

**MUNICIPAL AUTHORITY OF THE
TOWN OF BLOOMSBURG**

FINANCIAL REPORT

DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Municipal Authority of the Town of Bloomsburg
Bloomsburg, Pennsylvania

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the Municipal Authority of the Town of Bloomsburg (Authority), a component unit of the Town of Bloomsburg, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the fiduciary activities of the Municipal Authority of the Town of Bloomsburg as of December 31, 2022 and 2021, and the respective changes in financial position and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period-of-time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information as listed in the Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

A handwritten signature in cursive script that reads "Boyer & Rittner". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania
March 17, 2023

**MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

As management of the Municipal Authority of the Town of Bloomsburg (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2022.

Financial Highlights

The following are key happenings and financial highlights for 2022:

In March of 2022, the Municipal Authority completed its most recent capital improvements project at the Wastewater Treatment Plant which began construction at the start of the pandemic in April of 2020. The project was designed and overseen by GHD, Inc., the engineering firm contracted by the Municipal Authority. Total project cost was \$10.2 million, with required contractual financial contributions from Bloomsburg University (\$1.4 million) and Scott Township (\$2 million) offsetting this cost. Despite construction during the pandemic, the project was completed on time and within budget.

In conjunction with the Town of Bloomsburg Code Enforcement department, the Municipal Authority had continued assistance with the collection of unpaid sewer balances with the adoption of Town of Bloomsburg Ordinance 1008 which stipulates that property owners in the Town can be denied rental licenses if they have unpaid municipal obligations, including delinquent sewer balances. Town of Bloomsburg Code Enforcement staff continued enforcement efforts of the Ordinance throughout 2022, and in conjunction with the Authority office, several unpaid long-standing delinquent sewer accounts were able to be recovered via this Ordinance.

The Authority instituted a sewer rate increase effective January 1, 2022. This increase represents a 13% increase to the base sewer rate and a 20% increase to all other consumption levels including Bloomsburg University who has a unique rate for its consumption in excess of 100,000 gallons because of its capital partnership relationship with the Municipal Authority.

The Authority's engineering firm, Rettew, was contracted to conduct a rate study in 2021. Work began on the study during the second quarter of 2021 and continued through June of 2022. The goal of the study was to examine the possibility of eliminating consumption from the minimum sewer fee and establishing a minimum service fee which would represent overhead expenses, with residents then paying a per gallon fee for all consumption. The Municipal Authority board studied several rate restructuring schedules before approving a schedule that would set a \$30.00 monthly minimum service fee for all residents connected to the sanitary sewer system, regardless of the status of their water service. Per gallon fees for all consumption were established at levels 1-2,000 gallons; 2,000-10,000 gallons; a new rate category of 10,0001-100,000 gallons; and over 100,000 gallons. The special rate for Bloomsburg University consumption in excess of 100,000 gallons was eliminated. The restructured rate schedule will become effective with the first billing period beginning on or after January 1, 2023. Authority administrative staff prepared several newsletters and notices to residents during the fourth quarter of 2022 to communicate the changes.

The Authority fell short of its budgeted expectations for residential sewer bills during 2022 but met budget for industrial bills. Budgets were based on spreadsheet data prepared as part of the rate study. The 2023 budgeted residential and industrial billing figures were also based on calculations in the spreadsheet. The shortfall experienced in 2022 may have been due to revisions necessary to the raw data in the spreadsheet used for the calculations. This will be examined again based on performance to budget during 2023.

The Authority's administrative staff continued the use of QuickBooks for its finances. Many of the initial issues with using the software have been resolved and staff is able to provide accurate reports and financial data utilizing the system.

The Authority continued use of its contracted services for Information Technology to maintain and back up all of the Authority data, both administrative and at the wastewater treatment plant. Contracting these services provides consistency should any issues arise with the Authority's computers or servers.

The Authority continues to utilize the services of a management consulting firm to provide supervision and direction at its wastewater treatment plant. Staff from the firm perform job functions previously handled by the Plant Superintendent.

Authority administrative staff and treatment plant staff were assisted by representatives of its management consulting firm and engineering firm to conduct an extensive review and revision of the Wastewater Facilities Use Resolution, which is the document that contains rules and regulations for all areas of Authority operations. The original document contained specifics on rates and fees as well as local limits information for discharges to the sanitary sewer system. For ease of future updating, separate resolutions were created for rates and fees as well as local limits. The three updated resolutions were adopted in December of 2022 and replaced the prior document in its entirety.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The financial statements report information about the Authority using full accrual accounting methods as utilized by similar business activities in the private sector, however, rate-regulated accounting principles applicable to private sector utilities are not used by government utilities.

The financial statements are comprised of two funds: Proprietary and Fiduciary. The Proprietary or Enterprise Fund, referred to as the Sewer System Operating Fund, is used to account for activities that are usually self-sustaining, principally through user charges for services rendered. The Authority directly maintains the accounting for the Sewer System Operating Fund. Trust Funds (Fiduciary Fund) are used to account for assets held by the Authority in a trustee capacity. The pension trust is accounted for in essentially the same manner as the proprietary fund, using the same measurement focus and basis of accounting.

The financial statements include the statements of net position; statements of revenues, expenses and changes in net position; statements of cash flows; statements of fiduciary net position; statements of changes in fiduciary net position and notes to the financial statements. The statements of net position present the financial position of the Authority on a full accrual historical cost basis. While the statements of net position provide information about the nature and amount of resources and obligations at year-end, the statements of revenues, expenses and changes in net position presents the results of the business activities over the course of the fiscal year and the amount by which the net position changed during the year. All changes in net position are reported concurrently with the occurrence of the underlying event giving rise to the change, regardless of the timing of the related cash flows.

The statements of cash flows reports changes in cash and cash equivalents resulting from operational, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, the timing of any arising obligations, or depreciation of capital assets.

The notes to the financial statements provide required disclosures and other information that is essential to a full understanding of the financial data provided in the statements. The notes present information about the Authority’s accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

Summary of Organization and Business

The Authority is a body, politic and corporate, created pursuant to an ordinance of the Council of the Town of Bloomsburg, Bloomsburg, Pennsylvania under an Act of the General Assembly of the State, approved May 2, 1945, P.L. 382, as amended and supplemented, known as the Municipal Authorities Act of 1945, as amended (the “Act”). This certificate of incorporation of the Authority was issued by the Secretary of the Commonwealth of Pennsylvania on October 7, 1950.

The governing body of the Authority is a Board consisting of five members appointed by the Council of the Town of Bloomsburg. The terms of the members of the Board have been staggered so that the term of one member expires annually. The Board is authorized to exercise any and all powers conferred by the aforementioned Act necessary for the acquisition, construction, improvement, extension, maintenance and operation of the system facilities.

The Authority does not have taxing power; ongoing operations are funded from customer revenues. The acquisition and construction of capital assets are funded by capital (cash and systems), contributions from customers, including other utilities and developers, Federal and State grants and loans, and customer revenues. The Authority’s average customer base as of December 31, 2022, was 3,770, 8 of which are industrial customers. The Authority’s customer base has not changed significantly over the past five years.

