

**TOWN OF BLOOMSBURG**

**FINANCIAL REPORT**

**DECEMBER 31, 2015**

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## **INDEPENDENT AUDITOR'S REPORT**

Members of Town Council  
Town of Bloomsburg  
Bloomsburg, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Bloomsburg, Pennsylvania as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Basis for Qualified Opinion on Pension Funds**

The Town of Bloomsburg has not adopted Governmental Accounting Standards Board (GASB) Statement No. 68, “*Accounting and Financial Reporting for Pensions.*” GASB Statement No. 68 requires the recognition and related disclosures of the liability of employers and non-employer contributing entities to employees for defined benefit pensions (net pension liability) measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service (total pension liability), less the amount of the pension plan’s fiduciary net position. The effects of this omission on the primary government’s 2015 financial statements are not reasonably determinable.

## **Qualified Opinion**

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinions on Pension Trust Funds” paragraph above, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Pension Trust Funds of the Town of Bloomsburg as of December 31, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information other than the Pension Trust Funds of the Town of Bloomsburg, as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis on pages 4 through 9, and the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bloomsburg's basic financial statements. The combining and individual non-major fund financial statements and other schedules, listed in the Table of Contents as supplementary information, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and other schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used 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 our opinion, the combining and individual non-major fund financial statements and other schedules, the accompanying Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2016, on our consideration of the Town of Bloomsburg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Bloomsburg's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is positioned in the lower right quadrant of the page.

Camp Hill, Pennsylvania  
March 16, 2016

# MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) is intended to help the reader understand the Town of Bloomsburg, its operations and its present environment. The MD&A is provided as a supplement to and should be read in conjunction with the financial statements. This analytical overview of the Town's financial activities is comprised of the government-wide financial statements, fund financial statements, and notes to the financial statements. We hope this, in conjunction with additional information provided within the financial statements, will assist readers in identifying significant issues and changes in the Town's financial position.

## General

The Town of Bloomsburg is a small historic town located within Columbia County and is home to just over 14,000 residents. Bloomsburg is the County seat and is considered the only incorporated "town" in Pennsylvania. This incorporation took place on March 4, 1870. The Town is located along Route 11 and is less than five minutes from two exits of Interstate 80 making Bloomsburg a hub of activity for residents and visitors.

## Strategic Imperatives

The following strategic imperatives will be the focus of the Town to attempt to ensure the success in the coming years:

- A review of the fixed asset listing is needed to update the records for the Town of Bloomsburg.
- Continued recreation opportunities focusing on Streater Field and Town Park.
- Continued effort to minimize flooding impacts in Bloomsburg to our businesses, residents and infrastructure.
- Ensuring proper street lighting, sidewalks and paved roads are in place for public use.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1.) government - wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

### 1) Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private business. The government-wide financial statements include a *statement of net position* and a *statement of activities*.

- The *statement of net position* presents information on the Town's entire assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

- The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and activities from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

- The *governmental activities* of the Town include education, general government, public safety, public works, code enforcement, economic development and recreation.
- The *business-type activity* of the Town includes the Recycling Center.

Also included in the statements are the component units of the Town. Component units are described as an organization that raises and holds economic resources for the direct benefit of a governmental unit. Components of the Town are the Norris Rock Pool and Bloomsburg Municipal Authority.

## 2) Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: *governmental*, *proprietary*, or *fiduciary*.

- ***Governmental Funds*** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General, Street Lighting, Fire, Recycling, Library, Capital Projects, Day Care, Debt Service, Commercial Loan Repayment, Liquid Fuels, Airport, CDBG Entitlement Program, CDBG Disaster Recovery, CDBG Program Income, Home Program, Police Pension, Town Employee Pension, David Stroup, George S. Robbins and Bruce Hartman Fund.

The Town of Bloomsburg adopts an annual appropriated budget for the funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

- **Proprietary Funds** represent charges from customers for a service it provides, whether to outside customers or to other units of government, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. Proprietary funds are comprised of two types: 1.) *Enterprise funds* and 2.) *Internal service funds*. The Town utilizes enterprise funds for its Recycling Center. Internal service funds are an accounting device use to accumulate and allocate costs internal amounts the Town's various functions. Any internal service funds are reported within governmental activities in the government-wide financial statements as they predominantly benefit governmental rather than business-type functions.
- **Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs (e.g. pension funds). The accounting used for fiduciary funds is similar to proprietary funds.

### 3) Notes to the Financial Statements/Other Information

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. This required supplementary information can be found at the end of the financials in this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Bloomsburg's progress in funding its obligation to provide pension benefits to its employees.

The combining statements of non-major governmental funds are presented immediately following the required supplementary information on pensions.

## Results of Operations - Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$15,020,650 as of the close of the most recent fiscal year for governmental activities and business-type activities.

**CONDENSED STATEMENTS OF NET POSITION - GOVERNMENT WIDE**

	<b>December 31,</b>		<b>Variance</b>	
	<b>2015</b>	<b>2014</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>				
Current assets	\$ 5,320,060	\$ 4,988,550	\$ 331,510	6.65
Capital assets	15,055,710	14,508,118	547,592	3.77
<b>Total assets</b>	<b>\$ 20,375,770</b>	<b>\$ 19,496,668</b>	<b>\$ 879,102</b>	<b>4.51</b>
<b>Liabilities</b>				
Current liabilities	\$ 2,070,082	\$ 1,379,258	\$ 690,824	50.09
Long-term liabilities	3,285,038	3,121,635	163,403	5.23
<b>Total liabilities</b>	<b>5,355,120</b>	<b>4,500,893</b>	<b>854,227</b>	<b>18.98</b>
<b>Net Position</b>				
Net investment in capital assets	13,916,166	13,055,685	860,481	6.59
Restricted	796,458	1,186,335	(389,877)	(32.86)
Unrestricted	308,026	753,755	(445,729)	(59.13)
<b>Total net position</b>	<b>15,020,650</b>	<b>14,995,775</b>	<b>24,875</b>	<b>0.17</b>
<b>Total liabilities and net position</b>	<b>\$ 20,375,770</b>	<b>\$ 19,496,668</b>	<b>\$ 879,102</b>	<b>4.51</b>

The largest portion of the Town’s net position reflects its investments in capital assets of \$15 million. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Town’s net position (\$796 thousand) represents resources that are subject to external restrictions on how they may be used. Below is a four year comparison of the net positions for the Town.

**COMPARISON OF NET POSITION**

	<b>December 31,</b>			
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Governmental Activities	\$ 13,609,928	\$ 13,301,554	\$ 13,181,619	\$ 11,116,103
Business-Type Activities	1,410,722	1,694,221	1,787,038	2,146,014
<b>Total Net Position</b>	<b>\$ 15,020,650</b>	<b>\$ 14,995,775</b>	<b>\$ 14,968,657</b>	<b>\$ 13,262,117</b>

The focus of the Town’s governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town’s financing requirements. In particular, fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town’s governmental funds reported combined fund balances of \$2.6 million, a decrease of \$272 thousand in comparison with the prior year.

Shown below is the activity in the General Fund for each department.

**2015 GENERAL FUND BUDGET VS ACTUAL**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Administration</b>			
Revenue	\$ 3,300,691	\$ 3,462,772	\$ 162,081
Expenses	872,538	856,204	(16,334)
<b>Street Excavation</b>			
Revenue	13,500	11,778	(1,722)
Expenses	13,500	1,712	(11,788)
<b>Town Buildings</b>			
Revenue	4,349	5,043	694
Expenses	80,341	77,975	(2,366)
<b>Tax Collector</b>			
Expenses	22,148	21,359	(789)
<b>Police Department</b>			
Revenue	1,095,805	985,864	(109,941)
Expenses	2,294,951	2,320,617	25,666
<b>Airport</b>			
Revenue	267,020	250,845	(16,175)
Expenses	257,219	235,090	(22,129)
<b>Fire Department</b>			
Revenue	70,000	69,413	(587)
Expenses	70,000	69,413	(587)
<b>Codes Department</b>			
Revenue	287,968	328,009	40,041
Expenses	397,671	440,116	42,445
<b>Emergency Management</b>			
Expenses	5,150	5,033	(117)
<b>Public Works</b>			
Revenue	24,211	21,533	(2,678)
Expenses	967,851	915,646	(52,205)
<b>Town Park</b>			
Expenses	40,500	22,105	(18,395)
<b>Shade Tree</b>			
Expenses	4,175	7,121	2,946
<b>Downtown Economic Dev. &amp; Assist.</b>			
Expenses	37,500	26,110	(11,390)
<b>Total Revenue</b>	<u>5,063,544</u>	<u>5,135,257</u>	<u>71,713</u>
<b>Total Expenses</b>	<u>5,063,544</u>	<u>4,998,501</u>	<u>(65,043)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ -</u>	<u>\$ 136,756</u>	<u>\$ 136,756</u>

Of the \$136,756 excess, \$25,514 is dedicated for restricted purposes. The largest revenue factor contributing to this excess is the gross receipts account. There is an on-going project reviewing businesses and rental owners within the boundaries of Bloomsburg that are not paying the Town based on the tax ordinance under Business Privilege Tax (Gross Receipts). The on-going collection effort increased revenue collection in 2015 by \$135 thousand greater than in 2014. The greatest department that was over budget for 2015 was the police department. There are several contributing factors to explain this. One of the largest factors being the parking lot meters for the first time were split out to individual tracking accounts. Price increases were to take place in 2015 based off of preliminary discussion in 2014 budget season. During the year, the price increase for meters on Main Street did not take place; this change of price took effect in 2016. Another contributing factor was ordering new parking meters for Main Street. A portion was taken out of debt service and the remaining expense was approved by Council in the amount of \$18 thousand that was unbudgeted in the police department.

## **Proprietary Funds**

The Town of Bloomsburg's proprietary fund continues to decrease. The rising competition for recyclable goods is a factor. The decreasing numbers of the private industry drop-off rate is also contributing. In efforts to help minimize this decrease the Recycling Center is exploring options to decrease cost through internalizing billing for resident recycling fees. A new fee that was passed for television collection will help generate revenue. Since July of 2013, the Town partnered with Bloomsburg University to pick up recyclable collections. Management remains confident in its ability to generate collection growth in a highly competitive environment, but also understand some competitors have greater financial resources and could use these resources to take measures which could adversely affect the Town's competition position.

## **Original Budget vs. Final Budget**

There were no significant differences in budgets made during the 2015 year.

## **Request for Information**

This financial report is designed to provide a general overview of the Town of Bloomsburg's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to The Town of Bloomsburg, 301 East Second Street, Bloomsburg PA 17815.

**TOWN OF BLOOMSBURG**

**STATEMENT OF NET POSITION**

**December 31, 2015**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Norris Rock Pool	Municipal Authority
<b>Assets</b>					
Cash and cash equivalents	\$ 2,936,186	\$ 736,702	\$ 3,672,888	\$ 47	\$ 3,803,371
Investments	-	-	-	10,372	1,368,231
Receivables	1,519,390	127,782	1,647,172	40	1,051,398
Internal balances	70,441	(70,441)	-	-	-
Prepaid expenses	-	-	-	-	61,696
Capital Assets					
Land and construction-in-progress	3,824,446	-	3,824,446	-	27,334
Other capital assets, net of depreciation	10,386,438	844,826	11,231,264	23,979	26,099,064
Total capital assets	14,210,884	844,826	15,055,710	23,979	26,126,398
<b>Total assets</b>	<b>\$ 18,736,901</b>	<b>\$ 1,638,869</b>	<b>\$ 20,375,770</b>	<b>\$ 34,438</b>	<b>\$ 32,411,094</b>
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ 872,618	\$ 16,089	\$ 888,707	\$ 141	\$ 170,357
Unearned revenues	912,690	-	912,690	-	-
Long-term liabilities					
Due within one year	268,685	-	268,685	-	655,000
Due in more than one year	3,072,980	212,058	3,285,038	-	11,318,378
Total long-term liabilities	3,341,665	212,058	3,553,723	-	11,973,378
<b>Total liabilities</b>	<b>\$ 5,126,973</b>	<b>\$ 228,147</b>	<b>\$ 5,355,120</b>	<b>\$ 141</b>	<b>\$ 12,143,735</b>
<b>Net Position</b>					
Net investment in capital assets	\$ 13,071,340	\$ 844,826	\$ 13,916,166	\$ 23,979	\$ 14,436,398
Restricted for:					
Debt service	(164,401)	-	(164,401)	-	-
Restricted program expenditures	960,859	-	960,859	-	-
Norris Rock Pool	-	-	-	-	-
Unrestricted	(257,870)	565,896	308,026	10,318	5,830,961
<b>Total net position</b>	<b>\$ 13,609,928</b>	<b>\$ 1,410,722</b>	<b>\$ 15,020,650</b>	<b>\$ 34,297</b>	<b>\$ 20,267,359</b>

See Notes to Financial Statements.

