter defined, or any other of its revenues or funds, the principal of every maturity of the Bonds and the interest thereon at the dates and place and in the manner stated on the Bonds, and for such budgeting, appropriation and payment the City irrevocably has pledged its full faith, credit and taxing power.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 8 – LONG TERM DEBT OBLIGATIONS (Continued)**

**BONDS PAYABLE – GENERAL OBLIGATION BONDS SERIES B OF 2017 (Continued)**

**DEFAULT PROVISIONS (Continued)**

In the event of default of the payment of principle or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the "Policy") for such payments. However, in the event of any acceleration of the date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure payment of redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the City which is recovered by the City from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the bond insurer at such time and in such amounts as would have been due absence such prepayment by the City unless the bond insurer chooses to pay such amounts at an earlier date. Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the bond insurer without appropriate consent. The bond insurer may direct and must consent to any remedies that that Paying Agent exercises and the bond insurer's consent may be required in connection with amendments to the Ordinance. In the event the bond insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the monies received by the Paying Agent pursuant to the Ordinance. In the event the bond insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The bonds carry a commitment from Build America Mutual Assurance Corporation (BAM) under which a Municipal Bond Insurance Policy will be issued at the time of delivery of the bonds, which policy assure the payment of the principal and interest to the registered owners of the Bonds.

A summary of the City of Beaver Fall's General Obligation Bonds outstanding at December 31, 2020, is as follows:

| <b>Year End</b> |                     |                   |                     |  |
|-----------------|---------------------|-------------------|---------------------|--|
| <b>Dec 31</b>   | <b>PRINCIPAL</b>    | <b>INTEREST</b>   | <b>Total</b>        |  |
| 2021            | \$ 10,000           | 75,646            | \$ 85,646           |  |
| 2022            | 10,000              | 75,446            | 85,446              |  |
| 2023            | 10,000              | 75,226            | 85,226              |  |
| 2024            | 10,000              | 74,926            | 84,926              |  |
| 2025            | 10,000              | 74,626            | 84,626              |  |
| 2026-2030       | 50,000              | 368,630           | 418,630             |  |
| 2031-2034       | 2,230,000           | 187,222           | 2,417,222           |  |
|                 | <b>\$ 2,330,000</b> | <b>\$ 931,722</b> | <b>\$ 3,261,722</b> |  |

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 8 – LONG TERM DEBT OBLIGATIONS (Continued)**

**NOTES PAYABLE – GENERAL OBLIGATION NOTES SERIES A OF 2017**

In November of 2017, the City of Beaver Falls issued General Obligation Notes, Series A of 2017 in the amount of \$5,880,000. Proceeds from the sale of the notes were used to currently refund the City's outstanding General Obligation Bonds, Series of 2012, and pay the costs of issuing and insuring the bonds. The notes were issued in denominations of \$5,000 with interest payable on May 15 and November 15 each year through maturity. Interest rates range between 1.55% and 3.0%, with the notes scheduled to mature on November 15, 2030. The notes provide for early redemption options for the city as more fully described in the detailed Official Statement. Default provisions as described herein Note 8 (Bonds Payable) apply to the City's General Obligation Notes Series A of 2017.

A summary of the City of Beaver Fall's Series A of 2017 General Obligation Notes outstanding at December 31, 2020, is as follows:

| <b>Year End</b> | <b>PRINCIPAL</b>    | <b>INTEREST</b>   | <b>Total</b>        |
|-----------------|---------------------|-------------------|---------------------|
| <b>Dec 31</b>   |                     |                   |                     |
| 2021            | \$ 400,000          | 119,170           | \$ 519,170          |
| 2022            | 410,000             | 111,170           | 521,170             |
| 2023            | 420,000             | 102,150           | 522,150             |
| 2024            | 430,000             | 92,175            | 522,175             |
| 2025            | 440,000             | 111,425           | 551,425             |
| 2026-2030       | 2,385,000           | 217,575           | 2,602,575           |
|                 | <b>\$ 4,485,000</b> | <b>\$ 753,665</b> | <b>\$ 5,238,665</b> |

**NOTES PAYABLE – FIRST NATIONAL BANK (DIRECT BORROWING)**

In December of 2019, the City of Beaver Falls borrowed \$600,000 from First National Bank for the following purposes 1) refinancing existing indebtedness and providing additional funds for economic revitalization, and 2) financing the closing costs and attorneys' fees in connection with the loan. The terms of the loan call for 120 monthly principal and interest payments of \$6,237.52 at an interest rate of 4.5%. The note is scheduled to mature in December of 2029. The outstanding balance on the loan as of December 31, 2020, is \$547,174.

**DEFAULT PROVISIONS**

The City represents, warrants, and covenants to the Bank that the full faith, credit, and taxing power of the City has been irrevocably pledged to the Bank to secure the payment of this Note. In the event of default, under the Loan Agreement occurs and is continuing upon demand the Bank or any future Registered Owner of this Note, the outstanding principal sum, together with any unpaid accrued interest, will be due and payable in full.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 8 – LONG TERM DEBT OBLIGATIONS (Continued)**

**NOTES PAYABLE – FIRST NATIONAL BANK (DIRECT BORROWING) (Continued)**

A summary of the City of Beaver Fall's 2019 General Obligation Note outstanding with First National Bank at December 31, 2020, is as follows:

| Year End<br>Dec 31 | Principal                | Interest                 | Total                    |
|--------------------|--------------------------|--------------------------|--------------------------|
| 2021               | \$ 51,276                | \$ 23,574                | \$ 74,850                |
| 2022               | 53,632                   | 21,218                   | 74,850                   |
| 2023               | 56,096                   | 18,754                   | 74,850                   |
| 2024               | 58,673                   | 16,177                   | 74,850                   |
| 2025               | 61,368                   | 13,482                   | 74,850                   |
| 2026-2029          | 266,129                  | 24,420                   | 290,549                  |
|                    | <b><u>\$ 547,174</u></b> | <b><u>\$ 117,625</u></b> | <b><u>\$ 664,799</u></b> |

**TAX ANTICIPATION NOTE – SERIES 2020**

In January of 2020, the City of Beaver Falls issued a Tax Anticipation Note – Series of 2020 in the amount of \$600,000 to WesBanco Bank at an interest rate of 2.65%. The City repaid the note as of December 31, 2020.

**NOTE 9 – CHANGES IN LONG-TERM DEBT**

The following represents the changes in the City's long-term debt during 2020:

|                          | Balance<br>1/1/2020        | Additions          | Reductions               | Balance<br>12/31/2020      | Due Within<br>One Year   |
|--------------------------|----------------------------|--------------------|--------------------------|----------------------------|--------------------------|
| General Obligation Bonds | \$ 2,340,000               | \$ -               | \$ 10,000                | \$ 2,330,000               | \$ 10,000                |
| General Obligation Notes | 4,880,000                  | -                  | 395,000                  | 4,485,000                  | 400,000                  |
| Direct Borrowings:       |                            |                    |                          |                            |                          |
| Note Obligations         | 600,000                    | -                  | 52,826                   | 547,174                    | 51,276                   |
|                          | <b><u>\$ 7,820,000</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 457,826</u></b> | <b><u>\$ 7,362,174</u></b> | <b><u>\$ 461,276</u></b> |

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 10 - CITY PENSION PLANS**

The following is a summary of the City's police, fire, and non-uniform pension plans

**POLICE PENSION PLAN** - The City of Beaver Falls' Police Pension Plan is a single-employer defined benefit pension plan established May 12, 1941, as amended April 26, 2016, to provide retirement and death benefits to qualified police department employees under the provisions governing pension plans in the Commonwealth of Pennsylvania and local City ordinances. The actuarial costs of this plan are determined under the Entry Age Normal Actuarial Cost Method as required by Act 205 of the Commonwealth. The plan is governed by the Council of the City of Beaver Falls which is responsible for the management of Plan assets. The Council has delegated the authority to manage certain plan assets to Hefren Tillotson, Inc. A summary of the plan's provisions are as follows:

**PARTICIPANTS** – All permanent members of the City of Beaver Falls police department who have attained the age of 21.

**ELIGIBILITY** – All participants are eligible for retirement benefits provided that they have completed 25 years of aggregate service as a City employee and have attained the age of 50.