Wastewater services are provided and include sanitary sewer services and industrial pretreatment programs.

	2022	2021	Change	
			Amount	%
Average number of customers	3,770	3,728	42	1%
Wastewater treated (millions of gallons)	789	819	(30)	-4%
Revenues per thousand gallons treated	6.01	6.42	(0.41)	-6%

General Trends and Significant Events

Population in the Town of Bloomsburg did not change significantly. Seven sewer permits were issued during 2022, two encompassing multiple EDU for the Bloomsburg Area School District Fieldhouse (18 EDU) and the new multi-unit housing complex currently under construction, Mulberry Mills Apartments (51 EDU) and the balance for single connections and/or EDU. The Municipal Authority processed over 152 million gallons of wastewater for Scott Township which represents 19% of the total wastewater treated in 2022.

Financial Condition - Operations

The Authority's financial condition remained strong at year-end with adequate liquid assets, reliable plant and systems to meet current demand, and a reasonable level of unrestricted net position. The current financial condition, technical support staff capabilities, and operating and expansion plans undertaken to meet anticipated customer needs are well balanced and under control.

Total assets decreased due to the reduction of construction in progress and increased depreciation at the wastewater treatment plant.

CONDENSED STATEMENTS OF NET POSITION - PROPRIETARY FUND

	December 31		Variance	
	2022	2021	Amount	%
Assets				
Current Assets	\$ 5,024,019	\$ 6,705,421	\$(1,681,402)	(25.08)
Capital Assets				
Land and construction-in-process	319,132	10,241,348	(9,922,216)	(96.88)
Assets being depreciated	51,317,044	40,515,965	10,801,079	26.66
Less accumulated depreciation	(27,946,140)	(25,841,476)	(2,104,664)	8.14
Total assets	\$ 28,714,055	\$ 31,621,258	\$(2,907,203)	(9.19)
Deferred Outflows of Resources				
Deferred amounts on pension and OPEB liability	\$ 961,484	\$ 857,416	\$ 104,068	12.14
Liabilities				
Current Liabilities	\$ 4,094,563	\$ 4,292,695	\$ (198,132)	(4.62)
Long-term liabilities	8,620,147	11,239,605	(2,619,458)	(23.31)
Total liabilities	\$ 12,714,710	\$ 15,532,300	\$(2,817,590)	(18.14)
Deferred Inflows of Resources				
Deferred amounts on pension and OPEB liability	\$ 723,273	\$ 372,654	\$ 350,619	94.09
Net Position				
Net investment in capital assets	\$ 13,351,817	\$ 12,322,232	\$ 1,029,585	8.36
Unrestricted	2,885,739	4,251,488	(1,365,749)	(32.12)
Total net position	\$ 16,237,556	\$ 16,573,720	\$(336,164)	(2.03)

Results of Operations

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND

	December 31		Variance	
	2022	2021	Amount	%
Revenues				
Total operating revenues	\$ 4,743,630	\$ 4,232,820	\$ 510,810	12.07
Expenses				
Operating expenses				
Sewage treatment	4,125,798	4,049,415	(76,383)	(1.89)
Operations and maintenance	331,986	309,225	(22,761)	(7.36)
General administration	524,521	569,213	44,692	7.85
Total operating expenses	4,982,305	4,927,853	(54,452)	(1.10)
Operating loss	(238,675)	(695,033)	456,358	(65.66)
Other Revenues - Net	(97,489)	2,000,703	(2,098,192)	(104.87)
Change in net position	(336,164)	1,305,670	(1,641,834)	(125.75)
Net Position - Beginning	16,573,720	15,268,050	1,305,670	8.55
Net Position - Ending	\$ 16,237,556	\$ 16,573,720	\$ (336,164)	(2.03)

Operating Revenues: Revenues from operations fall into two categories: wastewater service and ancillary charges. Ancillary charges include tapping fees, account set-up and penalty fees, and charges for miscellaneous billed services. The Authority has two classes of wastewater customers: domestic (residential/commercial) and industrial.

The Authority instituted a rate increase effective January 1, 2022, which established the monthly minimum charge for up to 2,000 gallons of consumption at \$34.00. A rate restructuring has been approved for 2023 establishing a minimum service fee of \$30.00 for all properties connected to public sewer, despite the status of water service. Customers will then pay per gallon for all consumption. There will no longer be consumption included in the minimum fee.

Expenses: The Authority operates and maintains a wastewater collection and treatment system.

Total operating expenses of the Authority increased slightly from 2021. The increase is due, in part, to overall cost increases as a result of economic conditions and supply chain issues.

	2022	2021	Variance	%
Sewage treatment plant and pumping stations	\$ 4,125,798	\$ 4,049,415	\$ 76,383	1.89
Collection and intercepting sewer maintenance and improvements	331,986	309,225	22,761	7.36
Administrative expenses	524,521	569,213	(44,692)	(7.85)
Total operating expenses	\$ 4,982,305	\$ 4,927,853	\$ 54,452	1.10

Cash Flow Activity

The following table indicates the Authority's ability to generate net operating cash. The net cash provided by operating activities is shown both in total dollars and as a percentage of operating revenues.

	2022	2021	Variance
Total operating revenues	\$ 4,743,630	\$ 4,232,820	\$ 510,810
Net cash provided by operations	\$ 1,799,825	\$ 982,551	\$ 817,274

Both total operating revenues and net cash provided by operations increased from the prior year. The Authority instituted a rate increase during 2022 which may have contributed to this increase.

Financial Position and Activity - Fiduciary

CONDENSED STATEMENTS OF FIDUCIARY NET POSITION - FIDUCIARY FUND

	December 31		Variance	
	2022	2021	Amount	%
Total Assets	\$ 946,271	\$ 1,182,494	\$ (236,223)	(19.98)
Total Liabilities	\$ 5,404	\$ 3,803	\$ 1,601	42.10
Net Position				
Restricted - held in trust for pension benefits	\$ 940,867	\$ 1,178,691	\$ (237,824)	(20.18)

CONDENSED STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND

	December 31		Variance	
	2022	2021	Amount	%
Additions				
Contributions	\$ 116,477	\$ 95,479	\$ 20,998	21.99
Investment income (loss)	(85,184)	119,775	(204,959)	(171.12)
Total additions	31,293	215,254	(183,961)	(85.46)
Deductions				
Member distributions	247,249	29,522	217,727	737.51
Administrative expense	21,868	14,755	7,113	48.21
Total deductions	269,117	44,277	224,840	785.72
Change in net position	(237,824)	170,977	(408,801)	(239.10)
Net Position - Beginning	1,178,691	1,007,714	170,977	16.97
Net Position - Ending	\$ 940,867	\$ 1,178,691	\$ (237,824)	(20.18)

Capital Assets and Debt Administration

Capital Assets: Depreciation is calculated and recorded over the estimated useful life of the plant and equipment using straight-line depreciation. Additional information about the Authority's capital assets can be found in Note 4 of this report.