**TOWN OF BLOOMSBURG**

**STATEMENT OF ACTIVITIES  
Year Ended December 31, 2015**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position			Component Units	
		Charges for Services	Operating Grants and Contributions	Primary Government		Norris Rock Pool	Municipal Authority	
				Governmental Activities	Business-Type Activities			Total
<b>Governmental Activities</b>								
General government	\$ 1,697,345	\$ 238,125	\$ 320,531	\$ (1,138,689)	\$ -	\$ (1,138,689)	\$ -	\$ -
Public safety	3,137,168	971,626	79,169	(2,086,373)	-	(2,086,373)	-	-
Public works	1,279,071	236,808	1,276,284	234,021	-	234,021	-	-
Culture and recreation	142,682	-	31,039	(111,643)	-	(111,643)	-	-
Community and development	27,394	-	-	(27,394)	-	(27,394)	-	-
Interest expense	29,486	-	-	(29,486)	-	(29,486)	-	-
<b>Total governmental activities</b>	<b>6,313,146</b>	<b>1,446,559</b>	<b>1,707,023</b>	<b>(3,159,564)</b>	<b>-</b>	<b>(3,159,564)</b>	<b>-</b>	<b>-</b>
<b>Business-Type Activities</b>								
Recycling	757,902	400,778	89,942	-	(267,182)	(267,182)	-	-
<b>Total primary government</b>	<b>\$ 7,071,048</b>	<b>\$ 1,847,337</b>	<b>\$ 1,796,965</b>	<b>\$ (3,159,564)</b>	<b>\$ (267,182)</b>	<b>\$ (3,426,746)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Component Units</b>								
Norris Rock Pool	\$ 76,390	\$ 56,059	\$ -	\$ -	\$ -	\$ -	\$ (20,331)	\$ -
Municipal Authority	4,931,909	3,590,112	31,410	-	-	-	-	(1,310,387)
<b>Total component units</b>	<b>\$ 5,008,299</b>	<b>\$ 3,646,171</b>	<b>\$ 31,410</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (20,331)</b>	<b>\$ (1,310,387)</b>
<b>General Revenues</b>								
Property taxes				\$ 1,432,902	\$ -	\$ 1,432,902	\$ -	\$ -
Local enabling act taxes				1,838,435	-	1,838,435	-	-
Investment income				16,284	2,121	18,405	(328)	4,457
Miscellaneous income				156,317	5,562	161,879	8,128	4,025
Transfers				24,000	(24,000)	-	-	-
<b>Total general revenues and transfers</b>				<b>3,467,938</b>	<b>(16,317)</b>	<b>3,451,621</b>	<b>7,800</b>	<b>8,482</b>
<b>Changes in net position</b>				<b>308,374</b>	<b>(283,499)</b>	<b>24,875</b>	<b>(12,531)</b>	<b>(1,301,905)</b>
<b>Net position - January 1, 2015</b>				<b>13,301,554</b>	<b>1,694,221</b>	<b>14,995,775</b>	<b>46,828</b>	<b>21,569,264</b>
<b>Net position - December 31, 2015</b>				<b>\$ 13,609,928</b>	<b>\$ 1,410,722</b>	<b>\$ 15,020,650</b>	<b>\$ 34,297</b>	<b>\$ 20,267,359</b>

See Notes to Financial Statements.

TOWN OF BLOOMSBURG

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**December 31, 2015**

	General Fund	Day Care Debt Service	CDBG Disaster Recovery Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 1,775,545	\$ 16,883	\$ 1	\$ 1,143,757	\$ 2,936,186
Due from other funds	132,042	-	-	122,938	254,980
Receivables	397,571	377,844	466,145	277,830	1,519,390
<b>Total assets</b>	<b>\$ 2,305,158</b>	<b>\$ 394,727</b>	<b>\$ 466,146</b>	<b>\$ 1,544,525</b>	<b>\$ 4,710,556</b>
<b>Liabilities</b>					
Due to other funds	\$ 122,938	\$ 2,618	\$ 2,989	\$ 55,994	\$ 184,539
Accounts payable	95,157	-	463,156	254,872	813,185
Accrued salaries and benefits	59,433	-	-	-	59,433
Unearned revenues	178,514	734,176	-	-	912,690
<b>Total liabilities</b>	<b>456,042</b>	<b>736,794</b>	<b>466,145</b>	<b>310,866</b>	<b>1,969,847</b>
<b>Deferred Inflows of Resources</b>					
Property taxes receivable	87,976	-	-	30,152	118,128
Future rents receivable	-	32,997	-	-	32,997
<b>Total deferred inflows of resources</b>	<b>87,976</b>	<b>32,997</b>	<b>-</b>	<b>30,152</b>	<b>151,125</b>
<b>Fund Balances (Deficit)</b>					
Restricted for:					
Debt service	-	(375,064)	-	210,663	(164,401)
Program expenditures	-	-	1	960,858	960,859
DUI fines	146,301	-	-	-	146,301
Street excavation fees	221,706	-	-	-	221,706
Fire escrow	24,039	-	-	-	24,039
Other escrow	144,694	-	-	-	144,694
Committed for:					
Capital projects	-	-	-	31,986	31,986
Records center	27,116	-	-	-	27,116
Sixth street escrow	6,687	-	-	-	6,687
Fire Police donations	-	-	-	-	-
American Legion donation for athletic field	-	-	-	-	-
Assigned:					
Airport funds	42,032	-	-	-	42,032
AYSO Streater field project	15,040	-	-	-	15,040
Firework event	580	-	-	-	580
Unassigned	1,063,840	-	-	-	1,063,840
<b>Total fund balances (deficit)</b>	<b>1,761,140</b>	<b>(375,064)</b>	<b>1</b>	<b>1,203,507</b>	<b>2,589,584</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficit)</b>	<b>\$ 2,305,158</b>	<b>\$ 394,727</b>	<b>\$ 466,146</b>	<b>\$ 1,544,525</b>	<b>\$ 4,710,556</b>

See Notes to Financial Statements.

**TOWN OF BLOOMSBURG**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
December 31, 2015**

<b>Total fund balances - governmental funds</b>	<b>\$ 2,589,584</b>
Amounts reported for governmental activities in the Statement of Net Position is different because:	
Capital assets used in governmental activities are not financial resources and; therefore, are not reported as assets in the governmental funds. The total historical cost of capital assets in the governmental funds as of December 31, 2015, is \$23,059,918, and the corresponding accumulated depreciation is \$8,849,034.	14,210,884
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and; therefore, are deferred inflow of resources in the funds.	118,128
Future rents receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and; therefore, are deferred inflow of resources in the funds.	32,997
Long-term liabilities are not due and payable in the current period and; therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
General obligation notes	(1,107,558)
Other post-employment benefits	(2,234,107)
	<u>(3,341,665)</u>
<b>Total net position - governmental activities</b>	<b>\$ 13,609,928</b>

See Notes to Financial Statements.

**TOWN OF BLOOMSBURG**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS**

**Year Ended December 31, 2015**

	General Fund	Day Care Debt Service	CDBG Disaster Recovery Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 1,076,283	\$ -	\$ -	\$ 345,856	\$ 1,422,139
Local enabling act taxes	1,838,435	-	-	-	1,838,435
Licenses and permits	114,539	-	-	-	114,539
Fines	657,641	-	-	-	657,641
Investment income	4,160	11	-	12,113	16,284
Rents	34,703	32,997	-	-	67,700
Intergovernmental revenue	571,692	-	587,650	612,673	1,772,015
Charges for service	503,954	-	-	-	503,954
Miscellaneous income	182,521	6,413	-	-	188,934
<b>Total revenues</b>	<b>4,983,928</b>	<b>39,421</b>	<b>587,650</b>	<b>970,642</b>	<b>6,581,641</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	1,094,160	14,101	17,835	145,146	1,271,242
Public safety	2,619,230	-	-	110,265	2,729,495
Public works	969,245	-	-	126,210	1,095,455
Culture and recreation	29,227	-	-	43,745	72,972
Community development	27,394	-	-	-	27,394
<b>Debt service</b>					
Principal	-	29,137	-	264,371	293,508
Interest	-	2,274	-	27,212	29,486
<b>Capital outlay</b>					
General government	8,928	6,500	-	122,416	137,844
Public safety	10,000	-	-	-	10,000
Public works	202,480	-	532,059	469,333	1,203,872
<b>Total expenditures</b>	<b>4,960,664</b>	<b>52,012</b>	<b>549,894</b>	<b>1,308,698</b>	<b>6,871,268</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>23,264</b>	<b>(12,591)</b>	<b>37,756</b>	<b>(338,056)</b>	<b>(289,627)</b>

(Continued)

TOWN OF BLOOMSBURG

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS (Continued)  
 Year Ended December 31, 2015

	General Fund	Day Care Debt Service	CDBG Disaster Recovery Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Other Financing Sources (Uses)</b>					
Refund of prior years' revenues	(11,891)	-	-	-	(11,891)
Refund of prior years' expenditures	5,016	-	-	-	5,016
Operating transfers in	138,185	-	-	17,818	156,003
Operating transfers out	(17,818)	-	(37,756)	(76,429)	(132,003)
<b>Total other financing sources (uses) - net</b>	<b>113,492</b>	<b>-</b>	<b>(37,756)</b>	<b>(58,611)</b>	<b>17,125</b>
<b>Net changes in fund balances (deficit)</b>	<b>136,756</b>	<b>(12,591)</b>	<b>-</b>	<b>(396,667)</b>	<b>(272,502)</b>
Fund Balances (Deficit) - January 1, 2015	1,624,384	(362,473)	1	1,600,174	2,862,086
Fund Balances (Deficit) - December 31, 2015	\$ 1,761,140	\$ (375,064)	\$ 1	\$ 1,203,507	\$ 2,589,584

See Notes to Financial Statements.

**TOWN OF BLOOMSBURG**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

**Year Ended December 31, 2015**

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**Net changes in fund balances - governmental funds** \$ (272,502)

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays and dispositions in the period.

Capital outlays	1,351,716	
Less: Depreciation expense	(682,424)	669,292

Because some property taxes will not be collected for several months after the Town's calendar year ends; they are not considered as "available" revenues in the governmental funds. Deferred inflow of resources increased by this amount this year. 10,763

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (392,687)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal paid on General Obligation Notes	262,620	
Repayment of capital lease obligation	30,888	293,508

**Changes in net position of governmental activities** **\$ 308,374**

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See Notes to Financial Statements.

**TOWN OF BLOOMSBURG**

**STATEMENT OF NET POSITION - PROPRIETARY FUND**

**December 31, 2015**

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**Assets**

Cash and cash equivalents	\$ 736,702
Receivables	127,782
Capital assets, net of depreciation	844,826
<b>Total assets</b>	<b>\$ 1,709,310</b>

**Liabilities**

Accounts payable	\$ 10,484
Internal balances	70,441
Accrued payroll	5,605
Accrued other post-employment benefits	212,058
<b>Total liabilities</b>	<b>\$ 298,588</b>

**Net Position**

Net investment in capital assets	\$ 844,826
Unrestricted	565,896
<b>Total net position</b>	<b>\$ 1,410,722</b>

See Notes to Financial Statements.

## TOWN OF BLOOMSBURG

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND Year Ended December 31, 2015

<hr/>	
Operating Revenues	
Sale of materials	\$ 259,510
Charges for services	141,268
Other revenue	5,562
<b>Total operating revenues</b>	<u>406,340</u>
Operating Expenses	
Salaries and wages	254,101
Payroll taxes	20,491
Employee benefits	191,357
Advertising and printing	9,198
Supplies	33,447
Heat and utilities	12,744
Insurance	5,152
Trash removal	5,568
Weighing and shipping	10,367
Maintenance and repairs	34,425
Depreciation	146,337
Postage	1,905
Professional services	2,262
Small equipment	27,303
Communications expense	2,335
Training	910
<b>Total operating expenses</b>	<u>757,902</u>
<b>Operating loss</b>	(351,562)
Nonoperating Income (Expense)	
Investment income	2,121
Grant proceeds	89,942
Operating transfers out	(24,000)
<b>Nonoperating income - net</b>	<u>68,063</u>
<b>Change in net position</b>	(283,499)
Net Position - January 1, 2015	<u>1,694,221</u>
Net Position - December 31, 2015	<u>\$ 1,410,722</u>

See Notes to Financial Statements.