**BENEFITS** – Benefit is equal to 50% of the greater of monthly pay at retirement or average monthly pay, plus a service increment, if any.

**TERMINATION** – The plan provides terminated employees with a return of their contribution without interest.

**VESTING** – Employees are 100% vested after completion of 12 years of service.

**FUNDING** – Employee contributions are equal to 4% of monthly earnings plus \$1.00 to provide for service increments. City contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program and Act 47 of 1988.

**FIREMEN'S PENSION PLAN** - The City of Beaver Falls' Fireman's pension Plan is a single-employer defined benefit pension plan established February 23, 1948, as amended October 25, 2015, to provide retirement and death benefits to qualified fire department employees under the provisions governing firemen's pension plans in the Commonwealth of Pennsylvania and local City ordinances. The actuarial costs of the plan are determined under the Entry Age Normal Actuarial Cost method as required by Act 205 of the Commonwealth. The plan is governed by the Council of the City of Beaver Falls which is responsible for the management of Plan assets. The Council has delegated the authority to manage certain plan assets to Merrill Lynch and Hefren Tillotson Inc. A summary of the plan's provisions are as follows:

**PARTICIPANTS** – All permanent members of the City of Beaver Falls fire department who have attained the age of 21.

**ELIGIBILITY** – All participants are eligible for retirement benefits provided that they have completed 25 years of aggregate service as a City employee and have attained the age of 50.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 10 - CITY PENSION PLANS (Continued)**

**FIREMEN'S PENSION PLAN (Continued)**

**BENEFITS** – Benefit is equal to 50% of average pay at retirement, plus a service increment, if any. For employees hired on or after 8/5/93, lump sum payments for sick pay and vacation pay are not included.

**TERMINATION** – The plan provides terminated employees with a return of their contribution without interest.

**VESTING** – Employees are 100% vested after completion of 12 years of service.

**FUNDING** – Employee contributions are equal to 4% of monthly earnings plus \$1.00 to provide for service increments. City contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program and Act 47 of 1988.

**GENERAL EMPLOYEES PENSION PLAN** - The City of Beaver Falls' Employee's pension Plan is a single-employer defined benefit pension plan established January 1, 1960, as amended October 22, 1996, to provide retirement and death benefits to qualified non-uniformed service employees under the provisions of Act 205 of the Commonwealth of Pennsylvania and local City ordinances. The actuarial costs of the plan are determined under the Entry Age Normal Actuarial Cost method as required by Act 205 of the Commonwealth. The plan is governed by the Council of the City of Beaver Falls which is responsible for the management of Plan assets. The Council has delegated the authority to manage certain plan assets to Hefren-Tillotson, Inc. A summary of the plan's provisions are as follows:

**PARTICIPANTS** – All permanent members of the City of Beaver Falls other than police or firemen.

**ELIGIBILITY** – All participants are eligible for retirement benefits provided that they have completed 20 years of aggregate service as a City employee and have attained the age of 60.

**BENEFITS** – Benefit is equal to 50% of monthly average compensation.

**TERMINATION** – The plan provides terminated employees with a return of their contribution without interest.

**VESTING** – Employees are 100% vested after completion of 12 years of service.

**FUNDING** – Employee contributions are equal to 5% of monthly salary. City contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program and Act 47 of 1988.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 10 - CITY PENSION PLANS (Continued)**

Plan membership as of January 1, 2019, was comprised of:

|                                     | <u>Police</u> | <u>Firemen</u> | <u>Employees</u> |
|-------------------------------------|---------------|----------------|------------------|
| Active employees (non-vested)       | 18            | 7              | 24               |
| Retirees and beneficiaries          |               |                |                  |
| currently receiving benefits        | 28            | 18             | 16               |
| Terminated employees entitled to    |               |                |                  |
| benefits but not yet receiving them | -             | -              | -                |
| Total                               | <u>46</u>     | <u>25</u>      | <u>40</u>        |

**NOTE 11 - COMMITMENTS AND CONTINGENT LIABILITIES**

**LEGAL MATTERS**

The City of Beaver Falls, in the normal course of operations, is party to various legal matters normally associated with municipalities such as real estate tax assessment appeals, personnel wage and benefits, and other miscellaneous legal matters. The City is unaware of any pending claims or litigations that would be material to the financial position of the City of Beaver Falls.

**FEDERAL AND STATE FUNDING**

The City of Beaver Falls' state and federally funded programs, including its pension funds, are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The City is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**COVID**

Early in 2020, a new strain of the coronavirus (COVID-19) began its global pandemic spread, including the United States, negatively affecting many aspects of society and the economy. The impact of the virus is on-going and varies from region to region and from day to day, and any significant additional spreading of the virus could adversely affect the City of Beaver Falls' operations and finances. The outbreak of the COVID-19 virus is likely to have a negative impact in 2021 on the global and local economy and, might impact the City's financial results in 2021 and beyond. Given the dynamic nature of this pandemic, however, the extent to which the COVID-19 virus impacts the City's results will depend on future developments, which remain highly uncertain and cannot be predicted at this time.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 12 - RISK MANAGEMENT**

The City of Beaver Falls is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

**NOTE 13 – SUBSEQUENT EVENTS**

In January of 2021, the City of Beaver Falls issued a \$500,000 Tax and Revenue Anticipation Note to Wesbanco Bank at an interest rate of 2.25%. The note is expected to be repaid by December 31, 2021.

Management has determined that there are no other subsequent events after December 31, 2020, through the September 30, 2021 date of the "Independent Auditor's Report" date, which is the date the financial statements were available to be issued, that requires disclosure in the financial statements.