Long-Term Debt: As of December 31, 2022, the Authority had \$10,338,219 in long-term debt outstanding versus \$12,739,694 outstanding in the prior year. Long-term debt includes the Authorities Guaranteed Sewer Revenue Notes, leases payable and financed purchase agreements payable. Additional information about the Authority's long-term debt can be found in Note 5 of this report.

Final Comments

The Authority has adopted a Long-Term Capital Plan that guides its Board and staff actions toward its mission of providing affordable, efficient, and reliable wastewater services. Part of this Plan is continued capital investment in plant and equipment. The Authority continues to examine its work practices to find more efficient and productive methods of service delivery.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances to the users of such data. Requests for additional copies of this report, questions concerning any of the information in this report and requests for additional financial information should be addressed to Amber Kenney, Office Manager/Secretary, Municipal Authority of the Town of Bloomsburg, 1000 Market Street, Suite 9, Bloomsburg, PA 17815.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

STATEMENTS OF NET POSITION - PROPRIETARY FUND TYPE - SEWER
SYSTEM OPERATING FUND

December 31, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 2,816,855	\$ 2,997,189
Cash and cash equivalents - restricted for construction projects	-	1,426,966
Investments - certificate of deposit	1,454,985	1,443,458
Sewer receivable	739,572	723,743
Prepaid expenses	12,607	114,065
Capital assets		
Land, improvements and construction-in-progress	319,132	10,241,348
Other capital assets, net of depreciation/amortization	23,370,904	14,674,489
Total capital assets	<u>23,690,036</u>	<u>24,915,837</u>
Total assets	<u><u>\$ 28,714,055</u></u>	<u><u>\$ 31,621,258</u></u>
Deferred Outflows of Resources		
Deferred amounts on pension liability	\$ 544,087	\$ 271,017
Deferred amounts on OPEB liability	417,397	586,399
Total deferred outflows of resources	<u><u>\$ 961,484</u></u>	<u><u>\$ 857,416</u></u>
Liabilities		
Short-term liabilities		
Accounts payable	\$ 80,473	\$ 330,660
Accrued expenses	37,752	45,223
Leases payable due within one year	21,566	-
Financed purchase agreements due within one year	70,848	-
Notes payable due within one year	1,373,000	1,354,000
Long-term liabilities		
Leases payable due in more than one year	103,649	-
Financed purchase agreements due in more than one year	149,009	-
Notes payable due in more than one year	8,620,147	11,239,605
Net pension liability	772,353	396,219
Other post-employment benefits (OPEB) liability	1,485,913	2,166,593
Total long-term liabilities	<u>12,504,071</u>	<u>15,156,417</u>
Total liabilities	<u><u>\$ 12,714,710</u></u>	<u><u>\$ 15,532,300</u></u>
Deferred Inflows of Resources		
Deferred amounts on pension liability	\$ 131,844	\$ 173,727
Deferred amounts on OPEB liability	591,429	198,927
Total deferred inflows of resources	<u><u>\$ 723,273</u></u>	<u><u>\$ 372,654</u></u>
Net Position		
Net investment in capital assets	\$ 13,351,817	\$ 12,322,232
Unrestricted	2,885,739	4,251,488
Total net position	<u><u>\$ 16,237,556</u></u>	<u><u>\$ 16,573,720</u></u>

See Notes to Financial Statements.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
 PROPRIETARY FUND TYPE - SEWER SYSTEM OPERATING FUND
 Years Ended December 31, 2022 and 2021**

	2022	2021
Operating Revenues		
Sewer charges and penalties	\$ 4,743,630	\$ 4,232,820
Operating Expenses		
Sewage Treatment Plant and Pumping Station	4,125,798	4,049,415
Collection and intercepting sewer maintenance and improvements	331,986	309,225
Administrative expenses	524,521	569,213
Total operating expenses	4,982,305	4,927,853
Operating loss	(238,675)	(695,033)
Nonoperating Revenues (Expenses)		
Intergovernmental revenues	50,039	2,172,681
Rental income	315	315
Interest income	56,758	16,936
Interest expense	(204,601)	(189,229)
Total nonoperating revenues (expenses) - net	(97,489)	2,000,703
Change in net position	(336,164)	1,305,670
Net Position - Beginning - (see Note 2)	16,573,720	15,268,050
Net Position - Ending	\$ 16,237,556	\$ 16,573,720

See Notes to Financial Statements.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

**STATEMENTS OF CASH FLOWS - PROPRIETARY FUND TYPE -
SEWER SYSTEM OPERATING FUND
Years Ended December 31, 2022 and 2021**

	2022	2021
Cash Flows From Operating Activities		
Cash received from customers	\$ 4,727,801	\$ 4,019,268
Cash payments for goods and services	(1,460,969)	(1,758,966)
Cash payments to employees for services	(1,467,007)	(1,277,751)
Net cash provided by operating activities	1,799,825	982,551
Cash Flows From Noncapital Financing Activities		
Intergovernmental revenue	50,039	2,172,681
Cash Flows From Capital and Related Financing Activities		
Proceeds from issuance of long-term debt	584,274	2,653,000
Principal paid on long-term debt	(2,839,660)	(1,342,000)
Interest paid on long-term debt	(204,601)	(189,229)
Purchases and construction of property, plant and equipment	(1,042,723)	(3,552,181)
Cash and cash equivalents - restricted for construction projects	1,426,966	(950,639)
Net cash used in capital and related financing activities	(2,075,744)	(3,381,049)
Cash Flows From Investing Activities		
Rental income	315	315
Interest income	56,758	16,936
Change in investments - net	(11,527)	(8,633)
Net cash used in investing activities	45,546	8,618
Net change in cash and cash equivalents	(180,334)	(217,199)
Cash and Cash Equivalents:		
Beginning	2,997,189	3,214,388
Ending	\$ 2,816,855	\$ 2,997,189

(Continued)

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

**STATEMENTS OF CASH FLOWS - PROPRIETARY FUND TYPE -
SEWER SYSTEM OPERATING FUND (Continued)
Years Ended December 31, 2022 and 2021**

	2022	2021
Reconciliation of Operating Loss to Net Cash		
Provided by Operating Activities		
Operating loss	\$ (238,675)	\$ (695,033)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	2,268,524	2,091,084
Changes in assets and liabilities:		
(Increase) decrease in:		
Receivables	(15,829)	(213,552)
Prepaid expenses	101,458	(50,151)
Deferred outflows of resources	(104,068)	(280,470)
(Decrease) increase in:		
Accounts payable	(250,187)	(392,111)
Accrued expenses	(7,471)	1,713
Net pension liability	376,134	45,980
OPEB liability	(680,680)	540,930
Deferred inflows of resources	350,619	(65,839)
Net cash provided by operating activities	\$ 1,799,825	\$ 982,551

See Notes to Financial Statements.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