**TOWN OF BLOOMSBURG**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**

**Year Ended December 31, 2015**

<hr/>	
Cash Flows From Operating Activities	
Cash received from customers	\$ 302,533
Cash payments for goods and services	(135,738)
Cash payments to employees for services	(418,291)
Other operating expenses - paid from other funds	65,591
Other operating revenues - net	5,562
<b>Net cash used in operating activities</b>	<u>(180,343)</u>
Cash Flows From Noncapital Financing Activities	
Operating grants received	89,942
Operating transfers to other funds	(24,000)
<b>Net cash provided by noncapital financing activities</b>	<u>65,942</u>
Cash Flows From Capital and Related Financing Activities	
<b>Purchase of property, plant and equipment</b>	<u>(24,637)</u>
Cash Flows From Investing Activities	
<b>Interest received</b>	<u>2,121</u>
<b>Net decrease in cash and cash equivalents</b>	(136,917)
Cash and Cash Equivalents:	
January 1, 2015	873,619
December 31, 2015	<u>\$ 736,702</u>

(Continued)

**TOWN OF BLOOMSBURG**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUND (Continued)**  
**Year Ended December 31, 2015**

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Reconciliation of Operating Loss to	
Net Cash Used in Operating Activities	
Operating loss	\$ (351,562)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation	146,337
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(98,245)
Prepaid expenses	7,252
(Decrease) increase in:	
Accounts payable	9,878
Internal balances	65,591
Accrued payroll	977
Accrued other post-employment benefits	39,429
<b>Net cash used in operating activities</b>	<u><u>\$ (180,343)</u></u>

See Notes to Financial Statements.

**TOWN OF BLOOMSBURG**

**STATEMENT OF FIDUCIARY NET POSITION**

**December 31, 2015**

	Nonexpendable Trusts			Pensions	
	David Stroup	George S. Robbins	Bruce Hartman	Municipal Employees' Retirement	Police
<b>Assets</b>					
Cash and cash equivalents	\$ 19,325	\$ 7,664	\$ 5,174	\$ 348,719	\$ 423,591
Investments	-	-	-	2,472,379	3,001,940
Interest receivable	-	-	-	13,229	14,726
<b>Total assets</b>	<b>\$ 19,325</b>	<b>\$ 7,664</b>	<b>\$ 5,174</b>	<b>\$ 2,834,327</b>	<b>\$ 3,440,257</b>
<b>Net Position</b>					
Restricted for:					
Municipal employees' retirement fund	\$ -	\$ -	\$ -	\$ 2,834,327	\$ -
Police pension trust fund	-	-	-	-	3,440,257
Committed for:					
Bequest for needy widows	16,325	-	-	-	-
Bequest for indigent persons	-	4,664	-	-	-
Bequest to assist needy persons with fuel	-	-	174	-	-
Nonspendable	3,000	3,000	5,000	-	-
<b>Total net position</b>	<b>\$ 19,325</b>	<b>\$ 7,664</b>	<b>\$ 5,174</b>	<b>\$ 2,834,327</b>	<b>\$ 3,440,257</b>

See Notes to Financial Statements.

TOWN OF BLOOMSBURG

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended December 31, 2015

	Nonexpendable Trusts			Pensions	
	David Stroup	George S. Robbins	Bruce Hartman	Municipal Employees' Retirement	Police
<b>Additions</b>					
Investment income	\$ 6	\$ 2	\$ 2	\$ 102,328	\$ 115,026
Intergovernmental revenue	-	-	-	194,173	251,934
Gain on sale of investment assets	-	-	-	47,685	86,533
<b>Total additions</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>344,186</b>	<b>453,493</b>
<b>Deductions</b>					
Benefits and claims	-	-	-	216,824	338,418
Net depreciation in fair value of investments	-	-	-	126,906	174,312
<b>Total deductions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>343,730</b>	<b>512,730</b>
<b>Changes in net position</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>456</b>	<b>(59,237)</b>
Net Position - January 1, 2015	19,319	7,662	5,172	2,833,871	3,499,494
Net Position - December 31, 2015	<u>\$ 19,325</u>	<u>\$ 7,664</u>	<u>\$ 5,174</u>	<u>\$ 2,834,327</u>	<u>\$ 3,440,257</u>

See Notes to Financial Statements.

## TOWN OF BLOOMSBURG

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 1. Summary of Significant Accounting Policies**

##### Nature of Activities:

The Town of Bloomsburg, Columbia County, Pennsylvania (the "Town") was established on March 4, 1870, by a special act of the Pennsylvania Legislature. The Town is the only incorporated town in the Commonwealth of Pennsylvania. Corporate powers of the Town are vested in a Mayor and a six-member Council. The Town provides the following services: general; public safety (police and fire); health and human; sanitation; highways, roads and streets; culture and recreation; conservation and development; recycling; and parking.

The accompanying financial statements present the government and its component units, entities for which the Town is considered to be financially accountable or which are significant to the operations of the Town. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Town.

##### Discretely Presented Component Units:

###### *Norris Rock Pool*

The Bloomsburg Swimming Pool was constructed in 1955. In 1989, the pool was renamed the Norris Rock Memorial Swimming Pool in memory of Norris Rock who had managed the pool free of charge for many years. The assets associated with the pool are held by the Town. At the end of calendar year 2015 Council approved dissolving the investment fund in order to place into the main operational account for the pool.

###### *Municipal Authority of the Town of Bloomsburg*

The Municipal Authority of the Town of Bloomsburg (Authority) was incorporated on October 7, 1950, under the Municipality Authorities Act of 1945, P.L. 382, as amended, pursuant to an ordinance of the Town Council of the Town of Bloomsburg, Columbia County, Pennsylvania.

The Authority is an operating authority responsible for acquiring, holding, constructing, improving, owning and leasing sewer, sewer systems or parts thereof.

The Board of the Authority consists of five members who are appointed for a five-year term by Bloomsburg Town Council with one member's term expiring each year.

# TOWN OF BLOOMSBURG

## NOTES TO FINANCIAL STATEMENTS

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### **Note 1. Summary of Significant Accounting Policies (Continued)**

#### Government-Wide and Fund Financial Statements:

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary fund, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds and major individual enterprise fund are reported as separate columns in the fund financial statements.

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

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

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

## TOWN OF BLOOMSBURG

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

##### Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued):

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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

The Day Care Center, a debt service fund, accounts for the 2010 General Obligation Notes issued in the amount of \$223,805 in order to finance the construction of the Columbia Day Care Center.

The Community Development Block Grant Disaster Recovery Fund, a special revenue fund, accounts for grants received from the Federal government under the Community Development Block Grant Program for improvements of flood and drainage facilities and sidewalks.

The government reports the following major proprietary fund:

The Recycling Fund accounts for the financing of services to the general public where all or most of the costs involved are paid in the form of charges to the users of such services.

Additionally, the government reports the following fund types:

The Pension Trust Funds account for the activities of the Municipal Employees' and Police Retirement Funds. These Trust Funds accumulate resources for pension benefit payments to qualified employees.

The David Stroup, George S. Robbins, and Bruce Hartman Funds, non-expendable trust funds, account for funds whose principal must remain intact and invested with the resultant income to be used for activities as outlined in the Trust Agreements. The Trust Agreements stipulate that income derived from the investments of principal shall be used to provide aid and assistance to the needy.

## TOWN OF BLOOMSBURG

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued):

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Recycling Fund is the sale of recycled materials and charges for recycling services. The principal operating revenue of the Norris Rock Pool is charges for services. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue or expenses.

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

Budgets and Budgetary Accounting: Town Council adopts budgets for certain governmental funds on the modified accrual basis. The Town also adopts a budget for the enterprise fund on the accrual basis. Annual budgets are adopted for the general, enterprise and debt service funds. Town Council also adopts a budget for the State Liquid Fuels Highway Aid Fund, Library, Fire and Street Lighting Funds, which are in the Special Revenue Funds. All annual appropriations lapse at the end of each year and must be re-appropriated.

Cash Equivalents: For purposes of the Statement of Cash Flows presented for the proprietary fund, the Town considers all highly-liquid investments, including restricted assets, with maturities of three months or less when purchased to be cash equivalents.

Receivables and Payables: Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year is referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Investments: Investments are recorded at fair value. Unrealized appreciation or depreciation due to changes in the fair value of such investments is recognized annually. The Town complies with Statement No. 31 of the Governmental Accounting Standards Board, requiring local governments to report all investments at fair value.

Compensated Absences: Town employees earn vacation annually, January 1; based upon the number of years employed. An employee is not eligible for vacation until they have completed one year of continuous service with the Town. Employees earn varying amounts of sick leave each month based off years of service. Employees receive no benefit or pay for unused sick leave upon termination. At the end of the year, any unused vacation up to 40 hours is paid to the employee. Accumulated vacation is paid upon termination. Since substantially all accrued vacation will be paid within one year, the Town has reflected the accrual as a liability in the applicable funds.

## TOWN OF BLOOMSBURG

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Inflows of Resources - Unearned Revenues: The Town recognizes the property tax revenues when they become available. Available includes those property tax receivables expected to be collected within sixty days after year-end. Those property tax receivables expected to be collected after sixty days after year-end are shown as deferred inflows of resources in the fund financial statements. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

#### Fund Balance:

The Town's fund balance classifications are defined and described as follows:

Nonspendable: Represents fund balance amounts that cannot be spent because they are not in a spendable form or are contractually required to be maintained intact.

Restricted: Represents fund balance amounts that are constrained for a specific purpose through restrictions of external parties, through constitutional provisions, or by enabling legislation.

Committed: Represents fund balance amounts that can only be used for specific purposes pursuant to the constraints imposed by formal action of the Council, the Town's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Council removes the constraints or changes the specified purpose through the same action it used to commit the funds.

Assigned: Represents fund balance amounts that are constrained by the government's intent to be used for a specific purpose but are neither restricted nor committed. Through Town policy, the Council has delegated the authority to express intent to the Town Administrator.

Unassigned: Represents fund balance amounts that have not been restricted, committed, or assigned to specific purposes within the general fund.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events: In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through March 16, 2016, the date the financial statements were available to be issued. See Note 22.

## TOWN OF BLOOMSBURG

### NOTES TO FINANCIAL STATEMENTS

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#### Note 2. Deposits and Investments

Statutes authorize the Town to invest in the following:

- U. S. Treasury Bills
- Short-term obligations of the U. S. Government and Federal agencies
- Insured savings and checking accounts and certificates of deposit in banks, savings and loan associations and credit unions
- General obligation bonds of the Federal Government, the Commonwealth of Pennsylvania or any state agency or of any Pennsylvania political subdivision
- Shares of investment companies whose investments are restricted to the above categories
- Pension Trust Funds may invest in any investment authorized by the Pennsylvania Common Law and other Pennsylvania statutes

The deposit and investment policies of the Town adhere to state statutes and prudent business practices. There were no deposit or investment transactions during the year that violated either state statutes or Town policies.

All deposits of the Town are either insured or collateralized. All deposits that exceed the Federal depository insurance coverage level are collateralized under the Pooling Method. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities maintained in conformity with Act 72 of 1971. Act 72 of 1971 is an act standardizing the procedures for pledges of assets to secure deposits of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis; and authorizing the appointment of custodians to act as pledgers of the assets. The Town has no policy regarding custodial credit risk for deposits.

At December 31, 2015, the Town had deposits with financial institutions with a total carrying amount of \$4,477,408. The bank balances with the financial institutions totaled \$4,526,907. Of these balances, \$250,000 was covered by Federal depository insurance, and \$4,276,907 was covered by collateralized assets maintained in conformity with Act 72 of 1971.

The carrying amounts of cash and cash equivalents as presented on the Statement of Net Position include petty cash of \$200.

# TOWN OF BLOOMSBURG

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Deposits and Investments (Continued)

#### Investments

At December 31, 2015, the Town's investment balances were as follows:

Investment - Fiduciary Funds	Rating	Fair Values	Average Maturity		
			0 - 5 Years	6 - 10 Years	11 - 15 Years
First Columbia Bank & Trust					
U.S. Government Agencies	AAA	\$ 1,293,515	\$ -	\$ 1,021,452	\$ 272,063
Municipal Bonds & Notes	Baa1	81,536	-	81,536	-
Corporate Bonds & Notes	A2	246,365	-	208,545	37,819
Equity Mutual Funds	Not Rated	1,496,642	1,496,642	-	-
Common stock	Not Rated	2,356,261	2,356,261	-	-
		<u>\$ 5,474,319</u>	<u>\$ 3,852,903</u>	<u>\$ 1,311,533</u>	<u>\$ 309,882</u>

U.S. Government Agencies - The Town invests in Federal Home Loan Bank and Federal Farm Credit Bank bonds. The Federal Home Loan Bank bonds invest in securities to provide funds to financial institutions for home mortgage and community credit. The Federal Farm Credit Bank system is the funding arm for a network of 5 Farm Credit Banks and Associations. Credit is provided to farmers, ranchers, and producers of agriculture products as well as financial support to farm related businesses including power generation. The average maturity on the six (6) FHLB issues is approximately 7.88 years, and twelve (12) FFCB issues is approximately 9.70 years. These government bonds are rated AAA. Maturities for 100% of the bonds are in the 5-12 year maturity range.

