

CITY OF GREENSBURG
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2021

CITY OF GREENSBURG
YEAR ENDED DECEMBER 31, 2021

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YEAR ENDED DECEMBER 31, 2021

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Zelenkofske Axelrod LLC

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INDEPENDENT AUDITOR'S REPORT

Members of City Council
City of Greensburg, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Greensburg, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise City of Greensburg's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Greensburg, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 City of Greensburg and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that 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

City of Greensburg's 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 City of Greensburg's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.



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City of Greensburg
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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 City of Greensburg'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 City of Greensburg'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 required supplementary information, such as management's discussion and analysis and other required supplementary information as noted in the table of contents on pages 4-10 and 58-65 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.



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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Greensburg's basic financial statements. The supplementary information as noted on the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 accompanying supplementary information is 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 January 16, 2023 on our consideration of City of Greensburg'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 solely 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 the effectiveness of 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 City of Greensburg's internal control over financial reporting and compliance.

Zelenkofske Axelrod LLC

ZELENKOFKSKE AXELROD LLC
January 16, 2023

CITY OF GREENSBURG
Management's Discussion and Analysis
Year Ended December 31, 2021

As management of the City of Greensburg (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial performance of the City for the year ended December 31, 2021. Please read this Management's Discussion and Analysis in conjunction with the financial statements to obtain a thorough understanding of the City's financial condition at December 31, 2021.

FINANCIAL HIGHLIGHTS

- The City's net position, as presented, was \$20,917,176 at December 31, 2021, an increase of \$4,164,615 from 2020.
- At the end of the current year, the City had total bonds and notes outstanding of \$6,005,000.
- Revenues and other financing sources of the City's governmental funds based upon the fund financial statements were \$16,290,331. Expenditures amounted to \$14,978,144.
- Operating revenues of the City's business-type activities were \$1,547,152 for 2021 and operating expenses amounted to \$906,891.
- The real estate tax millage rate was 26.05 mills for 2021 and 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

This overview is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements - The two *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements report on the City's net position and how it has changed.

The *statement of net position* presents information on all of the City's assets less liabilities to arrive at *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the 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 years.

The government-wide financial statements indicate that the functions of the City are principally supported by taxes and intergovernmental revenue (*governmental activities*). The City also participates in 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 City encompass public affairs and safety, accounts and finance, administrative development, public works, parks and recreation, and debt service activities. The business-type activities include parking operations.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local government agencies, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The City reports governmental funds, proprietary funds, and fiduciary funds.

CITY OF GREENSBURG
Management's Discussion and Analysis
Year Ended December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Governmental Funds - *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 year. Such information may be useful in evaluating a government's near-term financial 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintained 19 governmental funds during 2021. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, Debt Service which are reported as major funds. The other governmental funds are the Armstrong Fund, Grant Fund, Motor Tax Fund, Greensburg Community Days Fund, St. Clair Park Concert Series Fund, The Community Development Grant Fund, the Lottery Fund, Library Tax Fund, the 2016 General Obligation Note Fund, the 2005 General Obligation Note Fund, Police Equipment Fund, Fire Department Capital Equipment Fund, Hutchinson Garage Reserve Fund, the 2013 General Obligation Note Fund, 2020 General Obligation Bond Fund, and the DPW Insurance Proceeds Fund. Data from these other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of *combining statements* as supplementary information in this report.

The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13 and 15 of this report.

Proprietary Funds - The City maintains two proprietary funds. An Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its parking operations.

Proprietary funds provide the same type of information as the government-wide financial statements, in more detail. The proprietary fund financial statements provide separate information for the Parking Revenue Fund and the Hutchinson Garage Fund.

The basic proprietary fund financial statements can be found on pages 17 through 19 of this report.

Fiduciary Funds - *Fiduciary funds* are used to account for assets held in a trustee capacity. The City's fiduciary funds consist of two custodial funds: the Payroll Clearing Fund and the Special Fund and two trust funds: the Police Pension Trust Fund and the Thomas Lynch Concert Fund.

Fiduciary funds are reported on the accrual basis of accounting whereas revenues are recorded when earned and expenses are recorded when a liability is incurred.

The fiduciary funds financial statements can be found on pages 20 and 21 of this report.

CITY OF GREENSBURG
Management's Discussion and Analysis
Year Ended December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 22 through 56 of this report.

Required Supplementary Information - This section of the report contains certain pension and OPEB information required by accounting principles generally accepted in the United States of America. This information can be found on pages 58 through 65 of this report.

Other Supplementary Information - In addition to the basic financial statements and accompanying notes, this report also includes the combining statements referred to earlier in connection with the other governmental funds. These can be found on pages 67 through 76 of this report.

FINANCIAL ANALYSIS OF THE CITY

As noted earlier, net position may serve over time as a useful indicator of a government agency's financial position. Net position increases when revenues exceed expenses. In the case of the City, net position was \$20,917,176 at the close of the year.