**STATEMENTS OF FIDUCIARY NET POSITION - FIDUCIARY FUND TYPE -
PENSION FUND**

December 31, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 96,109	\$ 139,093
Investments	845,148	1,039,139
Contribution receivable	2,754	2,862
Accrued interest receivable	2,260	1,400
Total assets	\$ 946,271	\$ 1,182,494
Liabilities		
Accounts payable	\$ 5,404	\$ 3,803
Total liabilities	\$ 5,404	\$ 3,803
Net Position		
Restricted - held in trust for pension benefits	\$ 940,867	\$ 1,178,691
Total net position	\$ 940,867	\$ 1,178,691

See Notes to Financial Statements.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY

FUND TYPE - PENSION FUND

Years Ended December 31, 2022 and 2021

	2022	2021
Additions		
Contributions		
Employees	\$ 30,253	\$ 27,999
Employer	86,224	67,480
Total contributions	116,477	95,479
Investment Income		
Interest and dividends	27,309	25,309
Net appreciation (depreciation) in fair value of investments	(133,491)	67,823
Gain on sale of investments	20,998	26,643
Total investment income (loss)	(85,184)	119,775
Total additions	31,293	215,254
Deductions		
Member distributions	247,249	29,522
Administrative expenses	21,868	14,755
Total deductions	269,117	44,277
Change in net position	(237,824)	170,977
Net Position - Beginning	1,178,691	1,007,714
Net Position - Ending	\$ 940,867	\$ 1,178,691

See Notes to Financial Statements.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Nature of Activities

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.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criterion provided by standards issued by the Government Accounting Standards Board Statement have been considered and there are no agencies or entities which should be presented with the Authority.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of Accounting: The Authority has adopted the accrual basis of accounting for operations that are financed and operated in a manner similar to private business enterprises. Revenue is recognized when earned, and expenses are recognized when incurred.

Government-Wide Financial Statements: The government-wide financial statements report information on the non-fiduciary activities of the primary government. The business-type activity, which relies to a significant extent on fees and charges for support, is reported on the government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation: The government-wide financial statements are reported using the economic resources management focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related to cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

Fund Accounting: The Authority uses funds to report its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain government functions or activities. A fund is a separate self-balancing set of accounts. Funds are classified into two categories: proprietary and fiduciary. Each category, in turn, is divided into separate "fund types". The following is a general description of the "fund types" used by the Authority.

The government reports the following major proprietary fund:

Enterprise Fund

The Enterprise Fund, herein referred to as the Sewer System Operating Fund, is used to account for activities that are usually self-sustaining, principally through user charges for services rendered.

The Authority directly maintains the accounting for the Sewer System Operating Fund.

Additionally, the government reports the following fiduciary fund:

Fiduciary Fund

Trust and Agency Funds are used to account for assets held by the Authority in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The pension trust fund is accounted for in essentially the same manner as the proprietary fund, using the same measurement focus and basis of accounting.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to customers for sales and services. The Authority also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

Cash Equivalents: The Authority's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the Authority's proprietary fund considers its demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments: Investments are recorded at fair value or at amortized cost, depending on the investment type, consistent with generally accepted accounting principles.

Prepaid Expenses: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items (consumption method) in both the government-wide and fund financial statements.

Capital Assets and Depreciation: Capital assets, are tangible and intangible assets, including property, plant, equipment, infrastructure and right-to-use lease assets, are reported in the financial statements. Capital assets are defined by the Authority as assets with an initial, individual costs of more than \$5,000 and an estimated useful life in excess of one year.

As the Authority constructs or acquires capital assets each period they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in a subsequent note relating to leases). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant and equipment, the right-to-use lease assets and infrastructure of the Authority are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Land improvements	15
Buildings and improvements	20-40
Machinery and equipment	5-10
Vehicles	5
Improvements to sewage system	50
Right-to-use leased asset	5-10

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

Deferred Outflows of Resources - Pension and Other Post-Employment Benefits: The Authority recognizes deferred outflows of resources, which represent a consumption of net assets that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The Authority has identified these items in subsequent notes to the financial statements.

Leases: The Authority is a lessee for non-cancellable leases of assets. A lease liability and an intangible right-to-use lease asset (lease asset) is recognized in the financial statements. The Authority considers all leases above their capitalization policy for recognition. Leases that are material individually or in aggregate are recognized.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments. The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise. The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Compensated Absences: The Authority's employees are able to earn up to 12 hours of sick leave each month. Employees receive no benefit or pay for unused sick leave upon termination. For non-union employees who are employed under the new agreement, vacation time is received at the beginning of each year and is based on the number of years of service. At the end of each year, any unused vacation up to 40 hours is paid to the employee. Under the union agreement, vacation time is received at each individual's anniversary date of employment. On each employee's anniversary date of hire, 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 Authority has reflected the accrual as a current liability.

Deferred Inflows of Resources - Pensions and Other Post-Employment Benefits: The Authority recognizes deferred inflows of resources, which represent an acquisition of net assets that is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has identified these items in subsequent notes to the financial statements.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements

The following list reflects only those pronouncements initially effective in the current or upcoming reporting periods which based on our review, may be applicable to the Authority's reporting requirements.

Following are descriptions of significant pronouncements that were considered or initially selected during the year ended December 31, 2022:

GASB Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice.

GASB Statement No. 92, *Omnibus 2020*, enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of various GASB standards previously issued.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, addresses accounting and financial reporting implications that result from the replacement of an IBOR.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, (1) increases consistency and comparability related to the reporting of fiduciary component units where a governing board does not exist and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension and OPEB plans and other employee benefit plans as fiduciary component units; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan.

The following are descriptions of accounting pronouncements which will be considered for implementation during subsequent fiscal years, with modified effective dates as established by GASB Statement No. 95:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the Authority beginning with its year ending December 31, 2023 (fiscal periods beginning after June 15, 2022). This Statement improves financial reporting by addressing issues related to public-private and public-public partnerships.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements (Continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, will be effective for the Authority beginning with its year ending December 31, 2023 (fiscal periods beginning after June 15, 2022). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

GASB Statement No. 99, *Omnibus 2022*, will be effective for the Authority in years ending between December 31, 2023 and December 31, 2024, depending on the topics addressed and their relation to other standards. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, will be effective for the Authority beginning with its year ending December 31, 2024 (fiscal years beginning after June 15, 2023). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

GASB Statement No. 101, *Compensated Absences*, will be effective for the Authority beginning with its year ending December 31, 2024 (fiscal years beginning after December 15, 2023). This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. It requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Other

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.

Reclassifications: Prior year amounts have been reclassified where appropriate to conform with the current year presentation.

Subsequent Events: In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through March 17, 2023, the date the financial statements were available to be issued.