Corporate Bonds - The Town is invested in three (3) corporate bond issues. In the Police Pension Fund, there is the following: 1) \$40,000. National Rural Utilities Co-op, yield is 3.00%, maturity is April of 2026 and the bond represents less than 2% of the total portfolio; and 2) \$60,000. Qualcomm Inc., yield is 3.00%, maturity May of 2022 and the bond represents less than 2% of the total portfolio. In the Municipal Employees' Retirement Pension Fund, there is the following: 1) \$40,000. National Rural Utilities Co-op, yield is 3.00%, maturity is April of 2026 and the bond represents less than 2% of the total portfolio; 2) \$60,000. Qualcomm Inc., yield is 3.00%, maturity May of 2022 and the bond represents 2% of the total portfolio; and 3) \$50,000. Wells Fargo Bank, yield is 4.125%, maturity August of 2023 and the bond represents less than 2% of the total portfolio. Guidelines require that no one (1) corporate bond shall exceed 5% of each account portfolio.

Municipal Bonds - The Town is invested in one (1) Pennsylvania municipal bond issue, the Trinity Area School District Taxable. In the Police Pension Fund, the yield is 4.16%, maturity November of 2024 and the bond represents less than 2% of the total portfolio. In the Municipal Employees' Retirement Pension Fund, the yield is 4.16%, maturity November of 2024 and the bond represents less than 2% of the total portfolio.

Income Mutual Funds - There is one (1) investment in an Income Mutual Fund, the Federated Govt. Income Trust (Ticker: FICMX). This fund is rated 3 stars by Morningstar. The fund represents the Intermediate Government Bond Fund category. Minimum guidelines require that a fund has to be in existence for at least 5 years, have a Morningstar rating of at least 3 stars and have a fund manager of record for a minimum of 3 years.

## TOWN OF BLOOMSBURG

### NOTES TO FINANCIAL STATEMENTS

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#### Note 2. Deposits and Investments (Continued)

Equity Mutual Funds - These funds are represented by seven investments in Equity Mutual Funds. Three of the funds, Dodge & Cox Fund (Ticker: DODGX) (3 star), Federated Strategic Value Dividend Fund (Ticker: SVAIX) (5 star), and the Vanguard Windsor II Fund (Ticker: VWNFX) (4 star) represent the Large Cap Value Category, and Growth Fund of America (Ticker: GFAFX) (3 star) represents the Large Cap Growth Category. The Vanguard Small Cap Index (Ticker: NAESX) (4 star), Vanguard Mid Cap Index Fund (Ticker: VIMAX) (4 star) and the Dodge & Cox International Fund (Ticker: DODFX) (3 star) represent the Small, Mid and International Sectors. Ratings are obtained through Morningstar as of January 31, 2016. Minimum guidelines require that a fund has to be in existence for at least 5 years, have a Morningstar rating of at least 3 stars and have a fund manager of record for a minimum of 3 years.

Common Stocks - These investments represent banking, business services, chemicals and allied products, communication, electronics, electric, gas, food, machinery, metal mining, oil and gas extraction, and petroleum refining sectors. The ratings of these investments ranged from A+ to C. Guidelines require that no one stock exceed 5% of the total portfolio. It is the goal of the Trustee of these stocks to invest in high-grade blue chip stocks that mirror the S&P 500. Of the 25 individual stocks, one is not rated by S & P, and the remainder are all rated C to A+. There are five (5) foreign equity holdings, of which four (4) are not rated by S & P, and the remaining one (1) is rated A-. Guidelines require that no one stock exceed 5% of the total portfolio.

Weighted-Average Maturity - The weighted-average maturity (WAM) method expresses investment time horizons - the time when investments become due and payable - in years or months, weighted to reflect the dollar size of individual investments within an investment type. In this illustration, WAMs are computed for each investment type. The portfolio's WAM is derived by dollar-weighting the WAM for each investment type.

Interest-Rate Risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increasing interest rates.

Concentrations of Credit Risk - The Town limits that no more than 5% of the total fund value can be invested in any one corporate bond or 5% in any one stock. The Pension Committee limits the equities to no more than 50% of the value of the funds. The percentages of the concentrations of the Town's investments at December 31, 2015, are:

<u>Investments - Fiduciary Fund</u>	<u>Percent of Portfolio</u>
U.S. Government Agencies	23.63%
Municipal Bonds & Notes	1.49%
Corporate Bonds & Notes	4.50%
Equity Mutual Funds	27.34%
Common stock	43.04%
	<u>100.00%</u>

# TOWN OF BLOOMSBURG

## NOTES TO FINANCIAL STATEMENTS

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### Note 3. Legal Compliance - Budgets

The Town utilizes the following procedures to establish the budgetary data reflected in the financial statements:

1. During November, the Town makes available to the public its proposed operating budget for all funds. The operating budget includes proposed expenditures, revenue and arrangements.
2. Prior to December 31, the Town holds a public hearing to obtain taxpayer comments after which the budget is legally adopted through passage of an ordinance.
3. All budget revisions require the approval of Town Council.
4. Formal budgetary integration is utilized as a management control device during the year for certain Governmental Funds.

### Note 4. Receivables - Property Taxes

Property taxes are levied on March 1 for the tax year. Taxes are payable at a 2% discount if paid before May 1 and at a 10% penalty if paid after the due date of June 30. Outstanding real estate taxes are turned over to a delinquent tax collector on the first of January of each year. After proper notification is made to a property owner, a lien is filed on or about May 1 and must remain in effect for a period of two years before a tax sale may occur. Taxes are recorded as revenue by the Town when received from the tax collector, and proper accruals are recorded at year-end. The Town has not established an allowance for uncollectible taxes since experience has demonstrated that substantially all taxes are ultimately collectible. The total assessed valuation for the 2015 taxes is \$121,400,004.

The Town is permitted by law to levy taxes up to \$3.00 per \$100 of assessed valuation for general governmental purposes. The General Fund tax rate for the year ended December 31, 2015, was 8.959 mills.

In addition, the Town is permitted to levy the following real estate taxes per \$100 of assessed valuation:

Purpose	Maximum Levy Allowable Under the Law
Debt service	An amount sufficient to meet debt service requirements
Persons, retirement Pensions	\$.05
Shade trees	\$.01
Street lighting	\$.80
Support of fire companies	\$.30
Buildings	\$.20
Libraries	No limit
Ambulance and rescue	\$.05

## TOWN OF BLOOMSBURG

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 5. Future Rents Receivable**

On April 1, 1988, the Town entered into an agreement to lease a day care facility to Columbia Day Care Program, Inc., ("Day Care") for a term of 50 years. The facility was financed substantially by issuance, through the U. S. Farmers Home Administration ("FmHA"), of the Town's Series A and Series B 1988 General Obligation Notes. During 2010, these notes were part of the Town's debt refinancing, of the 2010 General Obligation Note. (See Note 10).

Under the terms of the lease with the Day Care, the Town is to receive monthly rentals based upon the following formula:

During the first forty-eight months, rents will equal the Town's monthly debt service payment to FmHA on the Town's 1988 Series General Obligation Notes.

During months 49 to 360, monthly rents will equal the sum of:

- (a) A portion of the Town's monthly debt service payment to First Columbia Bank & Trust on the Town's Sinking Fund 2010 General Obligation Note.
- (b) An amount equal to 1/312 of the sum of the cost of the site and the Town's proceeds used in the construction of improvements.
- (c) An amount equal to the assessed value of the leased premises multiplied by the Town's then current annual real estate millage rate divided by twelve.

The amounts in parts (b) and (c) of the above formula may not exceed \$668 per month.

During months 361 to 600, monthly rent will equal \$668 multiplied by the Consumer Price Index compounded annually since April 1988.

The Town has classified this lease as a direct financing lease and, accordingly, has capitalized the future rents receivable and has recorded deferred revenue to account for the related unearned rents. The deferred revenues are being amortized using the straight-line method over the 50 year life of the lease.

# TOWN OF BLOOMSBURG

## NOTES TO FINANCIAL STATEMENTS

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### Note 6. Property, Plant and Equipment

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market values at dates of donation.

The costs of normal maintenance and repairs that do not add to the values of assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction phases of business-type capital assets is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings/Building Improvements	40
Public Domain Infrastructure	50
Vehicles and Equipment	3-10
Land Improvements/Other Improvements	15-40

**TOWN OF BLOOMSBURG**

**NOTES TO FINANCIAL STATEMENTS**

**Note 6. Property, Plant and Equipment (Continued)**

Capital asset activity for the year ended December 31, 2015, was as follows:

**Primary Government**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 2,825,385	\$ -	\$ -	\$ 2,825,385
Construction-in-progress	658,540	908,708	568,187	999,061
Total capital assets not being depreciated	3,483,925	908,708	568,187	3,824,446
Capital assets, being depreciated				
Land improvements	3,488,673	787,570	-	4,276,243
Buildings and improvements	6,653,147	-	-	6,653,147
Machinery and equipment	5,397,452	194,595	59,300	5,532,747
Infrastructure	2,744,305	29,030	-	2,773,335
Total capital assets being depreciated	18,283,577	1,011,195	59,300	19,235,472
Less accumulated depreciation for:				
Land improvements	(1,982,612)	(203,900)	-	(2,186,512)
Buildings and improvements	(1,463,456)	(171,291)	-	(1,634,747)
Machinery and equipment	(3,951,542)	(174,290)	(59,300)	(4,066,532)
Infrastructure	(828,300)	(132,943)	-	(961,243)
Total accumulated depreciation	(8,225,910)	(682,424)	(59,300)	(8,849,034)
Total capital assets being depreciated, net	10,057,667	328,771	-	10,386,438
Governmental Activities Capital assets, net	\$ 13,541,592	\$ 1,237,479	\$ 568,187	\$ 14,210,884

**TOWN OF BLOOMSBURG**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 6. Property, Plant and Equipment (Continued)**

	Ending Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital assets being depreciated				
Land improvements	\$ 441,822	\$ -	\$ -	\$ 441,822
Buildings and improvements	791,353	-	-	791,353
Machinery and equipment	1,569,708	24,637	-	1,594,345
Total capital assets being depreciated	<u>2,802,883</u>	<u>24,637</u>	<u>-</u>	<u>2,827,520</u>
Less accumulated depreciation for:				
Land improvements	(89,757)	(22,791)	-	(112,548)
Buildings and improvements	(431,718)	(28,459)	-	(460,177)
Machinery and equipment	(1,314,882)	(95,087)	-	(1,409,969)
Total accumulated depreciation	<u>(1,836,357)</u>	<u>(146,337)</u>	<u>-</u>	<u>(1,982,694)</u>
Total capital assets being depreciated, net	<u>966,526</u>	<u>(121,700)</u>	<u>-</u>	<u>844,826</u>
Business-Type Activities Capital assets, net	<u>\$ 966,526</u>	<u>\$ (121,700)</u>	<u>\$ -</u>	<u>\$ 844,826</u>

**TOWN OF BLOOMSBURG**

**NOTES TO FINANCIAL STATEMENTS**

**Note 6. Property, Plant and Equipment (Continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

	Amount
<b>Governmental Activities:</b>	
General government	\$ 351,729
Public safety	116,275
Public works	144,710
Culture and recreation	69,710
Total depreciation expense - governmental activities	<u>\$ 682,424</u>
<b>Business-Type Activities:</b>	
Recycling	<u>\$ 146,337</u>

**Note 7. Receivables**

Receivables as of December 31, 2015, for the government's individual major and non-major funds are as follows:

	General	Day Care Debt Service	CDBG Disaster Recover	Non-Major Governmental Funds	Total Governmental Funds
<b>Receivables:</b>					
Taxes	\$ 87,976	\$ -	\$ -	\$ 30,152	\$ 118,128
Future rents	-	377,844	-	-	377,844
Loans receivable	-	-	-	152,043	152,043
Others	309,595	-	466,145	95,635	871,375
	<u>\$ 397,571</u>	<u>\$ 377,844</u>	<u>\$ 466,145</u>	<u>\$ 277,830</u>	<u>\$ 1,519,390</u>

The proprietary fund receivable balance generally consists of customer charges at December 31, 2015.