***SUPPLEMENTARY  
INFORMATION***

**CITY OF BEAVER FALLS**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL REVENUES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**SCHEDULE 1**

|                                          | <b>BUDGET</b>       | <b>ACTUAL</b>       | <b>(MEMORANDUM ONLY)<br/>2019</b> |
|------------------------------------------|---------------------|---------------------|-----------------------------------|
| <b>TAXES:</b>                            |                     |                     |                                   |
| Real estate - current                    | \$ 1,700,000        | \$ 1,644,726        | \$ 1,682,248                      |
| Real estate - prior                      | 50,000              | 32,631              | 36,891                            |
| Real estate - delinquent                 | 235,000             | 261,809             | 252,774                           |
| Deed transfer                            | 48,500              | 53,813              | 54,285                            |
| Per capita and residence                 | 20,200              | 19,157              | 19,872                            |
| Per capita- prior                        | 1,350               | 1,240               | 1,353                             |
| Per capita - delinquent                  | 13,000              | 7,576               | 12,286                            |
| Earned income - city                     | 630,000             | 595,502             | 634,758                           |
| Earned income - Act 205                  | 1,020,000           | 937,973             | 1,043,439                         |
| Earned income - prior                    | -                   | 16,069              | 24,391                            |
| Mercantile tax                           | 93,800              | 90,100              | 78,914                            |
| EMS                                      | 126,000             | 120,397             | 126,656                           |
| Business privilege tax                   | 159,500             | 178,760             | 124,324                           |
| <b>TOTAL TAXES</b>                       | <b>\$ 4,097,350</b> | <b>\$ 3,959,753</b> | <b>\$ 4,092,191</b>               |
| <b>LICENSES AND PERMITS:</b>             |                     |                     |                                   |
| Amusement licenses                       | \$ 14,000           | \$ 11,400           | \$ 17,100                         |
| Cable franchise fee                      | 118,000             | 120,384             | 118,580                           |
| Building permits                         | 20,000              | 79,339              | 22,627                            |
| Demolition permits                       | 600                 | 510                 | 650                               |
| Plumbing licenses                        | 2,360               | 2,260               | 1,225                             |
| Zoning Permits                           | 1,000               | 2,500               | 2,125                             |
| Zoning variances                         | 4,000               | 6,235               | 7,815                             |
| Vacant Property Fees                     | 2,500               | 765                 | 2,305                             |
| Rental registration                      | 125,000             | 98,568              | 126,670                           |
| Code Enforcement misc. receipts          | 30,000              | 33,592              | 36,742                            |
| Street opening permits                   | 20,000              | 31,150              | 46,300                            |
| <b>TOTAL LICENSES AND PERMITS</b>        | <b>\$ 337,460</b>   | <b>\$ 386,703</b>   | <b>\$ 382,139</b>                 |
| <b>FINES AND FORFEITURES:</b>            |                     |                     |                                   |
| Magistrate and Clerk of Courts           | \$ 63,500           | \$ 85,101           | \$ 71,670                         |
| Code Restitution                         | 500                 | 1,048               | -                                 |
| Rental Restitution                       | 1,800               | 854                 | 2,725                             |
| State police fines                       | 4,500               | 3,958               | 4,285                             |
| Warrant server fees                      | 450                 | 440                 | 358                               |
| Incarceration fees                       | 7,500               | 11,855              | 9,675                             |
| Police reports                           | 2,500               | 3,192               | 2,290                             |
| Parking Authority collections            | 17,000              | 18,890              | 17,251                            |
| Miscellaneous                            | 260                 | 50                  | 860                               |
| <b>TOTAL FINES AND FORFEITURES</b>       | <b>\$ 98,010</b>    | <b>\$ 125,388</b>   | <b>\$ 109,113</b>                 |
| <b>INTEREST AND RENTS:</b>               |                     |                     |                                   |
| Investment interest                      | \$ 9,000            | \$ 10,720           | \$ 19,640                         |
| Other Interest                           | -                   | -                   | 1,878                             |
| DEP rent                                 | 21,660              | 21,660              | 21,660                            |
| Other Rents                              | 3,000               | 3,000               | 3,000                             |
| <b>TOTAL INTEREST AND RENTS</b>          | <b>\$ 33,660</b>    | <b>\$ 35,380</b>    | <b>\$ 46,178</b>                  |
| <b>INTERGOVERNMENTAL:</b>                |                     |                     |                                   |
| PA recycling grants                      | \$ 1,480            | \$ 1,346            | \$ 2,970                          |
| PA State pension aid                     | 370,000             | 369,287             | 373,796                           |
| PA State A205 Fire Relief                | 25,300              | 24,622              | 25,153                            |
| PA Cola refund                           | 5,400               | 5,550               | 5,550                             |
| PENNDOT agreement - snow removal         | 31,000              | 45,912              | 31,890                            |
| DOJ Police Grants                        | -                   | -                   | 6,092                             |
| DCED Grant                               | -                   | 63,165              | -                                 |
| Other PA Grants                          | -                   | 13,016              | 32,769                            |
| Covid                                    | -                   | 223,656             | -                                 |
| PURTA Tax Refund                         | 3,300               | 2,699               | 2,453                             |
| Alcoholic beverage tax                   | 3,300               | 3,150               | 3,350                             |
| Act13 Gas Well Fees                      | 16,000              | 14,843              | 16,404                            |
| PILOT - County Building                  | 30,795              | 30,795              | 30,795                            |
| PILOT - Reimbursement to school county   | (20,671)            | (20,671)            | (20,671)                          |
| PILOT - Morado, Brodhead, Harmony        | 22,425              | 23,645              | 20,998                            |
| PILOT - Reimbursement to school district | (4,890)             | (4,348)             | (3,752)                           |
| PILOT - Current Real Estate              | 3,715               | 3,715               | 3,715                             |
| <b>TOTAL INTERGOVERNMENTAL</b>           | <b>\$ 487,154</b>   | <b>\$ 800,382</b>   | <b>\$ 531,512</b>                 |

**CITY OF BEAVER FALLS**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL REVENUES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**SCHEDULE 1**

|                                                   | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>(MEMORANDUM ONLY)</u><br><u>2019</u> |
|---------------------------------------------------|---------------------|---------------------|-----------------------------------------|
| <b>CHARGES FOR SERVICES:</b>                      |                     |                     |                                         |
| Miscellaneous revenue                             | \$ 21,300           | \$ 22,942           | \$ 24,661                               |
| School Reimbursement                              | 68,000              | 67,111              | 65,609                                  |
| Housing Authority reimbursements                  | 45,000              | 47,581              | 45,595                                  |
| Eastvale                                          | 12,299              | 12,299              | 11,940                                  |
| West Mayfield Patrol                              | 63,339              | 63,339              | 61,494                                  |
| Police Reimbursements                             | 98,469              | 47,134              | 127,925                                 |
| Fire Dept receipts                                | -                   | 80                  | 60                                      |
| Fire Service Ins. Reimbursement                   | 2,400               | 5,825               | 3,032                                   |
| Fire Hydrant Fees                                 | 68,422              | 73,680              | 48,627                                  |
| Eastvale Fire Protection                          | 6,334               | 6,334               | 6,149                                   |
| Parking Authority                                 | 27,100              | 21,700              | 24,676                                  |
| Street Dept Receipts                              | 1,300               | -                   | -                                       |
| Water Pollution Control - Joint Sewer Users       | 800,000             | 787,144             | 752,900                                 |
| Water Pollution Control - Line Rental             | 50,000              | 40,000              | 40,000                                  |
| Solid Waste Admin Fee                             | 100,000             | 100,000             | 40,000                                  |
| Solid Waste                                       | 726,640             | 682,478             | 621,326                                 |
| City SU Admin Exp Reimb                           | 140,000             | 140,000             | 140,000                                 |
| City SU Sewer Line Reimb                          | 200,000             | 200,000             | 200,000                                 |
| City SU Wage Reimbursement                        | 200,000             | 200,000             | 200,000                                 |
| <b>TOTAL CHARGES FOR SERVICES</b>                 | <b>\$ 2,630,603</b> | <b>\$ 2,517,647</b> | <b>\$ 2,413,994</b>                     |
| <b>MISCELLANEOUS:</b>                             |                     |                     |                                         |
| Insurance claims                                  | \$ 1,000            | \$ 4,116            | \$ 2,220                                |
| Civil Service Testing                             | 500                 | 1,200               | -                                       |
| Worker's Comp Refunds                             | -                   | 3,297               | -                                       |
| Workman's Compensation dividend                   | 110,000             | 115,736             | 110,037                                 |
| Donations                                         | 2,800               | 7,785               | 2,550                                   |
| County lease agreement                            | 60,800              | 60,800              | 60,800                                  |
| <b>TOTAL MISCELLANEOUS</b>                        | <b>\$ 175,100</b>   | <b>\$ 192,934</b>   | <b>\$ 175,606</b>                       |
| <b>OTHER FINANCING SOURCES:</b>                   |                     |                     |                                         |
| Sale of property - fixed assets                   | \$ -                | \$ -                | \$ 43,163                               |
| Liquid Fuels                                      | 264,564             | 234,393             | 272,600                                 |
| Joint Sewer Users Fund                            | -                   | -                   | 373,619                                 |
| City Sewer Users                                  | -                   | -                   | 340,362                                 |
| Bond Fund                                         | 75,846              | 85,846              | 96,246                                  |
| Tax Anticipation Loan                             | 600,000             | 600,000             | 600,000                                 |
| Refund prior year expenses                        | 2,618               | 3,403               | 2,219                                   |
| Proceeds from Loans                               | -                   | -                   | 600,000                                 |
| <b>TOTAL OTHER FINANCING SOURCES</b>              | <b>\$ 943,028</b>   | <b>\$ 923,642</b>   | <b>\$ 2,328,209</b>                     |
| <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b> | <b>\$ 8,802,365</b> | <b>\$ 8,941,829</b> | <b>\$ 10,078,942</b>                    |