Note 2. GASB Standard Implementation

The Authority implemented Governmental Accounting Standards Board Statement (GASB) No. 87, *Leases*. The standard requires the inclusion of lease liabilities and underlying assets associated with the nonfinancial, right-to-use lease assets resulting in a potential restatement of the statement of net position. The change did not require a restatement of the Authority's net position.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments - Proprietary Fund

Statutes authorize the Authority 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

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

Deposits: Custodial-Credit Risk

Custodial-credit risk is the risk that in the event of a bank failure, the Authority's deposits and/or investments may not be returned to it. A summary of the Authority's deposits at December 31, 2022, are shown below:

	Carrying Amount	Bank Balance	Financial Institution
Insured (FDIC)	\$ 250,000	\$ 250,000	First Columbia Bank & Trust
Uninsured, collateralized in accordance with Act 72	2,566,591	2,593,880	First Columbia Bank & Trust
	<u>\$ 2,816,591</u>	<u>\$ 2,843,880</u>	

All the deposits of the Authority 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 pledgors of the assets. The Authority has no policy regarding custodial credit risk for deposits.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments - Proprietary Fund (Continued)

Investments

The Authority categorizes its fair value measures within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of December 31, 2022, the Authority does not hold any investments in the Proprietary Fund, which are subject to the fair value measurements and valuation input classifications.

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 Authority 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 Authority places no limit on the amounts invested in any one issuer.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 4. Capital Assets

Capital asset activity for the Proprietary Fund for the years ended December 31, 2022 and 2021, was as follows:

	January 1, 2022 (restated)	Increases	Decreases	December 31, 2022
Capital assets, not being depreciated/amortized				
Land	\$ 27,334	\$ -	\$ -	\$ 27,334
Construction-in-progress	10,214,014	426,610	10,348,826	291,798
Total capital assets, not being depreciated/amortized	10,241,348	426,610	10,348,826	319,132
Capital assets being depreciated/amortized				
Land improvements	47,029	303,709	-	350,738
Buildings and improvements	35,777,917	10,060,413	-	45,838,330
Machinery and equipment	1,324,536	16,543	-	1,341,079
Vehicles	301,816	438,185	163,860	576,141
Improvements to sewage system	3,064,667	-	-	3,064,667
Right-to-use leased asset	146,089	-	-	146,089
Total capital assets being depreciated/amortized	40,662,054	10,818,850	163,860	51,317,044
Less accumulated depreciation/amortization for:				
Land improvements	(46,268)	(10,346)	-	(56,614)
Buildings and improvements	(23,527,996)	(2,001,019)	-	(25,529,015)
Machinery and equipment	(986,183)	(76,630)	-	(1,062,813)
Vehicles	(289,459)	(94,256)	(163,860)	(219,855)
Improvements to sewage system	(991,570)	(63,798)	-	(1,055,368)
Right-to-use leased asset	-	(22,475)	-	(22,475)
Total accumulated depreciation/amortization	(25,841,476)	(2,268,524)	(163,860)	(27,946,140)
Total capital assets being depreciated/amortized, net	14,820,578	8,550,326	-	23,370,904
Capital Assets - Net	\$ 25,061,926	\$ 8,976,936	\$ 10,348,826	\$ 23,690,036

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 4. Capital Assets (Continued)

	January 1, 2021	Increases	Decreases	December 31, 2021
Capital assets, not being depreciated				
Land	\$ 27,334	\$ -	\$ -	\$ 27,334
Construction-in-progress	6,704,114	3,509,900	-	10,214,014
Total capital assets, not being depreciated	<u>6,731,448</u>	<u>3,509,900</u>	<u>-</u>	<u>10,241,348</u>
Capital assets being depreciated				
Land improvements	47,029	-	-	47,029
Buildings and improvements	35,765,816	12,101	-	35,777,917
Machinery and equipment	1,294,356	30,180	-	1,324,536
Vehicles	301,816	-	-	301,816
Improvements to sewage system	3,064,667	-	-	3,064,667
Total capital assets being depreciated	<u>40,473,684</u>	<u>42,281</u>	<u>-</u>	<u>40,515,965</u>
Less accumulated depreciation for:				
Land improvements	(45,919)	(349)	-	(46,268)
Buildings and improvements	(21,591,752)	(1,936,244)	-	(23,527,996)
Machinery and equipment	(907,206)	(78,977)	-	(986,183)
Vehicles	(277,743)	(11,716)	-	(289,459)
Improvements to sewage system	(927,772)	(63,798)	-	(991,570)
Total accumulated depreciation	<u>(23,750,392)</u>	<u>(2,091,084)</u>	<u>-</u>	<u>(25,841,476)</u>
Total capital assets being depreciated, net	<u>16,723,292</u>	<u>(2,048,803)</u>	<u>-</u>	<u>14,674,489</u>
Capital Assets - Net	<u>\$ 23,454,740</u>	<u>\$ 1,461,097</u>	<u>\$ -</u>	<u>\$ 24,915,837</u>

Depreciation expense was charged to operating expenses as follows:

	2022	2021
Sewage Treatment Plant and Pumping Station	\$ 2,056,379	\$ 1,991,991
Collection and intercepting sewer maintenance and improvements	187,687	95,952
Administrative expenses	24,458	3,141
	<u>\$ 2,268,524</u>	<u>\$ 2,091,084</u>

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 5. Long-Term Obligations

During the year ended December 31, 2022, long-term obligations changed as follows:

	January 1, 2022 (restated)	Increases	Decreases	December 31, 2022	Due within One Year
Long-Term Obligations					
Guaranteed Sewer Revenue					
Note - Sewer Rev 2020	\$ 5,405,605	\$ -	\$(1,606,458)	\$ 3,799,147	\$ 369,000
Guaranteed Sewer Revenue					
Note - Sewer Rev 2020A	7,188,000	-	(994,000)	6,194,000	1,004,000
Leases payable	146,089	-	(20,874)	125,215	21,566
Financed purchase					
agreements payable	-	438,185	(218,328)	219,857	70,848
Total Long-Term Obligations	\$ 12,739,694	\$ 438,185	\$(2,839,660)	\$ 10,338,219	\$ 1,465,414

Notes Payable

Guaranteed Sewer Revenue Note - Series of 2020: On May 19, 2020, the Authority issued Guaranteed Sewer Revenue Note - Series of 2020 in the principal amount of \$8,300,000. Proceeds from the Note are received when the Authority draws on them from the purchaser of the Note. Total anticipated drawdown on the note is approximately \$8,300,000. Annual principal payments began October 15, 2021, and range from \$340,000 to \$544,000. The Note will mature on October 15, 2040, bearing a fixed interest rate for a seven-year period ending October 15, 2027, of 2.59% per annum. For the period beginning on October 16, 2027, through the maturity of the note, there will be a rate reset at the maximum cap rate of 4.00%. The note is prepayable anytime without penalty.

Guaranteed Sewer Revenue Note - Series A of 2020: On November 20, 2020, the Authority issued Guaranteed Sewer Revenue Note - Series A of 2020, in the principal amount of \$8,180,000. The proceeds were used to fully refund the Series of 2008 and Series of 2009 Guaranteed Sewer Revenue Notes. The economic gain on the refunding was \$1,109,767. The bonds bear annual interest rate of 1.10%. Interest is payable semi-annually and the bonds mature serially in amounts ranging from \$992,000 to \$1,051,000. The note matures on October 15, 2028.