**TOWN OF BLOOMSBURG**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 8. Interfund Receivables and Payables**

The composition of interfund balances as of December 31, 2015, is as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General	\$ 132,042	\$ 122,938
General Debt Service	-	10,910
Day Care	-	2,618
Airport Expansion Project	122,938	-
Capital Projects	-	8,928
CDBG Entitlement Program	-	3,076
CDBG Disaster Recovery	-	2,989
CDBG Home Program	-	1
Fire	-	20,884
Street Lighting	-	12,195
Recycling	-	70,441
	<u>\$ 254,980</u>	<u>\$ 254,980</u>

## TOWN OF BLOOMSBURG

### NOTES TO FINANCIAL STATEMENTS

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#### Note 9. Long-Term Liabilities

The following is a schedule of the long-term liabilities at December 31, 2015:

	Balances January 1, 2015	Increases	Decreases	Balances December 31, 2015	Due within One Year
General Obligation Notes					
Payable (Note 10)	\$ 1,370,178	\$ -	\$ (262,620)	\$ 1,107,558	\$ 268,685
Lease payables (Note 11)	30,888	-	(30,888)	-	-
Other Post-Employment Benefits (Note 14)	2,014,049	432,116	-	2,446,165	-
Total General Long-Term Liabilities	\$ 3,415,115	\$ 432,116	\$ (293,508)	\$ 3,553,723	\$ 268,685

#### Note 10. Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in applicable governmental activities.

General Obligation Notes - Series of 2010 - During 2010, the Town issued \$1,248,654 to refinance four General Obligation Notes. The newly issued General Obligation Note bears interest at 4.09% and requires 96 monthly payments of \$15,272, consisting of principal and interest, beginning November 30, 2010. This note's maturity date is November 2018. The Note was refinanced in May 2014, which lowered the interest rate from 4.09% to 2.23% per annum through the period ending October 30, 2018.

General Obligation Notes - Series A of 2014 - In May 2014, the Town issued General Obligation Notes - Series of 2014, in the principal amount of \$350,000. The proceeds of the note were used to purchase a fire engine. The note bears interest at 2.41% and requires 84 monthly payments of \$4,538, consisting of principal and interest, beginning July 1, 2014. This note's maturity date is November 2018.

General Obligation Notes - Series B of 2014 - In December 2014, the Town issued General Obligation Notes - Series of 2014, in the principal amount of \$400,000. The proceeds of the note were used fund several construction projects and equipment purchases. The note bears interest at 2.41% and requires 84 monthly payments of \$5,186, consisting of principal and interest, beginning January 1, 2015. This note's maturity date is December 2021.

**TOWN OF BLOOMSBURG**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 10. Long-Term Obligations (Continued)**

The following is a summary of the long-term obligations of the Town for the year ended December 31, 2015:

	Amount
General Obligation Notes Payable	
Balance payable at January 1, 2015	\$ 1,370,178
Add proceeds from issuance of notes payable	-
Deduct retirements and principal payments	<u>(262,620)</u>
Balance at December 31, 2015	<u><u>\$ 1,107,558</u></u>

The annual requirement to amortize the General Obligation Notes outstanding as of December 31, 2015, is as follows:

Year	Principal Maturity	Interest Maturity	Debt Service Payment
2016	\$ 268,685	\$ 23,241	\$ 291,926
2017	275,004	16,922	291,926
2018	252,145	10,524	262,669
2019	110,298	6,386	116,684
2020	113,010	3,673	116,683
2021	88,416	1,007	89,423
	<u>\$ 1,107,558</u>	<u>\$ 61,753</u>	<u>\$ 1,169,311</u>

**TOWN OF BLOOMSBURG**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 11. Capital Lease Obligations**

The Town entered into capital leases for the acquisition of two police vehicles and a dump truck. The capital leases were payable in annual installments beginning August 2014, at an interest rate of 1.90% per annum. These capital leases were satisfied in 2015.

The annual requirements for the capital lease as of December 31, 2015, are as follows:

	Amount
Balance at January 1, 2015	\$ 30,888
Deduct lease payments	<u>(30,888)</u>
Balance at December 31, 2015	<u><u>\$ -</u></u>

The assets acquired through the capital leases are as follows:

	Amount
Machinery and equipment	\$ 101,868
Less accumulated depreciation	<u>(37,375)</u>
	<u><u>\$ 64,493</u></u>

**Note 12. Operating Transfers**

The composition of operating transfers during the year ended December 31, 2015, is as follows:

Fund	Transfer from Other Funds	Transfer to Other Funds
General Fund	\$ 138,185	\$ 17,818
Airport Expansion Project	17,818	-
Liquid Fuels	-	74,553
CDBG Disaster Recovery	-	37,756
CDBG Entitlement Program	-	991
CDBG Home Program	-	885
Recycling	-	24,000
	<u>\$ 156,003</u>	<u>\$ 156,003</u>

## TOWN OF BLOOMSBURG

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 13. Employee Retirement Systems**

##### Plan Descriptions, Contribution Information and Funding Policies

The Town's reporting entity participates in two single-employer, defined-benefit pension plans. Assets are held separately and may be used only for the benefit of the members of the respective plans, as follows:

Police Pension Plan: The Police Pension Plan covers all of the Town's full-time, uniformed policemen.

Municipal Employees' Pension Plan: The Municipal Employees' Pension Plan covers all full-time non-uniformed employees of the Town.

Unless otherwise indicated, the plans' information in this note is provided as of the latest actuarial valuation, January 1, 2015. Actuarial valuations are performed bi-annually.

**TOWN OF BLOOMSBURG**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 13. Employee Retirement Systems (Continued)**

The following is a summary of the funding policies, contribution methods and benefit provisions:

	Police Pension Plan	Municipal Employees' Pension Plan
Year established and governing authority	State Statute (Act 205) and Town Ordinance	State Statute (Act 205) and Town Ordinance
Determination of contribution requirements	Actuarially-determined	Actuarially-determined
Employer Plan members	Actuarially-determined Effective Oct 1, 2009, contribute an amount to fund the minimum required contribution, if any, but not more than 5% of pay	Actuarially-determined Noncontributory
Funding of administrative costs	Contributions (included in funding requirements)	Contributions (included in funding requirements)
Period required to fully vest	12 years	5 years
Post-employment benefit increases	None	None
Benefit formula	50% of average monthly compensation during last 36 months of employment, plus \$100 per month for one full year in excess of the number of years required for retirement payable for life	1.5% of average salary multiplied by years of service, payable for life with 10 years certain equal in amount to the member's accrued benefit
Eligibility for distribution	Age 50 with 20 years (pre-1/1/70 hires) Age 50 with 25 years (post-12/31/69 hires)	Age 60 with 15 years or Age 65 with 5 years
Provisions for:		
Death benefits	Yes	Yes
Disability benefits	Yes	Yes
Survivor benefits	Yes	Yes
Early retirement benefits	No	Yes

**TOWN OF BLOOMSBURG**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 13. Employee Retirement Systems (Continued)**

Membership in the plans is as follows:

	Police Pension Plan	Municipal Employees' Pension Plan	Total
Non vested active members	11	9	20
Fully vested active members	6	24	30
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	11	13	24
	<u>28</u>	<u>46</u>	<u>74</u>

*Annual Required Contributions*

Actuarial assumptions and other information used to determine the annual required contributions (ARC) are located in the Required Supplementary Information Section of this report.

Annual Pension Costs, Net Pension Obligation and Reserves

*Current Year Annual Pension Costs and Net Pension Obligation*

Current year annual pension costs for the Police and Municipal Employees' Pension Plans are shown in the trend information provided. Annual required contributions were made to the Municipal Employees' Plan only. There were no net pension obligations for either plan.

*Reserves*

There are no assets legally reserved for purposes other than the payment of plan member benefits for either plan. The plans held no individual investments (other than U.S. Government and U.S. Government guaranteed obligations) for which market values exceed five percent or more of net assets available for benefits. There are no long-term contracts for contributions.

**TOWN OF BLOOMSBURG**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 13. Employee Retirement Systems (Continued)**

Trend Information

Fiscal Year	Police Pension Plan		
	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
12/31/2013	\$ 42,433	100%	\$ -
12/31/2014	\$ 55,124	100%	\$ -
12/31/2015	\$ 88,323	100%	\$ -

  

Fiscal Year	Municipal Employees' Pension Plan		
	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
12/31/2013	\$ 22,943	100%	\$ -
12/31/2014	\$ 34,851	100%	\$ -
12/31/2015	\$ 68,706	100%	\$ -

Note: The Town's annual required contribution is equal to its Minimum Municipal Obligation (MMO) as calculated by the State in accordance with Pennsylvania Law (Act 205 of 1984) less State Aid deposited in the pension fund during the year. The calculation of the MMO falls within the parameters of GASB No. 27.

Ten-Year Historical Trend Information

Ten-year historical trend information presenting the Police Pension and the Municipal Employees' Pension Plans' progress in accumulating sufficient assets to pay benefits when due is presented in the statistical section.

## TOWN OF BLOOMSBURG

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 14. Other Post-Employment Benefits**

The Town follows GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

##### Plan Description:

The Town of Bloomsburg provides access to retiree health benefits, including prescription drug coverage, to eligible retired employees and qualified spouses, when applicable. The plan also provides for retirement benefits as outlined in the Municipal Employee and Police Pension Plan Documents and employment contracts (for unionized employees). This is a single employer defined benefit plan administered by Hay Group, Inc., Philadelphia, Pennsylvania. Benefits are provided to all full time staff who meet the following requirements: municipal employees are eligible for early retirement upon attainment of age 60 with 15 years of service with the Town of Bloomsburg and meet normal plan eligibility requirements upon attainment of age 65 with 5 years of service with the Town of Bloomsburg; police officers are eligible for early retirement upon attainment of age 50 with 25 years of service with the Town of Bloomsburg and meet normal plan eligibility requirements upon attainment of age 65 with 12 years of service with the Town of Bloomsburg. Currently, the Municipal Employee Pension Plan has 28 members and the Police Pension Plan has 16 members. The plans do not issue separate stand-alone financial statements.

Eligibility for post-employment health insurance benefits is as follows: unionized municipal employees of the Town of Bloomsburg who retire pursuant to the terms and conditions of the Municipal Employees Pension Plan and who were hired prior to January 1, 2009, will have health insurance premiums paid by the Town of Bloomsburg for the employee only (single coverage); non-union employees who retire under the same conditions with a hire date prior to January 1, 2009, will have health insurance premiums paid by the Town of Bloomsburg (employee only coverage) but will be required to contribute an amount equivalent to one month's premium for coverage annually; police officers who retire pursuant to the terms and conditions of the Police Pension Plan and whose hire date is prior to January 1, 1993, are eligible for full medical coverage (employee and family); officers hired after January 1, 1993, and retire pursuant to the terms and conditions of the Police Pension Plan are not eligible for medical insurance paid by the Town until the retired officer reaches age 65 and goes on Medicare (or if the officer becomes eligible for Medicare at age 65). The Town will pay the cost of supplemental Medicare coverage for the officer only once they become eligible for Medicare. Retired police officers are permitted to purchase their medical insurance coverage through the Town of Bloomsburg until they become eligible for Medicare. If an officer is removed from the Town's plan for any reason, the Officer is not eligible for supplemental Medicare coverage provided by the Town of Bloomsburg. Unionized and non-union municipal employees hired after January 1, 2008, are not eligible for any post-retirement health insurance benefits.

In addition, upon retirement, police officers are eligible for a life insurance policy in the amount of \$10,000 with premiums paid by the Town of Bloomsburg.

# TOWN OF BLOOMSBURG

## NOTES TO FINANCIAL STATEMENTS

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### Note 14. Other Post-Employment Benefits (Continued)

#### Funding Policy:

The Town of Bloomsburg's medical plan is insured and premiums are updated annually based on several factors determined by the plan underwriters. The Town of Bloomsburg funds payment of the full premium for all police officers and eligible retired officers. The Town of Bloomsburg funds payment of the full premium for all unionized employees of the Town. Non-union active and retired employees contribute the equivalent of one month's premium annually, with the balance of premium funded by the Town of Bloomsburg.