**CITY OF BEAVER FALLS**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                       | <u>BUDGET</u>     | <u>ACTUAL</u>     | <u>(MEMORANDUM ONLY)<br/>2019</u> |
|---------------------------------------|-------------------|-------------------|-----------------------------------|
| <b>GENERAL GOVERNMENT:</b>            |                   |                   |                                   |
| <b>LEGISLATIVE:</b>                   |                   |                   |                                   |
| Salary - director                     | \$ 15,000         | \$ 15,000         | \$ 15,000                         |
| Salary - controller                   | 2,500             | 2,500             | 2,500                             |
| Council & Mayor Expenses              | -                 | 250               | 250                               |
| COG Payment                           | 1,200             | 984               | 984                               |
| <b>TOTAL LEGISLATIVE</b>              | <b>\$ 18,700</b>  | <b>\$ 18,734</b>  | <b>\$ 18,734</b>                  |
| <b>EXECUTIVE:</b>                     |                   |                   |                                   |
| Admin Coord/City Clerk Salary         | \$ 62,094         | \$ 64,440         | \$ 60,748                         |
| City Manager's Salary                 | 49,798            | 55,522            | 49,806                            |
| Admin Secretary Salary                | 3,400             | 265               | 2,766                             |
| Admin Comm Development Coord          | 23,000            | 24,476            | 19,824                            |
| Admin Contracted Sick Days            | 1,400             | 700               | 700                               |
| Admin Longevity                       | 2,150             | 2,150             | 2,100                             |
| Administration supplies               | 3,800             | 4,604             | 6,478                             |
| Copy machine supplies                 | 11,900            | 13,102            | 10,699                            |
| Audit                                 | 7,350             | 7,683             | 7,600                             |
| Telephone                             | 7,700             | 9,115             | 7,242                             |
| City clerk postage                    | 9,200             | 11,818            | 9,833                             |
| Printing and legal ads                | 5,000             | 7,628             | 6,634                             |
| Taxes on City Owned Property          | 9,075             | 7,235             | 9,075                             |
| Miscellaneous administrative expense  | 1,200             | 159               | 204                               |
| Accountant - Part-time                | 17,500            | 22,976            | 18,535                            |
| Planning commission                   | 50                | -                 | -                                 |
| Civil service commission expense      | 1,500             | 1,507             | -                                 |
| Public Relations                      | 1,250             | 161               | 1,066                             |
| Comm Dev Public Relations             | -                 | 40,184            | 19,442                            |
| City Manager's Expenses               | 150               | -                 | 58                                |
| <b>TOTAL EXECUTIVE</b>                | <b>\$ 217,517</b> | <b>\$ 273,725</b> | <b>\$ 232,810</b>                 |
| <b>FINANCIAL ADMINISTRATION:</b>      |                   |                   |                                   |
| Salary - treasurer                    | \$ 8,000          | \$ 43,577         | \$ 8,000                          |
| Salary - treasurer commission         | 4,000             | -                 | 3,454                             |
| Salary-treasurer- BPT Commission      | 3,000             | -                 | 2,641                             |
| Salary - treasurer sick wages         | -                 | 1,500             | 4,562                             |
| Salary - treasurer - vacation wages   | -                 | 4,370             | 3,790                             |
| Salary - bookkeeper                   | -                 | 20,149            | -                                 |
| Salary - treasurer's clerk            | 32,703            | 1,746             | 28,669                            |
| Salary - treasurer office assistant   | -                 | -                 | 3,736                             |
| Treasury - FMLA Wages                 | -                 | 780               | -                                 |
| Treasurer's ofc contracted sick       | 700               | 700               | 1,400                             |
| Treasurer's ofc longevity             | 1,000             | 1,000             | 950                               |
| Treasurer's ofc supplies              | 1,200             | 1,929             | 1,194                             |
| Treasurer's ofc computer exp          | -                 | 675               | -                                 |
| Treasurer's ofc copy machine          | 310               | -                 | 310                               |
| <b>TOTAL FINANCIAL ADMINISTRATION</b> | <b>\$ 50,913</b>  | <b>\$ 76,426</b>  | <b>\$ 58,706</b>                  |
| <b>TAX COLLECTION:</b>                |                   |                   |                                   |
| Salary - tax collector                | \$ 30,000         | \$ 1,154          | \$ 30,000                         |
| Real estate tax cards                 | 3,700             | 3,691             | 3,697                             |
| Earned income tax commission          | 12,500            | 10,309            | 11,257                            |
| EMS income tax commission             | 2,550             | 2,799             | 2,637                             |
| Earned income tax commission act 205  | 16,400            | 15,480            | 16,226                            |
| Tax Commission - Act 511 Taxes        | 1,300             | 54                | 518                               |
| Bonds - Treasurers office             | 1,861             | 1,091             | 1,861                             |
| <b>TOTAL TAX COLLECTION</b>           | <b>\$ 68,311</b>  | <b>\$ 34,578</b>  | <b>\$ 66,196</b>                  |