The following is a schedule by years and in the aggregate of future minimum principal and interest payments at December 31, 2022:

Year ending December 31:	Principal	Interest	Total
2023	\$ 1,373,000	\$ 167,899	\$ 1,540,899
2024	1,393,000	145,931	1,538,931
2025	1,415,000	124,976	1,539,976
2026	1,436,000	103,629	1,539,629
2027	1,458,000	81,903	1,539,903
2028-2032	2,900,000	160,615	3,060,615
2033-2036	18,147	470	18,617
	\$ 9,993,147	\$ 785,423	\$ 10,778,570

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 5. Long-Term Debt (Continued)

Leases Payable

The Authority leases building space for its administrative office. The term of the lease, including renewal, is seven years.

The Authority's office lease contains scheduled yearly payments with expiration dates extending through 2028. Leases payable are fully funded by the Proprietary Fund.

The following is a schedule of future minimum lease payments for the lease with initial or remaining terms in excess of one year as of December 31, 2022:

Year ending December 31,	Principal	Interest	Total
2023	\$ 21,566	\$ 1,788	\$ 23,354
2024	21,903	1,451	23,354
2025	23,065	1,106	24,171
2026	24,016	739	24,755
2027	24,391	365	24,756
Thereafter	10,274	40	10,314
	<u>\$ 125,215</u>	<u>\$ 5,489</u>	<u>\$ 130,704</u>

Financed Purchase Agreements Payable

The Authority financed a truck which is used for work at the sewer plant. The related financed purchase agreement is recorded at the present value of related future, minimum payments as of the inception date. All financed purchase agreements are funded by the Proprietary Fund.

The asset acquired through the financed purchase agreement is as follows:

	Amount
Assets	
Truck	\$ 438,185
Less accumulated depreciation	(7,303)
Total truck - net book value	<u>\$ 430,882</u>

The following is a schedule of the future, minimum payments due under the financed purchase agreement as of December 31, 2022:

Year ending December 31:	Amount
2023	\$ 78,328
2024	78,328
2025	78,328
Total minimum payments	<u>234,984</u>
Less: amount representing interest	(15,127)
Total present value of net minimum payments	<u>\$ 219,857</u>

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 6. Pension Plan

Plan Description

Plan Administration

The Retirement Board administers the Town of Bloomsburg Municipal Authority Pension Plan - a single-employer defined benefit pension plan that covers all employees holding an office, position or full-time employment whether hired, elected or approved, in any capacity other than as a Member of the Authority Board.

Plan Membership

For the 2022 measurement period, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	1
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	12
	<hr/>
	15
	<hr/> <hr/>

Benefits Provided

The Town of Bloomsburg Municipal Authority Pension Plan provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated as 1.25 percent of the member's highest 3-year average salary times the member's years of service. Plan members with 15 years of service are eligible to retire at age 60. All plan members are eligible for disability benefits after 5 years of service, and not required if disability is service connected. Disability retirement benefits are equal to the accrued benefit payable immediately. Death benefits are available for a member who dies with at least 5 years of service. A plan member who leaves with less than 5 years of service will receive a refund of his or her contributions, plus any accumulated interest.

On an ad hoc basis, cost-of-living adjustments to each member's retirement benefit may be given. The adjustment, should the Authority elect to give one, is a percentage of the change in the Consumer Price Index.

Contributions

An actuarially determined contribution is recommended by the plan actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For the 2022 measurement period, the active member contribution rate was 4.0 percent of annual pay, and the Authority average contribution rate was 11.87 percent of annual payroll.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 6. Pension Plan (Continued)

Deposits and Investments

Deposits

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the Authority's Pension Plan deposits and/or investments may not be returned to it. At December 31, 2022 and 2021, the Authority's Pension Plan had deposits with financial institutions with a carrying amount of \$96,109 and \$139,093, respectively. Of the December 31, 2022, balance, \$96,109 was covered by federal depository insurance and \$-0- was covered by collateralized assets maintained in conformity with Act 72 of 1971. Of the December 31, 2021, balance, \$139,093 was covered by federal depository insurance and \$-0- was covered by collateralized assets maintained in conformity with Act 72 of 1971.

Investments

Method used to value investments: Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. By contract, an independent appraisal is obtained once every year to determine the fair market value of the real estate assets. The Authority's Pension Plan categorizes its fair value measures within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investments are reported at fair value as Level 1 investments under GASB Statement No. 72.

Investment policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's asset allocation policy for the 2022 measurement period:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	55 - 65%
International equity	5 - 10%
Fixed income	25 - 30%
Real estate/alternative	0%
Cash	5 - 10%
	<u>100%</u>

The investment objective of the Authority's Pension Plan is to maintain a balanced portfolio comprised of various securities. The Authority's Pension Plan places no limit on the amounts invested in any one issuer.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 6. Pension Plan (Continued)

Investments (Continued)

Investment policy updated per the 5/10/16 minutes which requires all fixed-income securities held in the portfolio shall have a Moody's and/or Standard & Poor's credit rating of no less than BBB. Guidelines require the exposure of the portfolio to any one issuer, other than securities of the U.S. Government or agencies, shall not exceed five (5%) percent of the market value of the portfolio of each account. Minimum guidelines require that a mutual fund has to be in existence for at least 5 years, have a Morningstar rating of at least 3 stars and a fund manager of record for a minimum of 3 years. Per Trust Department Policy, funds dropping below this rating will be reviewed by the Trust Committee for continued retention. Guidelines require that no one equity security exceed 5% of the total portfolio. It is the goal of the Trustee to invest in high-grade blue-chip stocks that mirror the S&P 500.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation for the 2022 measurement period (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.4 - 6.4%
International equity	5.5 - 6.5%
Fixed income	1.3 - 3.3%
Real estate/alternative	4.5 - 5.5%
Cash	0.0 - 1.0%

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 6. Pension Plan (Continued)

Investments (Continued)

As of December 31, 2022, the Authority's Pension Plan had the following investments:

Investment Type	Percent of Total	Fair Value	Investment Maturities (in years)		
			Less Than 1	1-5	6-10
<u>Debt Securities</u>					
Negotiable Certificates of Deposit	9.30%	\$ 78,587	\$ 19,857	\$ 58,730	\$ -
Municipal Bonds	5.18%	43,798	-	43,798	-
Corporate Bonds and Notes	13.84%	116,960	19,683	97,277	-
		<u>\$ 239,345</u>	<u>\$ 39,540</u>	<u>\$ 199,805</u>	<u>\$ -</u>
<u>Other Investments</u>					
Income Mutual Funds	12.79%	\$ 108,107			
Equity Mutual Funds	11.24%	94,968			
Equity Securities	47.65%	402,728			
Total Investments		<u>\$ 845,148</u>			

As of December 31, 2021, the Authority's Pension Plan had the following investments:

Investment Type	Percent of Total	Fair Value	Investment Maturities (in years)		
			Less Than 1	1-5	6-10
<u>Debt Securities</u>					
Negotiable Certificates of Deposit	7.50%	\$ 63,395	\$ -	\$ 63,395	\$ -
Municipal Bonds	3.18%	26,856	-	26,856	-
Corporate Bonds and Notes	16.35%	138,173	30,301	107,872	-
		<u>\$ 228,424</u>	<u>\$ 30,301</u>	<u>\$ 198,123</u>	<u>\$ -</u>
<u>Other Investments</u>					
Income Mutual Funds	14.34%	\$ 121,165			
Equity Mutual Funds	16.14%	136,376			
Equity Securities	65.45%	553,174			
Total Investments		<u>\$1,039,139</u>			

Concentration Risk - The percentages of the concentrations of the Authority's Pension Plan investments at December 31, 2022 and 2021, are included on the tables above.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 6. Pension Plan (Continued)

Investments (Continued)

Interest-Rate Risk - The Authority 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.