#### Funding Progress:

For the year ended December 31, 2015, the Town has estimated the cost (annual expense) of providing retiree health, vision, and dental care benefits through an actuarial valuation as of January 1, 2013. In accordance with GASB Statement No. 45, the valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years. This valuation's computed contribution and actual funding are summarized as follows:

	Non-Uniform Employees	Police Employees	Total
Annual required contribution	\$ 191,512	\$ 240,604	\$ 432,116
OPEB obligation-beginning of year	950,241	1,063,808	2,014,049
OPEB obligation-end of year	<u>\$ 1,141,753</u>	<u>\$ 1,304,412</u>	<u>\$ 2,446,165</u>

# TOWN OF BLOOMSBURG

## NOTES TO FINANCIAL STATEMENTS

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### Note 14. Other Post-Employment Benefits (Continued)

The annual OPEB cost, the percentage contributed to the plan, and the net OPEB obligation for the current year are as follows:

	Non-Uniform Employees	Police Employees
For the year ended December 31, 2014		
Annual OPEB Cost	\$ 191,512	\$ 240,604
Percentage of Annual OPEB Cost Contributed	0.00%	0.00%
Net OPEB	\$ 1,141,753	\$ 1,304,412

#### Actuarial Methods and Assumptions:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts are determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2013, actuarial valuation, the projected unit cost method was used. The actuarial assumptions include an annual health care cost trend rate of 10.0% initially, reduced by decrements to an ultimate rate of 5.0% in 2014. The UAAL is being amortized over 30 years.

### Note 15. Related Party Transactions

During 2015, the Town recognized revenues of \$14,407, from the Municipal Authority of the Town of Bloomsburg for sewer line maintenance, \$2,835 for the sale of gasoline and diesel, \$2,555 for cleaning services and \$2,380 of miscellaneous revenues.

## TOWN OF BLOOMSBURG

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 16. Unexpended Grant Balance**

The Town participates in a UDAG Grant Program that provided a loan to aid a local industry in updating machinery and equipment. Under the terms of the Grant, as the loan is repaid to the Town, the repaid funds are available to be reprogrammed into the Town, so long as the reprogrammed activities are eligible under Title I of the Housing and Community Development Act of 1974.

#### **Note 17. Post-Retirement Health Care Benefits**

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. The costs of retiree health care benefits are expensed as paid. For the year ended December 31, 2015, those costs approximated \$36,455. Approximately \$5,788 was reimbursed to the Town by its employees.

#### **Note 18. Deferred Compensation Plan**

The Town has adopted the Pennsylvania State Association of Boroughs Deferred Compensation Plan and the 457 Deferred Compensation Plan for employees of state and local governments. Both plans have been created in accordance with Internal Revenue Code Section 457(g). The Plan, available to all Town employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the participants and beneficiaries under the Plan. Participants' rights under the plans are equal to an amount equal to the fair market value of the deferred account for each participant.

#### **Note 19. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets and errors or omissions. Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in settlement coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

## TOWN OF BLOOMSBURG

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 20. Non-Major Funds**

The following funds are reported as non-major governmental funds:

##### Special Revenue Funds

The State Liquid Fuels Highway Aid Fund provides for the accountability for grants received from the State Motor License Fund. Costs paid by this fund must be related to the construction, reconstruction, repair and maintenance of the Town's streets, roads and bridges.

The CDBG (Community Development Block Grant) Program Income Fund, a special revenue fund, accounts for the income derived from rehabilitation loans.

The UDAG Repayment Fund, a special revenue fund, accounts for funds received from the repayment of the Community Development Fund UDAG Grant, which is recorded as a Capital Project Fund. As the UDAG Grant Loan is repaid to the Town, the funds are made available for activities eligible under Title I of the Housing and Community Development Act of 1974.

The Community Development Block Grant Entitlement Program Fund accounts for grants received from the Federal government under the Community Development Block Grant Program for various improvements to the Town.

The Home Program Fund, a special revenue fund, accounts for grants received from the Federal government under the Community Development Block Grant Program for rehabilitation of homes in the Town.

The Fire Fund, a special revenue fund, accounts for additional monies collected from Fire Fund millage to be used for future fire purchases or payments. Additionally, this fund accounts for the 2014 issuance of a General Obligation Note in the amount of \$350,000, which was used towards the purchase of a fire truck in 2014.

The Library Fund accounts for the receipt of tax monies from a special millage designated for support of the Bloomsburg Public Library.

The Street Lighting Fund accounts for the receipt of tax monies from a special millage designated for support of the Town's street lights.

## TOWN OF BLOOMSBURG

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 20. Non-Major Funds (Continued)**

##### Debt Service Fund

The General Debt Service Fund accounts for the 2010 and 2014 issuances of a General Obligation Notes in the amount of \$1,248,654 and \$400,000, respectively. The Notes provide funds for the construction and acquisition of certain capital projects within the Town.

##### Capital Projects Funds

The Airport Expansion Project fund accounts for grants received from the FAA and the Commonwealth of Pennsylvania for expansion of the Town's municipal airport. The Town also agrees to forever keep and maintain the airport as a public airport. Failure to do so would subject the Town to immediate repayment of the grant contributions. Project length budgets are prepared in accordance with FAA guidelines.

The Capital Projects Fund was established to account for new construction projects contemplated by the Town. Formula budgets are not prepared for the various projects.

#### **Note 21. Contingencies**

The Town is exposed to various liability claims and potential litigation arising from normal operations. The Town maintains customary business insurance policies designed to limit the financial impact of such matters.

#### **Note 22. Subsequent Events**

On February 26, 2016, the Town entered into an agreement with the American National Red Cross to purchase a property from the Red Cross with a purchase price of \$400,000. The Town intends to relocate the Police Department to the newly purchased property.

The Town began the process of obtaining a Draw Term Note (the "Loan") from First Columbia Bank, in the amount of \$1,500,000 for the purposes of financing the renovation of the new police station, existing Town Hall building, the Norris Rock Memorial Pool and the Airport. As of the date of the report, the Loan is pending approval from the Pennsylvania Department of Community and Economic Development.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF BLOOMSBURG**

**STATISTICAL TREND DATA  
SINGLE EMPLOYER PENSION PLANS  
SCHEDULE OF FUNDING PROGRESS  
LAST TEN FISCAL YEARS  
REQUIRED SUPPLEMENTARY INFORMATION**

**POLICE PENSION PLAN**

<b>Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Entry Age Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((b-a)/c)</b>
12/31/2005	*	*	*	*	*	*
12/31/2006	\$ 3,633,209	\$ 3,756,426	\$ 123,217	96.72%	\$ 771,626	15.97%
12/31/2007	*	*	*	*	*	*
12/31/2008	\$ 3,408,311	\$ 4,048,407	\$ 640,096	84.19%	\$ 925,154	69.19%
12/31/2009	*	*	*	*	*	*
12/31/2010	\$ 3,592,804	\$ 4,375,050	\$ 782,246	82.12%	\$ 869,099	90.01%
12/31/2011	*	*	*	*	*	*
12/31/2012	\$ 3,676,439	\$ 4,721,275	\$ 1,044,836	77.87%	\$ 985,530	106.02%
12/31/2013	*	*	*	*	*	*
12/31/2014	\$ 3,909,906	\$ 5,576,627	\$ 1,666,721	70.11%	\$ 1,044,259	159.61%

**MUNICIPAL EMPLOYEES' PENSION PLAN**

<b>Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Entry Age Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((b-a)/c)</b>
12/31/2005	*	*	*	*	*	*
12/31/2006	\$ 2,240,014	\$ 2,307,917	\$ 67,903	97.06%	\$ 1,023,202	6.64%
12/31/2007	*	*	*	*	*	*
12/31/2008	\$ 2,232,090	\$ 2,531,374	\$ 299,284	88.18%	\$ 1,149,524	26.04%
12/31/2009	*	*	*	*	*	*
12/31/2010	\$ 2,502,421	\$ 2,885,299	\$ 382,878	86.73%	\$ 1,131,516	33.84%
12/31/2011	*	*	*	*	*	*
12/31/2012	\$ 2,745,358	\$ 3,342,216	\$ 596,858	82.14%	\$ 1,176,516	50.73%
12/31/2013	*	*	*	*	*	*
12/31/2014	\$ 3,147,878	\$ 3,963,561	\$ 815,683	79.42%	\$ 1,435,983	56.80%

\* - The Town has actuarial evaluations prepared every two years (odd-numbered) in accordance with Pennsylvania Law (Act 205 of 1984, as amended). Trend information is presented only for years in which information is available.

**TOWN OF BLOOMSBURG**

**STATISTICAL TREND DATA  
SINGLE EMPLOYER PENSION PLANS  
SCHEDULE OF CONTRIBUTIONS  
LAST TEN FISCAL YEARS  
REQUIRED SUPPLEMENTARY INFORMATION**

**POLICE PENSION PLAN**

<b>Valuation Date</b>	<b>Annual Required Contribution (a)</b>	<b>State's Contribution (b)</b>	<b>Town's Annual Required Contribution (c)</b>	<b>Percentage Contributed a/(b+c)</b>
12/31/2005	\$ 100,478	\$ 87,803	\$ 12,675	100%
12/31/2006	\$ 92,160	\$ 92,160	\$ -	100%
12/31/2007	\$ 89,702	\$ 89,702	\$ -	100%
12/31/2008	\$ 111,739	\$ 101,666	\$ 10,073	100%
12/31/2009	\$ 129,948	\$ 102,592	\$ 27,356	100%
12/31/2010	\$ 222,952	\$ 99,200	\$ 123,752	100%
12/31/2011	\$ 134,108	\$ 150,231	\$ -	100%
12/31/2012	\$ 142,554	\$ 100,131	\$ 42,424	100%
12/31/2013	\$ 158,279	\$ 116,531	\$ 41,748	100%
12/31/2014	\$ 179,050	\$ 120,058	\$ 58,992	100%

**MUNICIPAL EMPLOYEES' PENSION PLAN**

<b>Valuation Date</b>	<b>Annual Required Contribution (a)</b>	<b>State's Contribution (b)</b>	<b>Town's Annual Required Contribution (c)</b>	<b>Percentage Contributed a/(b+c)</b>
12/31/2005	\$ 98,873	\$ 81,950	\$ 16,923	100%
12/31/2006	\$ 104,792	\$ 83,886	\$ 20,906	100%
12/31/2007	\$ 109,357	\$ 99,475	\$ 9,882	100%
12/31/2008	\$ 86,327	\$ 86,327	\$ -	100%
12/31/2009	\$ 104,881	\$ 91,345	\$ 13,536	100%
12/31/2010	\$ 159,470	\$ 94,891	\$ 64,579	100%
12/31/2011	\$ 121,904	\$ 127,385	\$ -	100%
12/31/2012	\$ 127,593	\$ 96,555	\$ 31,038	100%
12/31/2013	\$ 138,789	\$ 108,762	\$ 30,027	100%
12/31/2014	\$ 151,031	\$ 120,058	\$ 30,973	100%

**TOWN OF BLOOMSBURG**

**POST-EMPLOYMENT BENEFIT PLANS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
Year Ended December 31, 2015**

	Police Pension	Municipal Employees' Pension
Valuation Date:	1/1/15	1/1/15
Actuarial Cost Method:	Entry Age Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method:	Level dollar, closed	Level dollar, closed
Amortization Period:	30 years	30 years
Actuarial Asset Value Method:	Market Value	Market Value
Actuarial Assumptions:		
Interest	7.50% per annum compounded annually	7.50% per annum compounded annually
Projected salary increases:	5.00% per annum compounded annually	4.50% per annum compounded annually
Inflation:	3% per annum compounded annually	3% per annum compounded annually
Pre & Post Retirement Mortality	RP2000 Mortality Table with built in projection and Blue Collar Adjustment for active members. 33 1/3% of pre- retirement deaths are assumed to qualify for killed-in-service benefits	RP2000 Mortality Table except that terminated vested members are assumed to survive to their expected benefit commencement date.