**CITY OF BEAVER FALLS  
 DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                        | <b>BUDGET</b>     | <b>ACTUAL</b>     | <b>(MEMORANDUM ONLY)<br/>2019</b> |
|----------------------------------------|-------------------|-------------------|-----------------------------------|
| <b>GENERAL GOVERNMENT (Continued):</b> |                   |                   |                                   |
| <b>LEGAL:</b>                          |                   |                   |                                   |
| Salary - solicitor                     | \$ 18,000         | \$ 18,000         | \$ 18,000                         |
| Legal fees                             | 12,000            | 11,300            | 16,895                            |
| Appraisal                              | -                 | 830               | 805                               |
| Engineering Services                   | 2,500             | 1,109             | 1,274                             |
| <b>TOTAL LEGAL</b>                     | <b>\$ 32,500</b>  | <b>\$ 31,239</b>  | <b>\$ 36,974</b>                  |
| <b>DATA PROCESSING:</b>                |                   |                   |                                   |
| Data processing - computer maintenance | \$ 10,000         | \$ 9,624          | \$ 9,471                          |
| Data processing - computer upgrade     | 5,000             | 5,570             | 6,803                             |
| <b>TOTAL DATA PROCESSING</b>           | <b>\$ 15,000</b>  | <b>\$ 15,194</b>  | <b>\$ 16,274</b>                  |
| <b>MUNICIPAL BUILDING:</b>             |                   |                   |                                   |
| City Building - electric               | \$ 22,000         | \$ 16,570         | \$ 24,024                         |
| City Building - gas                    | 6,000             | 5,820             | 5,626                             |
| City Building - water                  | 2,000             | 2,711             | 1,551                             |
| <b>TOTAL MUNICIPAL BUILDING</b>        | <b>\$ 30,000</b>  | <b>\$ 25,101</b>  | <b>\$ 31,201</b>                  |
| <b>TOTAL GENERAL GOVERNMENT</b>        | <b>\$ 432,941</b> | <b>\$ 474,997</b> | <b>\$ 460,895</b>                 |
| <b>PUBLIC SAFETY:</b>                  |                   |                   |                                   |
| <b>POLICE:</b>                         |                   |                   |                                   |
| Salary - chief                         | \$ 80,698         | \$ 71,950         | \$ 67,594                         |
| Police Sick Wages                      | -                 | 45,088            | 50,388                            |
| Police Vacation Wages                  | -                 | 96,837            | 87,008                            |
| Salary - captain                       | 274,255           | 194,993           | 225,651                           |
| Salary - sergeant                      | 191,116           | 121,103           | 154,774                           |
| Salary - non-ranked policemen          | 515,159           | 456,880           | 432,902                           |
| Police Vehicle Repair Wages            | -                 | 145               | 71                                |
| Police Acting OIC wages                | 6,386             | 7,121             | 3,555                             |
| Police Health Insurance Comp           | 9,000             | 9,481             | 14,251                            |
| Salary - jailers                       | 36,375            | 31,228            | 29,190                            |
| Jailers                                | 3,500             | 3,520             | 3,125                             |
| Police Jailers Sick Pay                | -                 | 1,108             | 1,562                             |
| Meter Patrols                          | 21,216            | 19,673            | 19,075                            |
| Parking Maintenance                    | 5,000             | 7,170             | 6,952                             |
| Police Jailer Vacation Hourly          | -                 | 4,979             | 4,404                             |
| Pkg & Jailer Longevity                 | 750               | 1,950             | 700                               |
| Overtime - Major Cases                 | 9,000             | 21,460            | 6,978                             |
| Overtime - Jailer (police)             | 13,250            | 17,485            | 17,016                            |
| Overtime - Special Events              | 13,000            | 5,964             | 1,568                             |
| Contracted sick days                   | 1,000             | 1,500             | -                                 |
| Longevity - police                     | 12,950            | 10,650            | 12,200                            |
| Overtime                               | 130,000           | 163,753           | 150,336                           |
| Shift differential                     | 7,931             | 7,615             | 7,831                             |
| Holiday pay                            | 53,520            | 57,344            | 50,854                            |
| Court time                             | 95,800            | 136,841           | 149,056                           |
| Education pay                          | 1,500             | 1,800             | 1,800                             |
| Housing authority policing             | 35,000            | 38,990            | 35,618                            |
| Police schools                         | 15,000            | 13,246            | 12,511                            |
| Uniforms                               | 9,650             | 10,714            | 14,200                            |
| Police Tuition Reimbursement           | 700               | 350               | 350                               |
| Police Training Expenses               | 700               | 950               | 1,605                             |
| Police Heart & Lung Benefit            | -                 | 5,778             | -                                 |
| Employment costs - policemen           | -                 | 3,299             | 2,260                             |
| Office supplies                        | 2,900             | 3,961             | 3,216                             |
| Weight equipment                       | 300               | -                 | -                                 |
| Ammunition                             | 8,000             | 11,273            | 5,690                             |
| Criminal investigation                 | 2,300             | 2,381             | 205                               |
| K-9 supplies                           | 2,100             | 1,032             | 1,320                             |

**CITY OF BEAVER FALLS**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                   | BUDGET              | ACTUAL              | (MEMORANDUM<br>ONLY)<br>2019 |
|-----------------------------------|---------------------|---------------------|------------------------------|
| <b>PUBLIC SAFETY (Continued):</b> |                     |                     |                              |
| <b>POLICE (Continued):</b>        |                     |                     |                              |
| K-9 veterinarian expenses         | 250                 | -                   | -                            |
| Breathalyzer supplies             | 230                 | 200                 | 140                          |
| K-9 Equipment & Training          | 250                 | -                   | -                            |
| Police Miscellaneous Expense      | -                   | 2,056               | 2,629                        |
| Fuel                              | 22,000              | 10,146              | 19,148                       |
| Vehicle maintenance               | 8,000               | 11,579              | 10,016                       |
| Camera Security System            | -                   | -                   | 741                          |
| Computer maintenance expense      | 12,000              | 13,792              | 15,245                       |
| Phone - police station            | 2,400               | 2,104               | 2,442                        |
| Printing                          | 650                 | 707                 | 408                          |
| Ticket printing                   | -                   | 1,941               | -                            |
| Range - electric                  | 1,400               | 1,140               | 1,413                        |
| Publications                      | 300                 | -                   | -                            |
| Meter Equipment & Repair          | 500                 | -                   | -                            |
| Uniforms                          | 150                 | -                   | -                            |
| Miscellaneous Expense             | -                   | 148                 | -                            |
| <b>TOTAL POLICE</b>               | <b>\$ 1,606,186</b> | <b>\$ 1,633,425</b> | <b>\$ 1,627,996</b>          |
| <b>FIRE DEPARTMENT:</b>           |                     |                     |                              |
| Salary - chief                    | \$ 70,699           | \$ 70,109           | \$ 60,177                    |
| Sick Hourly Wages                 | -                   | 52,210              | 18,851                       |
| Vacation Hourly Wages             | -                   | 50,805              | 41,351                       |
| Salary - captain                  | 176,856             | 108,820             | 131,833                      |
| OIC pay                           | 1,500               | 5,146               | 2,042                        |
| Salary - firefighters             | 203,903             | 194,998             | 168,884                      |
| Part-Time Firefighters            | 20,000              | 16,296              | 17,636                       |
| Health Insurance Comp             | 29,000              | 19,801              | 19,544                       |
| Off-Duty Training Wages           | 12,000              | 9,371               | 5,028                        |
| Contracted sick days              | 2,500               | 2,500               | 2,000                        |
| Longevity                         | 4,000               | 4,300               | 3,650                        |
| Overtime - double rate            | 44,000              | 73,848              | 53,390                       |
| Holiday pay                       | 28,702              | 35,903              | 28,519                       |
| Off-duty fire calls               | 43,860              | 47,114              | 45,588                       |
| Fire school                       | 3,500               | 2,902               | 3,855                        |
| Education pay                     | 450                 | 450                 | 450                          |
| Uniforms                          | 5,700               | 4,733               | 4,594                        |
| Physicals                         | 3,400               | 2,544               | 2,862                        |
| Contracted training               | 1,800               | 1,546               | 750                          |
| Heart & Lung Benefits             | -                   | 1,540               | 888                          |
| Office supplies                   | 1,600               | 1,121               | 1,250                        |
| Cleaning supplies                 | 750                 | 1,315               | 944                          |
| Fuel and lubrication              | 10,500              | 6,598               | 9,121                        |
| Truck repairs                     | 18,500              | 17,295              | 21,473                       |
| Tire Replacement                  | 2,200               | 45                  | 1,629                        |
| Miscellaneous equipment           | 2,400               | 1,231               | 2,357                        |
| Protective clothing               | 2,800               | 2,161               | 2,800                        |
| Hose replacement                  | 2,200               | 1,226               | 2,142                        |
| Mask repair parts                 | 3,400               | 3,854               | 5,105                        |