Custodial-Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority's Pension Plan will not be able to recover the value of its investments or collateral security that are in the possession of an outside party.

Credit Risk - The Authority's Pension Plan has an investment policy which limits investment choices to those with specific credit ratings.

Rate of Return - For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (7.68%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions:

The net pension liability reported at December 31, 2022, was measured as of December 31, 2022, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2021. No significant events or changes in assumptions occurred between the valuation date and the calendar year end. The Authority reported a liability of \$772,353 as of December 31, 2022.

Changes in the total pension liability, plan fiduciary net position, and net pension liability during the current year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances, beginning	\$ 1,575,852	\$ 1,179,633	\$ 396,219
Service cost	56,306	-	56,306
Interest	113,235	-	113,235
Contributions - employer	-	86,224	(86,224)
Contributions - members	-	30,361	(30,361)
Net investment income	-	(302,911)	302,911
Benefit payments, including refunds	(29,522)	(29,522)	-
Administrative expenses	-	(20,267)	20,267
Net changes	140,019	(236,115)	376,134
Balances, ending	\$ 1,715,871	\$ 943,518	\$ 772,353

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 6. Pension Plan (Continued)

For the year ended December 31, 2022, the Authority recognized pension expense of \$147,405. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 90,215	\$ 78,592
Changes of assumptions	143,645	4,345
Net difference between projected and actual investment earnings	310,227	48,907
	<u>\$ 544,087</u>	<u>\$ 131,844</u>

The amounts reported as deferred outflows of resources and deferred inflows, or resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	Amount
2023	\$ 56,846
2024	75,988
2025	76,661
2026	86,941
2027	16,648
Thereafter	99,159
	<u>\$ 412,243</u>

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation for the 2022 measurement period at January 1, 2021, and rolled-forward to December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary Increases	4.5% (average including inflation)
Investment rate of return	7.0% (net of pension plan investment expense, including inflation)

Mortality rates were based on the PubG-2010 Mortality Table with MP2020 projection.

The actuarial assumptions used in the valuation for the 2022 measurement period were based on past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience under the plan. No ad hoc post-employment benefit changes were included in future liability.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 6. Pension Plan (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (i.e. no depletion date is projected to occur).

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

The following presents the new pension liability of the Authority, calculated using the discount rate of 7.0%, as well as what the Authority’s net pension would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net pension liability	\$ 1,019,251	\$ 772,353	\$ 559,630

Note 7. Other Post-Employment Benefits

The Authority adheres to Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, for certain postemployment healthcare benefits and life insurance benefits provided by the Authority. The Authority’s healthcare plan is a single-employer defined benefit healthcare plan. The plan provides medical insurance benefits to eligible retirees and their spouses. The Authority does not maintain or accumulate any assets within a trust in accordance with paragraph 4 of GASB Statement No. 75. The plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

Plan Description:

The Municipal Authority 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 Authority Pension Plan Document and employment contracts (for unionized employees). This is a single employer defined benefit plan administered by Korn Ferry. Benefits are provided to all full-time staff who meet the following requirements: employees are eligible for early retirement upon attainment of age 60 with 15 years of serviced with the Municipal Authority and meet normal plan eligibility requirements for retirement upon attainment of age 65 with 5 years of service with the Municipal Authority. Currently, the Plan has 12 members.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 7. Other Post-Employment Benefits (Continued)

Plan Description (Continued):

Eligibility for post-retirement health insurance benefits is as follows: employees who retire under the provisions of the retirement plan at age 62 or later will have health insurance premiums paid for the employee and family until the retiree reaches age 65, at which time the Municipal Authority will pay 100% of the premium (employee only) for life for all employees hired prior to January 1, 2005, 50% of the premium (employee only) for life for all employees hired between January 1, 2005 and December 31, 2007. Employees hired after January 1, 2008, are not entitled to any post-retirement health benefits. Employees that retire prior to age 60 are not eligible to have health insurance premiums paid by the Municipal Authority but are permitted to continue their membership in the Municipal Authority's group health insurance plan and are responsible for payment of all premiums.

Funding Policy:

The Municipal Authority's medical plan is insured, and premiums are updated annually based on several factors determined by the plan underwriters. The Municipal Authority funds payment of the full premium for all eligible employees.

Employees Covered by Benefit Terms:

For the year ended December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	5
	<hr/>
	12
	<hr/> <hr/>

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 7. Other Post-Employment Benefits (Continued)

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

At December 31, 2022, the Authority reported a liability of \$1,485,913 for the total OPEB liability. The total OPEB liability was measured as of December 31, 2022, and was determined by an actuarial valuation as of January 1, 2021. The OPEB liability is composed of the following:

	Amount
Total OPEB Liability, beginning	\$ 2,166,593
Changes for the year	
Service cost	52,898
Interest	44,682
Differences between Expected and Actual Experience	(201,096)
Changes in assumptions	(496,964)
Estimated benefit payments	(80,200)
Net Changes	(680,680)
Total OPEB Liability, ending	\$ 1,485,913

For the year ended December 31, 2022, the Authority recognized OPEB expense of \$(38,976). At December 31, 2022, the Authority reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 215,174	\$ 240,433
Changes of assumptions	202,223	350,996
	\$ 417,397	\$ 591,429

The amounts reported as deferred outflows of resources and deferred inflows, or resources related to OPEB will be recognized in pension expense as follows:

Year ending December 31:	Total
2023	\$ (136,555)
2024	(116,875)
2025	79,398
	\$ (174,032)

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 7. Other Post-Employment Benefits (Continued)

Actuarial Assumptions:

The total OPEB liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Inflation - 2.40%
- Salary Increases - 4.50%
- Discount Rate – 4.31%
- Health Care Cost Trend – Actual premium change from 2021 to 2022, followed by 5.75%, decreasing gradually to an ultimate rate of 4.04% by 2075.

Mortality rates were based on the Pub-2010 General Headcount-Weighted Mortality table projected fully generationally using MP-2021 improvement scale.

Sensitivity of the Authority’s Total OPEB Liability to Changes in the Discount Rate:

The following presents the total OPEB liability of the Authority calculated using the discount rate of 4.31% as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.31%) or one percentage point higher (5.31%) than the current discount rate:

	1% Decrease 3.31%	Current Discount Rate 4.31%	1% Increase 5.31%
Total OPEB liability	\$ 1,680,365	\$ 1,485,913	\$ 1,322,945

The discount rate used to measure the total OPEB liability decreased from 2.05% to 4.31% as of December 31, 2022.