**TOWN OF BLOOMSBURG**

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST-EMPLOYMENT BENEFITS PLAN  
Year Ended December 31, 2015**

**Police Employees**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a) / c)</b>
1/1/2009	\$ -	\$ 2,330,878	\$ 2,330,878	0.00%	\$ 927,154	N/A
1/1/2011	\$ -	\$ 3,086,961	\$ 3,086,961	0.00%	\$ 731,300	N/A
1/1/2013	\$ -	\$ 2,672,941	\$ 2,672,941	0.00%	\$ 1,016,397	N/A

**Non-Uniformed Employees**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a) / c)</b>
1/1/2009	\$ -	\$ 1,400,874	\$ 1,400,874	0.00%	\$ 1,099,044	N/A
1/1/2011	\$ -	\$ 1,706,549	\$ 1,706,549	0.00%	\$ 1,044,324	N/A
1/1/2013	\$ -	\$ 1,871,553	\$ 1,871,553	0.00%	\$ 1,283,270	N/A

**SUPPLEMENTARY INFORMATION**

**TOWN OF BLOOMSBURG**

**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS  
December 31, 2015**

	Capital Projects Fund	Airport Expansion Fund	Non-Major Special Revenue Funds	General Debt Service Fund	Total Non-Major Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 40,914	\$ 1	\$ 846,098	\$ 256,744	\$ 1,143,757
Due from other funds	-	122,938	-	-	122,938
Receivables	-	17,818	249,395	10,617	277,830
<b>Total assets</b>	<b>\$ 40,914</b>	<b>\$ 140,757</b>	<b>\$ 1,095,493</b>	<b>\$ 267,361</b>	<b>\$ 1,544,525</b>
<b>Liabilities</b>					
Due to other funds	\$ 8,928	\$ -	\$ 36,156	\$ 10,910	\$ 55,994
Accounts payable	-	140,757	77,498	36,617	254,872
<b>Total liabilities</b>	<b>8,928</b>	<b>140,757</b>	<b>113,654</b>	<b>47,527</b>	<b>310,866</b>
<b>Deferred Inflows of Resources</b>					
Property taxes receivable	-	-	20,981	9,171	30,152
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>20,981</b>	<b>9,171</b>	<b>30,152</b>
<b>Fund Balances</b>					
Restricted for:					
Debt service	-	-	-	210,663	210,663
Program expenditures	-	-	960,858	-	960,858
Committed for:					
Sewer hookups	4,874	-	-	-	4,874
Engineering escrowed	23,360	-	-	-	23,360
Capital projects	3,752	-	-	-	3,752
<b>Total fund balances</b>	<b>31,986</b>	<b>-</b>	<b>960,858</b>	<b>210,663</b>	<b>1,203,507</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 40,914</b>	<b>\$ 140,757</b>	<b>\$ 1,095,493</b>	<b>\$ 267,361</b>	<b>\$ 1,544,525</b>

**TOWN OF BLOOMSBURG**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**

**BALANCES - NON-MAJOR GOVERNMENTAL FUNDS**

**Year Ended December 31, 2015**

	Capital Projects Fund	Airport Expansion Fund	Non-Major Special Revenue Funds	General Debt Service Fund	Non-Major Governmental Funds
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ 256,352	\$ 89,504	\$ 345,856
Investment income	111	-	10,994	1,008	12,113
Intergovernmental revenue	-	17,818	594,855	-	612,673
<b>Total revenues</b>	<b>111</b>	<b>17,818</b>	<b>862,201</b>	<b>90,512</b>	<b>970,642</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	19,492	-	52,600	73,054	145,146
Public safety	-	-	110,265	-	110,265
Public works	-	11,879	114,331	-	126,210
Culture and recreation	-	-	43,745	-	43,745
<b>Debt service</b>					
Principal	-	-	116,702	147,669	264,371
Interest	-	-	12,889	14,323	27,212
<b>Capital outlay</b>					
General government	-	-	-	122,416	122,416
Public works	-	23,757	445,576	-	469,333
<b>Total expenditures</b>	<b>19,492</b>	<b>35,636</b>	<b>896,108</b>	<b>357,462</b>	<b>1,308,698</b>
<b>Deficiency of revenues over expenditures</b>	<b>(19,381)</b>	<b>(17,818)</b>	<b>(33,907)</b>	<b>(266,950)</b>	<b>(338,056)</b>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in	-	17,818	-	-	17,818
Operating transfers out	-	-	(76,429)	-	(76,429)
<b>Total other financing sources (uses) - net</b>	<b>-</b>	<b>17,818</b>	<b>(76,429)</b>	<b>-</b>	<b>(58,611)</b>
<b>Net changes in fund balances</b>	<b>(19,381)</b>	<b>-</b>	<b>(110,336)</b>	<b>(266,950)</b>	<b>(396,667)</b>
Fund Balances - January 1, 2015	51,367	-	1,071,194	477,613	1,600,174
Fund Balances - December 31, 2015	\$ 31,986	\$ -	\$ 960,858	\$ 210,663	\$ 1,203,507

TOWN OF BLOOMSBURG

COMBINING BALANCE SHEET - NON-MAJOR  
SPECIAL REVENUE FUNDS

December 31, 2015

	State Liquid Fuels Highway Aid	CDBG Program Income	UDAG Repayment Fund	CDBG Entitlement Program Fund	Home Program Fund	Fire	Library	Street Lighting	Total
<b>Assets</b>									
Cash and cash equivalents	\$ 37,797	\$ 64,173	\$ 446,118	\$ 1	\$ 1	\$ 214,552	\$ 791	\$ 82,665	\$ 846,098
Receivables	-	150,843	1,200	54,716	17,414	8,743	2,696	13,783	249,395
<b>Total assets</b>	<b>\$ 37,797</b>	<b>\$ 215,016</b>	<b>\$ 447,318</b>	<b>\$ 54,717</b>	<b>\$ 17,415</b>	<b>\$ 223,295</b>	<b>\$ 3,487</b>	<b>\$ 96,448</b>	<b>\$ 1,095,493</b>
<b>Liabilities</b>									
Due to other funds	\$ -	\$ -	\$ -	\$ 3,076	\$ 1	\$ 20,884	\$ -	\$ 12,195	\$ 36,156
Accounts payable	423	4,266	-	51,641	17,414	-	-	3,754	77,498
<b>Total liabilities</b>	<b>423</b>	<b>4,266</b>	<b>-</b>	<b>54,717</b>	<b>17,415</b>	<b>20,884</b>	<b>-</b>	<b>15,949</b>	<b>113,654</b>
<b>Deferred Inflows of Resources</b>									
Property taxes receivable	-	-	-	-	-	5,785	2,291	12,905	20,981
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,785</b>	<b>2,291</b>	<b>12,905</b>	<b>20,981</b>
<b>Fund Balances</b>									
Restricted for program expenditures	37,374	210,750	447,318	-	-	196,626	1,196	67,594	960,858
<b>Total fund balances</b>	<b>37,374</b>	<b>210,750</b>	<b>447,318</b>	<b>-</b>	<b>-</b>	<b>196,626</b>	<b>1,196</b>	<b>67,594</b>	<b>960,858</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 37,797</b>	<b>\$ 215,016</b>	<b>\$ 447,318</b>	<b>\$ 54,717</b>	<b>\$ 17,415</b>	<b>\$ 223,295</b>	<b>\$ 3,487</b>	<b>\$ 96,448</b>	<b>\$ 1,095,493</b>

TOWN OF BLOOMSBURG

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS  
 Year Ended December 31, 2015

	State Liquid Fuels Highway Aid	CDBG Program Income	UDAG Repayment Fund	CDBG Entitlement Program Fund	Home Program Fund	Fire	Library	Street Lighting	Total
<b>Revenues</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160,101	\$ 24,950	\$ 71,301	\$ 256,352
Investment income	112	8,644	1,320	-	-	597	5	316	10,994
Intergovernmental revenue	312,002	-	-	241,814	31,039	10,000	-	-	594,855
<b>Total revenues</b>	<b>312,114</b>	<b>8,644</b>	<b>1,320</b>	<b>241,814</b>	<b>31,039</b>	<b>170,698</b>	<b>24,955</b>	<b>71,617</b>	<b>862,201</b>
<b>Expenditures</b>									
<b>Current</b>									
General government	-	-	-	41,936	10,664	-	-	-	52,600
Public safety	-	-	-	-	-	110,265	-	-	110,265
Public works	48,929	-	-	-	-	-	-	65,402	114,331
Culture and recreation	-	-	-	-	19,490	-	24,255	-	43,745
<b>Debt service</b>									
Principal	-	-	-	-	-	47,004	-	69,698	116,702
Interest	-	-	-	-	-	7,449	-	5,440	12,889
<b>Capital outlay</b>									
Public works	246,689	-	-	198,887	-	-	-	-	445,576
<b>Total expenditures</b>	<b>295,618</b>	<b>-</b>	<b>-</b>	<b>240,823</b>	<b>30,154</b>	<b>164,718</b>	<b>24,255</b>	<b>140,540</b>	<b>896,108</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>16,496</b>	<b>8,644</b>	<b>1,320</b>	<b>991</b>	<b>885</b>	<b>5,980</b>	<b>700</b>	<b>(68,923)</b>	<b>(33,907)</b>
<b>Other Financing Sources (Uses)</b>									
Operating transfers out	(74,553)	-	-	(991)	(885)	-	-	-	(76,429)
<b>Total other financing sources (uses) - net</b>	<b>(74,553)</b>	<b>-</b>	<b>-</b>	<b>(991)</b>	<b>(885)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(76,429)</b>
<b>Net changes in fund balances</b>	<b>(58,057)</b>	<b>8,644</b>	<b>1,320</b>	<b>-</b>	<b>-</b>	<b>5,980</b>	<b>700</b>	<b>(68,923)</b>	<b>(110,336)</b>
Fund Balances - January 1, 2015	95,431	202,106	445,998	-	-	190,646	496	136,517	1,071,194
Fund Balances - December 31, 2015	\$ 37,374	\$ 210,750	\$ 447,318	\$ -	\$ -	\$ 196,626	\$ 1,196	\$ 67,594	\$ 960,858

TOWN OF BLOOMSBURG

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - GENERAL FUND  
 Year Ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes				
Property	\$ 1,042,176	\$ 1,042,176	\$ 1,076,283	\$ 34,107
Local enabling act taxes	1,694,850	1,694,850	1,838,435	143,585
Licenses and permits	136,000	136,000	114,539	(21,461)
Fines	664,000	664,000	657,641	(6,359)
Investment income	3,633	3,633	4,160	527
Rents	31,000	31,000	34,703	3,703
Intergovernmental revenue	656,131	656,131	571,692	(84,439)
Charges for services	553,075	553,075	503,954	(49,121)
Miscellaneous income	155,679	155,679	182,521	26,842
<b>Total revenues</b>	<b>4,936,544</b>	<b>4,936,544</b>	<b>4,983,928</b>	<b>47,384</b>
<b>Expenditures</b>				
Current				
General government	1,105,601	1,105,601	1,094,160	11,441
Public safety	2,560,198	2,560,198	2,619,230	(59,032)
Public works	1,303,344	1,300,844	969,245	331,599
Culture and recreation	44,675	47,175	29,227	17,948
Community development	38,100	38,100	27,394	10,706
Debt Service				
Principal	1,500	1,500	-	1,500
Interest	126	126	-	126
Capital outlay				
General government	-	-	8,928	(8,928)
Public safety	-	-	10,000	(10,000)
Public works	-	-	202,480	(202,480)
<b>Total expenditures</b>	<b>5,053,544</b>	<b>5,053,544</b>	<b>4,960,664</b>	<b>305,360</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(117,000)</b>	<b>(117,000)</b>	<b>23,264</b>	<b>140,264</b>

(Continued)

TOWN OF BLOOMSBURG

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - GENERAL FUND (Continued)

Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Other Financing Sources (Uses)				
Refund of prior years' revenues	-	-	(11,891)	(11,891)
Refund of prior years' expenditures	-	-	5,016	5,016
Operating transfers in	127,000	127,000	138,185	11,185
Operating transfers out	(10,000)	(10,000)	(17,818)	(7,818)
<b>Total other financing sources - net</b>	<b>117,000</b>	<b>117,000</b>	<b>113,492</b>	<b>(3,508)</b>
<b>Excess of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>136,756</b>	<b>\$ 136,756</b>
Fund Balances - January 1, 2015			1,624,384	
Fund Balances - December 31, 2015			<u>\$ 1,761,140</u>	

TOWN OF BLOOMSBURG

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND  
 ACTUAL - ANNUALLY-BUDGETED SPECIAL REVENUE FUNDS  
 Year Ended December 31, 2015

	State Liquid Fuels					
	Highway Aid			Library		
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 23,564	\$ 24,950	\$ 1,386
Investment income	200	112	(88)	6	5	(1)
Intergovernmental revenue	296,440	312,002	15,562	-	-	-
<b>Total revenues</b>	<b>296,640</b>	<b>312,114</b>	<b>15,474</b>	<b>23,570</b>	<b>24,955</b>	<b>1,385</b>
<b>Expenditures</b>						
Current						
Public safety	-	-	-	-	-	-
Public works	275,000	48,929	226,071	-	-	-
Culture and recreation	-	-	-	23,570	24,255	(685)
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay						
Public works	-	246,689	(246,689)	-	-	-
<b>Total expenditures</b>	<b>275,000</b>	<b>295,618</b>	<b>(20,618)</b>	<b>23,570</b>	<b>24,255</b>	<b>(685)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>21,640</b>	<b>16,496</b>	<b>(5,144)</b>	<b>-</b>	<b>700</b>	<b>700</b>
<b>Other Financing Sources (Uses)</b>						
Operating transfers out	(75,000)	(74,553)	447	-	-	-
<b>Total other financing sources (uses) - net</b>	<b>(75,000)</b>	<b>(74,553)</b>	<b>447</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ (53,360)</b>	<b>\$ (58,057)</b>	<b>\$ (4,697)</b>	<b>\$ -</b>	<b>\$ 700</b>	<b>\$ 700</b>