**CITY OF BEAVER FALLS**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                     | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>(MEMORANDUM ONLY)<br/>2019</u> |
|-------------------------------------|---------------------|---------------------|-----------------------------------|
| <b>PUBLIC SAFETY:</b>               |                     |                     |                                   |
| <b>FIRE DEPARTMENT (Continued):</b> |                     |                     |                                   |
| Replacement Fire Gear               | 8,000               | 5,625               | (1,674)                           |
| Fire Arson Investigation            | 1,400               | -                   | -                                 |
| Compressor maintenance              | -                   | 2,209               | 1,989                             |
| SCUBA Equipment                     | 1,000               | 970                 | 118                               |
| Volunteer fire time                 | 12,300              | 18,720              | 12,976                            |
| Telephone                           | 2,600               | 2,446               | 3,156                             |
| Radio repairs                       | 700                 | 1,616               | 436                               |
| BFMA hydrant rental                 | 21,700              | 21,429              | 27,450                            |
| #3 Station - electric               | 1,150               | 1,113               | 1,381                             |
| #3 Station - gas/Pleasantview       | 1,500               | 3,503               | 1,401                             |
| #3 Station - Water                  | 300                 | 341                 | 257                               |
| Fire Act205 Relief to VFD           | 25,300              | 24,622              | 25,153                            |
| Fire Grant Expenses                 | -                   | 37,427              | 13,444                            |
| Fire Major Equip Repair/Replace     | 2,800               | -                   | 3,641                             |
| <b>TOTAL FIRE DEPARTMENT</b>        | <b>\$ 774,970</b>   | <b>\$ 859,803</b>   | <b>\$ 748,438</b>                 |
| <b>EMERGENCY MANAGEMENT:</b>        |                     |                     |                                   |
| Emergency Mgmt Fee                  | \$ 1,000            | \$ -                | \$ -                              |
| <b>TOTAL EMERGENCY MANAGEMENT</b>   | <b>\$ 1,000</b>     | <b>\$ -</b>         | <b>\$ -</b>                       |
| <b>TOTAL PUBLIC SAFETY</b>          | <b>\$ 2,382,156</b> | <b>\$ 2,493,228</b> | <b>\$ 2,376,434</b>               |
| <b>HEALTH AND WELFARE:</b>          |                     |                     |                                   |
| Health and enforcement salary       | \$ 22,913           | \$ 3,506            | \$ 22,529                         |
| Sick Pay                            | -                   | 1,781               | 2,219                             |
| Vacation Hourly                     | -                   | 5,570               | 5,102                             |
| Code Clerical Wages                 | 23,394              | 10,081              | 16,666                            |
| Code FMLA Wages                     | -                   | 1,439               | -                                 |
| Code Longevity                      | 1,250               | 1,250               | 1,150                             |
| Printing and supplies               | 1,200               | 451                 | 1,175                             |
| BOCA Code books                     | 500                 | -                   | 379                               |
| Code enforcement                    | 800                 | 455                 | 810                               |
| Training - Code Enforcement         | 200                 | -                   | 555                               |
| Inspection Certification            | 1,000               | 390                 | 1,036                             |
| Zoning Hearing Expense              | 6,000               | 11,674              | 7,498                             |
| Code BasicGov Program               | 6,500               | 5,586               | 5,586                             |
| Gas and repairs                     | 1,000               | 136                 | 1,369                             |
| Telephone                           | 650                 | 728                 | 647                               |
| Code Uniforms                       | 600                 | 190                 | 407                               |
| <b>TOTAL HEALTH AND WELFARE</b>     | <b>\$ 66,007</b>    | <b>\$ 43,237</b>    | <b>\$ 67,129</b>                  |
| <b>RENTAL REGISTRATION:</b>         |                     |                     |                                   |
| Rental Reg FMLA Wages               | \$ -                | \$ 3,713            | \$ -                              |
| Rental Reg Coordinator              | 23,394              | 7,628               | 22,209                            |
| Rental Reg Clerk                    | 27,638              | 27,002              | 24,110                            |
| Rental Admin Vacation               | -                   | 2,476               | 1,667                             |
| Rental Admin Sick Pay               | -                   | 584                 | 1,303                             |
| Rental Printing & Supplies          | 200                 | 127                 | 489                               |
| Rental ICC Publication              | 600                 | -                   | -                                 |
| Misc Expense                        | 600                 | 445                 | 781                               |
| Rental BasicGov Software            | 5,800               | 5,586               | 5,586                             |
| Rental Vehicle Gas & Repairs        | 1,000               | -                   | -                                 |
| <b>TOTAL RENTAL REGISTRATION</b>    | <b>\$ 59,232</b>    | <b>\$ 47,561</b>    | <b>\$ 56,145</b>                  |
| <b>PUBLIC WORKS:</b>                |                     |                     |                                   |
| <b>SANITATION:</b>                  |                     |                     |                                   |
| Landfill fees                       | \$ 79,000           | \$ 113,355          | \$ 77,463                         |
| Outside contracting fees            | 487,500             | 512,633             | 351,084                           |
| Recycling Fees                      | 118,000             | 13,717              | 117,997                           |
| Replacement Cart Cost               | -                   | 1,360               | 480                               |
| <b>TOTAL SANITATION</b>             | <b>\$ 684,500</b>   | <b>\$ 641,065</b>   | <b>\$ 547,024</b>                 |