Sensitivity of the Authority’s Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following presents the total OPEB liability of the Authority calculated using the health care cost trend rates of 5.75% decreasing to 4.04%, as well as what the total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 1,284,794	\$ 1,485,913	\$ 1,729,458

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO FINANCIAL STATEMENTS

Note 8. Related Party Transactions

During the year ended December 31, 2021, the Authority paid approximately \$468 to the Town of Bloomsburg (the Town). The expenditures during 2021 were made up of fees. The Authority did not make any payments to the Town during the year ended December 31, 2022.

Note 9. Significant Group Concentrations of Credit Risk

The Authority's operations are located in Bloomsburg, Pennsylvania. Its service area is located within the geographical bounds of the Town of Bloomsburg and Scott Township. The Authority assesses residents within its service area, based upon usage, connection and assessment charges. The ability of the Authority's customers to honor their obligations to the Authority is dependent upon economic and other factors affecting the customers.

Note 10. Risk Management

The Authority 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.

REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

SCHEDULES OF CHANGES IN THE NET PENSION
LIABILITY AND RELATED RATIOS

Years Ended December 31,

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service cost	\$ 56,306	\$ 56,306	\$ 47,762	\$ 47,762	\$ 35,828	\$ 35,828	\$ 25,355	\$ 25,355
Interest	113,235	104,412	89,228	70,055	71,487	60,869	65,653	66,717
Differences between expected and actual experience	-	89,641	-	(60,895)	-	24,012	-	(100,153)
Changes of assumptions	-	(5,143)	-	163,481	-	32,247	-	4,109
Benefit payments, including refunds of member contributions	(29,522)	(29,522)	(7,390)	(7,390)	(13,943)	(9,515)	(207,193)	(7,390)
Net Change in Total Pension Liability	140,019	215,694	129,600	213,013	93,372	143,441	(116,185)	(11,362)
Total pension liability, beginning	1,575,852	1,360,158	1,230,558	1,017,545	924,173	780,732	896,917	908,279
Total pension liability, ending (a)	\$ 1,715,871	\$ 1,575,852	\$ 1,360,158	\$ 1,230,558	\$ 1,017,545	\$ 924,173	\$ 780,732	\$ 896,917
Plan Fiduciary Net Position								
Contributions, employer	\$ 86,224	\$ 67,480	\$ 36,802	\$ 32,929	\$ 36,974	\$ 20,825	\$ 27,425	\$ 27,071
Contributions, member	30,361	27,731	24,852	26,407	23,580	22,075	20,091	19,277
Net investment income	(302,911)	119,774	67,940	147,302	(25,203)	66,089	54,862	10,387
Benefit payments, including refunds of members contributions	(29,522)	(29,522)	(7,390)	(7,390)	(13,943)	(9,515)	(207,194)	(7,390)
Administrative expense	(20,267)	(15,749)	(15,577)	(15,146)	(17,549)	(11,629)	(14,313)	(10,404)
Other	-	-	-	-	-	(3,651)	133	-
Net Change in Plan Fiduciary Net Position	(236,115)	169,714	106,627	184,102	3,859	84,194	(118,996)	38,941
Plan fiduciary net position, beginning	1,179,633	1,009,919	903,292	719,190	715,331	631,137	750,133	711,192
Plan fiduciary net position, ending (b)	\$ 943,518	\$ 1,179,633	\$ 1,009,919	\$ 903,292	\$ 719,190	\$ 715,331	\$ 631,137	\$ 750,133
Net pension liability, ending (a)-(b)	\$ 772,353	\$ 396,219	\$ 350,239	\$ 327,266	\$ 298,355	\$ 208,842	\$ 149,595	\$ 146,784
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.99%	74.86%	74.25%	73.41%	70.68%	77.40%	80.84%	83.63%
Covered Payroll	\$ 726,643	\$ 692,041	\$ 634,781	\$ 604,553	\$ 587,611	\$ 562,307	\$ 502,675	\$ 478,738
Net Pension Liability as a Percentage of Covered Payroll	106.29%	57.25%	55.17%	54.13%	50.77%	37.14%	29.76%	30.66%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

SCHEDULES OF PENSION PLAN CONTRIBUTIONS
Years Ended December 31,

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 86,224	\$ 67,480	\$ 36,802	\$ 32,929	\$ 36,974	\$ 20,825	\$ 27,425	\$ 27,071
Contributions in Relation to the Actuarially Determined Contribution	86,224	67,480	36,802	32,929	36,974	20,825	27,557	27,071
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (132)	\$ -
Covered Payroll	\$ 726,643	\$ 692,041	\$ 634,781	\$ 604,553	\$ 587,611	\$ 562,307	\$ 502,675	\$ 478,738
Contribution as a Percentage of Covered Payroll	11.87%	9.75%	5.80%	5.45%	6.29%	3.70%	5.48%	5.65%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN
Years Ended December 31,

Valuation Date January 1, 2021

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization method	19 years
Asset valuation method	Smoothed asset value
Inflation	3.0%
Salary increases	4.5% average, including inflation
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Retirement age	Age 65 or 60 with 15 years' service
Mortality	PubG-2010 Mortality Table with MP2020 projection

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

SCHEDULES OF PENSION PLAN INVESTMENT RETURNS
Years Ended December 31,

	2021	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	(7.68%)	11.84%	7.45%	19.87%	(3.49)%	10.45%	NA	NA

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

MUNICIPAL AUTHORITY OF THE TOWN OF BLOOMSBURG

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Years Ended December 31,**

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 52,898	\$ 46,596	\$ 40,595	\$ 29,196	\$ 33,991
Interest	44,682	34,937	43,625	56,290	50,132
Changes of Benefit Terms	-	111,274	-	-	-
Difference between expected and actual experience	(201,096)	358,624	(105,142)	(192,931)	-
Changes of assumptions	(496,964)	38,366	131,403	379,935	(118,127)
Benefit payments	(80,200)	(48,867)	(72,289)	(50,294)	(47,709)
	-				
Net change in total OPEB liability	(680,680)	540,930	38,192	222,196	(81,713)
Total OPEB Liability - beginning	2,166,593	1,625,663	1,587,471	1,365,275	1,446,988
Total OPEB Liability - ending	<u>\$ 1,485,913</u>	<u>\$ 2,166,593</u>	<u>\$ 1,625,663</u>	<u>\$ 1,587,471</u>	<u>\$ 1,365,275</u>
Covered-employee payroll	<u>\$ 325,372</u>	<u>\$ 329,276</u>	<u>\$ 335,786</u>	<u>\$ 303,337</u>	<u>\$ 329,492</u>
Total OPEB liability as a percentage of covered-employee payroll	456.68%	657.99%	484.14%	523.34%	414.36%

Notes to Schedule:

Changes of Assumptions: The discount rate changed from 2.05% in 2021 to 4.31% in 2022. Health care trend rates were also updated.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.