Fire			Street Lighting		
Original and Final Budget	Actual	Variance Favorable (Unfavorable)	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 167,627	\$ 160,101	\$ (7,526)	\$ 68,301	\$ 71,301	\$ 3,000
1,200	597	(603)	350	316	(34)
10,000	10,000	-	-	-	-
178,827	170,698	(8,129)	68,651	71,617	2,966
131,572	110,265	21,307	-	-	-
-	-	-	81,000	65,402	15,598
-	-	-	-	-	-
46,990	47,004	(14)	71,205	69,698	1,507
7,465	7,449	16	3,934	5,440	(1,506)
-	-	-	-	-	-
186,027	164,718	21,309	156,139	140,540	15,599
(7,200)	5,980	13,180	(87,488)	(68,923)	18,565
-	-	-	-	-	-
-	-	-	-	-	-
\$ (7,200)	\$ 5,980	\$ 13,180	\$ (87,488)	\$ (68,923)	\$ 18,565

TOWN OF BLOOMSBURG

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - ANNUALLY-BUDGETED DEBT SERVICE FUNDS

Year Ended December 31, 2015

	General Debt Service			Day Care Center		
	Original and		Variance	Original and		Variance
	Final	Actual	Favorable	Final	Actual	Favorable
	Budget		(Unfavorable)	Budget		(Unfavorable)
<b>Revenues</b>						
Property taxes	\$ 87,900	\$ 89,504	\$ 1,604	\$ -	\$ -	\$ -
Investment income	350	1,008	658	25	11	(14)
Rents	-	-	-	39,410	32,997	(6,413)
Miscellaneous revenue	-	-	-	-	6,413	6,413
<b>Total revenues</b>	<b>88,250</b>	<b>90,512</b>	<b>2,262</b>	<b>39,435</b>	<b>39,421</b>	<b>(14)</b>
<b>Expenditures</b>						
General government	300,000	73,054	226,946	5,607	14,101	(8,494)
Public works	100,000	-	100,000	-	-	-
Debt service						
Principal	116,985	147,669	(30,684)	29,106	29,137	(31)
Interest	13,938	14,323	(385)	2,304	2,274	30
Capital outlay						
General government	-	122,416	(122,416)	-	6,500	(6,500)
<b>Total expenditures</b>	<b>530,923</b>	<b>357,462</b>	<b>173,461</b>	<b>37,017</b>	<b>52,012</b>	<b>(8,495)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(442,673)</b>	<b>(266,950)</b>	<b>175,723</b>	<b>2,418</b>	<b>(12,591)</b>	<b>(15,009)</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from long-term debt	400,000	-	400,000	-	-	-
<b>Total other financing sources (uses) - net</b>	<b>400,000</b>	<b>-</b>	<b>400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ (42,673)</b>	<b>\$ (266,950)</b>	<b>\$ (224,277)</b>	<b>\$ 2,418</b>	<b>\$ (12,591)</b>	<b>\$ (15,009)</b>

**TOWN OF BLOOMSBURG**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
COMPARATIVE SCHEDULES BY SOURCE  
December 31, 2015 and 2014**

	<b>2015</b>	2014
<b>Governmental Funds Capital Assets:</b>		
Land	\$ 2,825,385	\$ 2,825,385
Land improvements	4,276,243	3,488,673
Buildings and improvements	6,653,147	6,653,147
Machinery and equipment	5,532,747	5,397,452
Infrastructure	2,773,335	2,744,305
Construction-in-progress	999,061	658,540
<b>Total</b>	<b>\$ 23,059,918</b>	<b>\$ 21,767,502</b>
<b>Investments in Governmental Funds</b>		
<b>Capital Assets by Source:</b>		
<b>Town</b>		
General government	\$ 7,364,362	\$ 6,860,877
Day care	316,439	309,939
Airport	5,370,097	5,185,308
<b>Public safety</b>		
Police	850,400	864,467
Fire	3,024,778	3,024,778
Public works	3,905,604	3,464,081
Culture and recreation	2,228,238	2,058,052
<b>Total</b>	<b>\$ 23,059,918</b>	<b>\$ 21,767,502</b>

**TOWN OF BLOOMSBURG**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY**

**December 31, 2015**

<b>Function and Activity</b>	Land	Land Improvements	Buildings and Improvements	Machinery and Equipment	Infrastructure	Construction- in-progress	Total
<b>General Government</b>							
Town	\$ 2,614,891	\$ 1,046,469	\$ 349,463	\$ 402,066	\$ 2,445,371	\$ 506,102	\$ 7,364,362
Daycare	-	28,276	288,163	-	-	-	316,439
Airport	210,494	259,805	4,649,343	59,947	-	190,508	5,370,097
<b>Total</b>	<b>2,825,385</b>	<b>1,334,550</b>	<b>5,286,969</b>	<b>462,013</b>	<b>2,445,371</b>	<b>696,610</b>	<b>13,050,898</b>
<b>Public Safety</b>							
Police	-	31,249	125,180	682,383	1,588	10,000	850,400
Fire	-	-	7,147	3,017,631	-	-	3,024,778
<b>Total</b>	<b>-</b>	<b>31,249</b>	<b>132,327</b>	<b>3,700,014</b>	<b>1,588</b>	<b>10,000</b>	<b>3,875,178</b>
Public Works	-	1,285,838	768,127	1,367,224	297,346	187,069	3,905,604
Culture and Recreation	-	1,624,606	465,724	3,496	29,030	105,382	2,228,238
<b>Total</b>	<b>\$ 2,825,385</b>	<b>\$ 4,276,243</b>	<b>\$ 6,653,147</b>	<b>\$ 5,532,747</b>	<b>\$ 2,773,335</b>	<b>\$ 999,061</b>	<b>\$ 23,059,918</b>

**TOWN OF BLOOMSBURG**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
Year Ended December 31, 2015**

<b>Function and Activity</b>	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	January 1, 2014	Additions	Deletions	December 31, 2014
General Government				
Town	\$ 6,860,877	\$ 637,367	\$ 133,882	\$ 7,364,362
Day Care	309,939	6,500	-	316,439
Airport	5,185,308	184,789	-	5,370,097
<b>Total</b>	<b>12,356,124</b>	<b>828,656</b>	<b>133,882</b>	<b>13,050,898</b>
Public Safety				
Police	864,467	10,000	24,067	850,400
Fire	3,024,778	-	-	3,024,778
<b>Total</b>	<b>3,889,245</b>	<b>10,000</b>	<b>24,067</b>	<b>3,875,178</b>
Public Works	3,464,081	476,756	35,233	3,905,604
Culture and Recreation	2,058,052	604,491	434,305	2,228,238
<b>Total</b>	<b>\$ 21,767,502</b>	<b>\$ 1,919,903</b>	<b>\$ 627,487</b>	<b>\$ 23,059,918</b>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of Town Council  
Town of Bloomsburg  
Bloomsburg, Pennsylvania

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Bloomsburg as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town of Bloomsburg's basic financial statements and have issued our report thereon dated March 16, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Bloomsburg's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bloomsburg's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Bloomsburg's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Bloomsburg's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Boyer & Ritter". The signature is written in black ink and is positioned to the right of the date and location text.

Camp Hill, Pennsylvania  
March 16, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A -133**

Members of Town Council  
Town of Bloomsburg  
Bloomsburg, Pennsylvania

**Report on Compliance for Each Major Federal Program**

We have audited Town of Bloomsburg's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Bloomsburg's major programs for the year ended December 31, 2015. The Town of Bloomsburg's major federal program is identified in the summary of auditor's results section in the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Town of Bloomsburg's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Bloomsburg's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Bloomsburg's compliance.

## Opinion on Each Major Federal Program

In our opinion, the Town of Bloomsburg complied, in all material respects, with the types compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

## Report on Internal Control over Compliance

Management of the Town of Bloomsburg is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Bloomsburg's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Bloomsburg's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Boyer & Ritter". The signature is written in black ink and is positioned in the lower right quadrant of the page.

Camp Hill, Pennsylvania  
March 16, 2016

**TOWN OF BLOOMSBURG**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2015**

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**Section I -- Summary of Auditor's Results**

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**Financial Statements**

Type of report auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Qualified

Internal control over financial reporting:

- Material weakness(es) identified:
- Significant deficiency(ies) identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes      X   No

\_\_\_\_\_ Yes      X   None Reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes      X   No

**Federal Awards**

Internal control over the major programs:

- Material weakness (es) identified?
- Significant deficiency(ies) identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes      X   No

\_\_\_\_\_ Yes      X   None Reported

Type of auditor's report issued on compliance for the major programs:

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)

\_\_\_\_\_ Yes      X   No

**TOWN OF BLOOMSBURG**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2015**

Identification of the major program:

C.F.D.A. Number(s)	Name of Program
14.228	Community Development Block Grant

Dollar threshold used to distinguish between  
type A and type B programs \$750,000

Auditee qualified as low-risk auditee? Yes X No

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**Section II -- Financial Statement Findings**

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A. Significant Deficiency(ies) in Internal Control

There were no findings relating to the financial statement audit required to be reported.

B. Compliance Findings

There was no compliance findings relating to the financial statement audit required to be reported.

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**Section III -- Federal Award Findings and Questioned Costs**

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A. Significant Deficiency(ies) in Internal Control

There were no findings relating to the Federal awards as required to be reported in accordance with 2 CFR 200.516(a).

B. Compliance Findings

There were no findings relating to the Federal awards as required to be reported in accordance with 2 CFR 200.516(a).

**TOWN OF BLOOMSBURG**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended December 31, 2015**

Federal Grantor/Pass-Through Grantor Program Title	Federal C.F.D.A. Number	Pass Through Grantor's Number	Grant Period	Program or Annual Award	Total Received in Fiscal Year	Accrued Revenue at 1/1/2015	Revenue Recognized	Expenditures	Passed through to Subrecipients	Accrued Revenue at 12/31/2015
<b>U. S. Department of Housing and Urban Development:</b>										
Passed through the Pennsylvania Department of Community Economic Development										
Community Development Block Grant	14.228	C000052087	11-16	\$ 173,645	\$ 4,202	\$ 2,472	\$ 1,730	\$ 1,730	\$ -	\$ -
Community Development Block Grant	14.228	C000052785	12-17	\$ 161,205	55,724	52,425	3,299	3,299	-	-
Community Development Block Grant	14.228	C000056516	13-18	\$ 1,470,473	148,310	26,805	584,662	584,662	-	463,157
Community Development Block Grant	14.228	C000057175	14-19	\$ 163,467	134,167	17,014	133,262	133,262	-	16,109
Community Development Block Grant	14.228	C000060647	15-20	\$ 168,139	64,916	-	100,446	100,446	-	35,530
					407,319	98,716	823,399	823,399	-	514,796
Home Investment Partnership Program	14.239	C000058723	14-18	\$ 2,000,000	13,625	-	31,039	31,039	-	17,414
<b>Total U.S. Department of Housing and Urban Development</b>					420,944	98,716	854,438	854,438	-	532,210
<b>U.S. Department of Transportation</b>										
<b>Federal Aviation Administration</b>										
Passed through the Pennsylvania Department of Transportation										
Airport Improvement Program	20.106	ABG-2011-00032	10-15	\$ 1,225,323	4,750	-	4,750	4,750	-	-
Total Federal Aviation Administration					4,750	-	4,750	4,750	-	-
<b>Total U.S. Department of Transportation</b>					4,750	-	4,750	4,750	-	-

(Continued)

**TOWN OF BLOOMSBURG**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**

**Year Ended December 31, 2015**

Federal Grantor/Pass-Through Grantor Program Title	Federal C.F.D.A. Number	Pass Through Grantor's Number	Grant Period	Program or Annual Award	Total Received in Fiscal Year	Accrued Revenue at 1/1/2015	Revenue Recognized	Expenditures	Passed through to Subrecipients	Accrued Revenue at 12/31/2015
<b>U. S. Department of Homeland Security</b>										
Passed through the Pennsylvania Emergency Management Agency										
Public Assistance Grants	97.036		2012	\$ 156,255	-	-	152,637	152,637	-	152,637
<b>Total U.S. Department of Homeland Security</b>					-	-	152,637	152,637	-	152,637
<b>Total Expenditures of Federal Awards</b>					\$ 425,694	\$ 98,716	\$ 1,011,825	\$ 1,011,825	\$ -	\$ 684,847

See Notes to Schedule of Expenditures of Federal Awards.

## TOWN OF BLOOMSBURG

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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#### **Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Town under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town.

#### **Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue is recognized when earned, and expenses are recognized when incurred. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Town has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**TOWN OF BLOOMSBURG**

**SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS**  
**Year Ended December 31, 2015**

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N/A - Single audit was not performed in prior year.