**CITY OF BEAVER FALLS**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                              | BUDGET              | ACTUAL              | (MEMORANDUM<br>ONLY)<br>2019 |
|----------------------------------------------|---------------------|---------------------|------------------------------|
| <b>PUBLIC WORKS (Continued):</b>             |                     |                     |                              |
| <b>STREET DEPARTMENT:</b>                    |                     |                     |                              |
| Salary - superintendent                      | \$ 76,927           | \$ 75,124           | \$ 70,336                    |
| Sick Wages                                   | -                   | 15,906              | 3,189                        |
| Vacation Wages                               | -                   | 39,576              | 35,634                       |
| Maintenance/ Utility Wages                   | 45,163              | 43,361              | 41,371                       |
| Salary - skilled laborer and vactor operator | 90,327              | 82,705              | 76,597                       |
| Salary - mechanics/operators                 | 50,098              | 44,866              | 43,783                       |
| Salary - sweeper operator                    | 44,514              | 41,892              | 21,451                       |
| Salary - skilled laborer helper              | 43,843              | 33,537              | 39,984                       |
| Salary - vactor helper                       | -                   | 36,850              | 4,628                        |
| Salary - labor pool                          | 85,609              | 76,402              | 104,203                      |
| Street FMLA Wages                            | -                   | 1,686               | -                            |
| St Health Insurance Comp                     | 30,000              | 29,702              | 29,316                       |
| Contracted sick days                         | 6,300               | 5,600               | 6,300                        |
| Longevity                                    | 7,850               | 7,900               | 7,550                        |
| Overtime                                     | 36,000              | 39,056              | 54,027                       |
| Shift differential                           | 1,400               | 1,857               | 1,343                        |
| Higher wages                                 | 1,000               | 7,785               | 20,471                       |
| Sewer OT                                     | 1,500               | 2,338               | 1,314                        |
| Uniforms                                     | 3,000               | 5,087               | 4,385                        |
| Drug and alcohol testing                     | 700                 | 854                 | 512                          |
| Office supplies                              | 760                 | 1,080               | 674                          |
| Property maintenance                         | 22,500              | 27,333              | 23,366                       |
| Weed Cutting                                 | 3,000               | 2,611               | 818                          |
| City Building Repairs                        | 28,000              | 33,761              | 29,082                       |
| Telephone                                    | 8,100               | 7,073               | 7,808                        |
| Utilities - electric                         | 5,000               | 4,459               | 5,221                        |
| Utilities - gas                              | 12,000              | 8,550               | 12,494                       |
| Utilities - water                            | 500                 | 531                 | 544                          |
| Street lights                                | 218,000             | 213,606             | 212,473                      |
| Traffic signals electricity                  | -                   | -                   | -                            |
| 7th Avenue lights                            | 2,800               | 2,985               | 2,214                        |
| Traffic signal repairs                       | 4,000               | 3,621               | 517                          |
| Salary - snow control                        | 9,000               | 9,829               | 7,879                        |
| Snow control expenses - supplies             | 111,000             | 88,731              | 94,638                       |
| Snow Supply Reimbursements                   | (4,500)             | (3,240)             | (4,316)                      |
| Street signs                                 | 4,800               | 4,229               | 4,596                        |
| Storm sewer maintenance                      | 1,500               | 1,512               | 1,623                        |
| Street Maintenance Fuel                      | 24,000              | 21,433              | 30,133                       |
| Street vehicles maintenance                  | 23,200              | 16,679              | 27,263                       |
| Street sweeper maintenance                   | 10,000              | 8,831               | 14,471                       |
| Tools and new equipment                      | 3,000               | 1,995               | 638                          |
| Safety equipment                             | 500                 | 887                 | 490                          |
| Road patching material                       | 10,000              | 10,998              | 10,564                       |
| Road painting                                | 2,000               | 1,779               | 1,909                        |
| <b>TOTAL STREET DEPARTMENT</b>               | <b>\$ 1,023,391</b> | <b>\$ 1,061,357</b> | <b>\$ 1,051,490</b>          |
| <b>WATER SYSTEM:</b>                         |                     |                     |                              |
| Sick Wages                                   | \$ -                | \$ 10,647           | \$ 3,960                     |
| Vacation Wages                               | -                   | 37,813              | 32,405                       |
| Manager Salary                               | 79,198              | 78,848              | 66,799                       |
| Operator 1                                   | 50,087              | 48,712              | 45,498                       |
| Mechanic 1                                   | 50,087              | 46,593              | 41,917                       |
| Mechanic 2                                   | 45,157              | 23,739              | 40,117                       |
| Mechanic Laborer                             | 44,512              | 41,730              | 40,259                       |
| Mechanic/OP Trainee                          | 90,314              | 78,162              | 84,031                       |
| Higher wages                                 | 3,600               | 3,204               | 3,624                        |
| Secretary - WPCP                             | 20,938              | 19,013              | 15,535                       |
| Contracted sick days                         | 3,500               | 3,500               | 2,800                        |
| Longevity                                    | 6,200               | 6,350               | 6,000                        |
| Overtime                                     | 19,000              | 18,295              | 10,765                       |
| Shift differential                           | 650                 | 717                 | 726                          |
| Holidays                                     | 9,400               | 10,127              | 9,471                        |
| <b>TOTAL WATER SYSTEM</b>                    | <b>\$ 422,643</b>   | <b>\$ 427,450</b>   | <b>\$ 403,905</b>            |
| <b>TOTAL PUBLIC WORKS</b>                    | <b>\$ 2,130,534</b> | <b>\$ 2,129,872</b> | <b>\$ 2,002,420</b>          |

**CITY OF BEAVER FALLS**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                                        | BUDGET              | ACTUAL              | (MEMORANDUM<br>ONLY)<br>2019 |
|--------------------------------------------------------|---------------------|---------------------|------------------------------|
| <b>CULTURE AND RECREATION:</b>                         |                     |                     |                              |
| <b>PARKS &amp; PLAYGROUNDS:</b>                        |                     |                     |                              |
| Parks Repairs & Maintenance                            | \$ 2,600            | \$ 4,407            | \$ 2,910                     |
| Recreation payment                                     | 6,500               | 2,371               | 3,835                        |
| Parks and playgrounds - utilities                      | 4,600               | 5,817               | 5,436                        |
| <b>TOTAL PARKS &amp; PLAYGROUNDS</b>                   | <b>\$ 13,700</b>    | <b>\$ 12,595</b>    | <b>\$ 12,181</b>             |
| <b>TOTAL CULTURE AND RECREATION</b>                    | <b>\$ 13,700</b>    | <b>\$ 12,595</b>    | <b>\$ 12,181</b>             |
| <b>DEBT SERVICE:</b>                                   |                     |                     |                              |
| Credit Card Fees                                       | \$ -                | \$ 125              | \$ -                         |
| Bank Fees                                              | 3,500               | 1,747               | 3,599                        |
| TAN - Principal                                        | 600,000             | 600,000             | 600,000                      |
| TAN - Interest                                         | 18,000              | 15,193              | 17,542                       |
| FNB Loan Payment                                       | 74,850              | 81,088              | 181,189                      |
| Bond & Debt Svc Admin Fees                             | 800                 | 1,100               | 1,100                        |
| <b>TOTAL DEBT SERVICE</b>                              | <b>\$ 697,150</b>   | <b>\$ 699,253</b>   | <b>\$ 803,430</b>            |
| <b>INSURANCE:</b>                                      |                     |                     |                              |
| Workers Comp Ins                                       | \$ 169,028          | \$ 164,983          | \$ 179,119                   |
| General Ins                                            | 109,768             | 128,876             | 118,880                      |
| Employee Hospital/Life Ins                             | 837,000             | 828,387             | 795,037                      |
| Employee Ins Cont.                                     | (62,400)            | (62,580)            | (55,920)                     |
| Health Ins Reimbursements                              | (8,240)             | (7,401)             | (8,238)                      |
| <b>TOTAL INSURANCE</b>                                 | <b>\$ 1,045,156</b> | <b>\$ 1,052,265</b> | <b>\$ 1,028,878</b>          |
| <b>MISCELLANEOUS EXPENSES:</b>                         |                     |                     |                              |
| Non-Uniform Pension Contribution                       | \$ 169,530          | \$ 169,530          | \$ 145,760                   |
| State Pension Transfer                                 | 370,000             | 369,287             | 373,796                      |
| Manager's Pension Contribution                         | 2,806               | 2,914               | 2,806                        |
| Uniform Pension Contribution                           | 487,097             | 737,097             | 448,875                      |
| Fireman's Pension Contribution                         | 189,550             | 389,550             | 199,136                      |
| Social Security - other                                | 83,373              | 85,334              | 83,433                       |
| Medicare                                               | 49,036              | 50,510              | 49,204                       |
| Unemployment Comp                                      | -                   | 4,098               | 17,393                       |
| <b>TOTAL MISCELLANEOUS EXPENSES</b>                    | <b>\$ 1,351,392</b> | <b>\$ 1,808,320</b> | <b>\$ 1,320,404</b>          |
| <b>OTHER FINANCING USES:</b>                           |                     |                     |                              |
| Refund Prior Year Revenues                             | \$ -                | \$ 2,998            | \$ 94                        |
| Transfer to Local Drug Investigative Fund              | -                   | -                   | 6,092                        |
| Transfer to Debt Service                               | 597,917             | 607,560             | 722,820                      |
| <b>TOTAL OTHER FINANCING USES</b>                      | <b>\$ 597,917</b>   | <b>\$ 610,558</b>   | <b>\$ 729,006</b>            |
| <b>TOTAL EXPENDITURES AND OTHER<br/>FINANCING USES</b> | <b>\$ 8,776,185</b> | <b>\$ 9,371,886</b> | <b>\$ 8,856,921</b>          |

**CITY OF BEAVER FALLS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

**SCHEDULE 3**

|                                            | HIGHWAY<br>AID<br>FUND | LOCAL<br>DRUG<br>INVESTIGATIVE<br>FUND | K-9<br>FUND     | CRIMEWATCH<br>FUND | DEBT<br>SERVICE<br>FUND | TOTAL<br>NON-MAJOR<br>GOVERNMENTAL<br>FUNDS |
|--------------------------------------------|------------------------|----------------------------------------|-----------------|--------------------|-------------------------|---------------------------------------------|
| <b>ASSETS:</b>                             |                        |                                        |                 |                    |                         |                                             |
| Cash and Cash Equivalents                  | \$ 53,468              | \$ 49,094                              | \$ 6,358        | \$ 122             | \$ -                    | \$ 109,042                                  |
| <b>TOTAL ASSETS</b>                        | <b>\$ 53,468</b>       | <b>\$ 49,094</b>                       | <b>\$ 6,358</b> | <b>\$ 122</b>      | <b>\$ -</b>             | <b>\$ 109,042</b>                           |
| <b>LIABILITIES AND FUND BALANCES</b>       |                        |                                        |                 |                    |                         |                                             |
| <b>LIABILITIES:</b>                        |                        |                                        |                 |                    |                         |                                             |
| Due to Other Funds                         | \$ -                   | \$ -                                   | \$ -            | \$ -               | \$ -                    | \$ -                                        |
| <b>TOTAL LIABILITIES</b>                   | <b>\$ -</b>            | <b>\$ -</b>                            | <b>\$ -</b>     | <b>\$ -</b>        | <b>\$ -</b>             | <b>\$ -</b>                                 |
| <b>FUND BALANCES:</b>                      |                        |                                        |                 |                    |                         |                                             |
| Restricted                                 | \$ 53,468              | \$ 49,094                              | \$ 6,358        | \$ 122             | \$ -                    | \$ 109,042                                  |
| <b>TOTAL FUND BALANCES</b>                 | <b>\$ 53,468</b>       | <b>\$ 49,094</b>                       | <b>\$ 6,358</b> | <b>\$ 122</b>      | <b>\$ -</b>             | <b>\$ 109,042</b>                           |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 53,468</b>       | <b>\$ 49,094</b>                       | <b>\$ 6,358</b> | <b>\$ 122</b>      | <b>\$ -</b>             | <b>\$ 109,042</b>                           |

**CITY OF BEAVER FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                                              | HIGHWAY<br>AID<br>FUND | LOCAL<br>DRUG<br>INVESTIGATIVE<br>FUND | K-9<br>FUND     | CRIMEWATCH<br>FUND | DEBT<br>SERVICE<br>FUND | TOTAL<br>NON-MAJOR<br>GOVERNMENTAL<br>FUNDS |
|--------------------------------------------------------------|------------------------|----------------------------------------|-----------------|--------------------|-------------------------|---------------------------------------------|
| <b>REVENUES</b>                                              |                        |                                        |                 |                    |                         |                                             |
| Interest and Rents                                           | \$ 137                 | \$ 15                                  | \$ -            | \$ -               | \$ 1                    | \$ 153                                      |
| Fines & Forfeitures                                          | -                      | 7,102                                  | -               | -                  | -                       | 7,102                                       |
| Intergovernmental                                            | 269,381                | -                                      | -               | -                  | -                       | 269,381                                     |
| Donations                                                    | -                      | -                                      | 2,677           | -                  | -                       | 2,677                                       |
| <b>Total Revenue</b>                                         | <b>\$ 269,518</b>      | <b>\$ 7,117</b>                        | <b>\$ 2,677</b> | <b>\$ -</b>        | <b>\$ 1</b>             | <b>\$ 279,313</b>                           |
| <b>EXPENDITURES</b>                                          |                        |                                        |                 |                    |                         |                                             |
| General Government                                           | -                      | -                                      | -               | 47                 | -                       | 47                                          |
| Public Safety                                                | -                      | 7,414                                  | 275             | -                  | -                       | 7,689                                       |
| Debt Service                                                 | -                      | -                                      | -               | -                  | 607,916                 | 607,916                                     |
| <b>Total Expenditures</b>                                    | <b>\$ -</b>            | <b>\$ 7,414</b>                        | <b>\$ 275</b>   | <b>\$ 47</b>       | <b>\$ 607,916</b>       | <b>\$ 615,652</b>                           |
| <b>Excess ( Deficiency) of Revenue<br/>over Expenditures</b> | <b>\$ 269,518</b>      | <b>\$ (297)</b>                        | <b>\$ 2,402</b> | <b>\$ (47)</b>     | <b>\$ (607,915)</b>     | <b>\$ (336,339)</b>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                        |                                        |                 |                    |                         |                                             |
| Operating Transfers In                                       | -                      | -                                      | -               | -                  | 607,560                 | 607,560                                     |
| Operating Transfers Out                                      | (234,393)              | -                                      | -               | -                  | -                       | (234,393)                                   |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>\$ (234,393)</b>    | <b>\$ -</b>                            | <b>\$ -</b>     | <b>\$ -</b>        | <b>\$ 607,560</b>       | <b>\$ 373,167</b>                           |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>\$ 35,125</b>       | <b>\$ (297)</b>                        | <b>\$ 2,402</b> | <b>\$ (47)</b>     | <b>\$ (355)</b>         | <b>\$ 36,828</b>                            |
| FUND BALANCE - JANUARY 1, 2020                               | 18,343                 | 49,391                                 | 3,956           | 169                | 355                     | 72,214                                      |
| <b>FUND BALANCE - DECEMBER 31, 2020</b>                      | <b>\$ 53,468</b>       | <b>\$ 49,094</b>                       | <b>\$ 6,358</b> | <b>\$ 122</b>      | <b>\$ -</b>             | <b>\$ 109,042</b>                           |

The accompanying notes are an integral part of these financial statements