A condensed summary of the City's net position at December 31, 2021 and 2020 is as follows.

	<u>2021</u>	<u>2020</u>	<u>Variance</u>
Assets			
Current Assets	\$ 7,591,625	\$ 10,616,578	\$ (3,024,953)
Other Non-Current Assets	5,401,743	23,279	5,378,464
Capital Assets, Net	<u>26,923,455</u>	<u>26,510,037</u>	<u>413,418</u>
Total Assets	39,916,823	37,149,894	2,766,929
Deferred Outflows of Resources	2,038,129	2,381,140	(343,011)
Liabilities			
Current Liabilities	1,589,808	1,547,335	42,473
Non-Current Liabilities	<u>12,644,315</u>	<u>16,521,857</u>	<u>(3,877,542)</u>
Total Liabilities	14,234,123	18,069,192	(3,835,069)
Deferred Inflow of Resources	6,803,653	4,372,426	2,431,227
Net Position			
Net Investment in Capital Assets	20,836,446	16,011,569	4,824,877
Restricted	2,600,710	5,553,673	(2,952,963)
Unrestricted	<u>(2,519,980)</u>	<u>(4,475,826)</u>	<u>1,955,846</u>
Total Net Position	<u>\$ 20,917,176</u>	<u>\$ 17,089,416</u>	<u>\$ 3,827,760</u>

CITY OF GREENSBURG
Management's Discussion and Analysis
Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE CITY (continued)

The majority of the decrease in current assets and non-current liabilities relates to the 2020 General Obligation Note proceeds that were received in the current year in which cash was recognized but expenses were not incurred as well as other projects completed throughout the year.

The City has short-term obligations and they include accounts payables, unearned revenues, liabilities payable from restricted assets, accrued payroll, accrued interest, and long-term liabilities that come due within one year. The City's non-current obligations include capital leases, bonds and notes payable, compensated absences, pension obligations, and other post-employment benefit liabilities.

A condensed summary of the City's change in net position for the years ended December 31, 2021 and 2020 for all funds is as follows:

	Governmental Activities		Business-Type Activities		Totals	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Program Revenues						
Charges for Service	\$ 1,761,940	\$ 1,358,670	\$ 1,535,829	\$ 1,395,611	\$ 3,297,769	\$ 2,754,281
Operating Grant Contributions	2,119,525	1,217,644	-	-	2,119,525	1,217,644
Capital Grant and Contributions	-	67,661	-	-	-	67,661
General Revenues						
Property Taxes	2,962,751	3,306,148	-	-	2,962,751	3,306,148
Earned Income Tax	3,737,382	3,359,556	-	-	3,737,382	3,359,556
Business Privilege Tax	415,294	425,534	-	-	415,294	425,534
Local Service Tax	537,323	538,295	-	-	537,323	538,295
Other Taxes	856,665	357,650	-	-	856,665	357,650
Interest, Rents, and Royalties	4,788	11,503	213	2,522	5,001	14,025
Franchise Fees	274,301	280,058	-	-	274,301	280,058
Gain (Loss) on Disposal of Assets	20,532	(112,860)	-	-	20,532	(112,860)
Insurance Proceeds	1,252,792	872,634	-	-	1,252,792	872,634
Miscellaneous Income	839,605	349,933	11,323	80	850,928	350,013
Interest Transfers	<u>1,253,834</u>	<u>1,381,448</u>	<u>(1,253,834)</u>	<u>(1,381,448)</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>16,036,732</u>	<u>13,413,874</u>	<u>293,531</u>	<u>16,765</u>	<u>16,330,263</u>	<u>13,430,639</u>
Program Expenses						
Public Affairs and Safety	4,750,820	4,801,031	-	-	4,750,820	4,801,031
Accounts and Finance	647,883	1,626,877	-	-	647,883	1,626,877
Administrative Development	1,402,451	1,376,368	-	-	1,402,451	1,376,368
Public Works	2,504,157	1,758,864	-	-	2,504,157	1,758,864
Parks and Recreation	1,842,142	1,522,667	-	-	1,842,142	1,522,667
Interest	111,304	196,608	-	-	111,304	196,608
Parking Activities	<u>-</u>	<u>-</u>	<u>906,891</u>	<u>1,028,604</u>	<u>906,891</u>	<u>1,028,604</u>
Total Expenses	<u>11,258,757</u>	<u>11,282,415</u>	<u>906,891</u>	<u>1,028,604</u>	<u>12,165,648</u>	<u>12,311,019</u>
Change in Net Position	4,777,975	2,131,459	(613,360)	(1,011,839)	4,164,615	1,119,620
Net Position - Beginning of Year	9,632,259	7,797,771	7,120,302	8,172,025	16,752,561	15,969,796
Prior Period Adjustments - See Note 14	<u>-</u>	<u>(296,971)</u>	<u>-</u>	<u>(39,884)</u>	<u>-</u>	<u>(336,855)</u>
Net Position - End of Year	<u>\$ 14,410,234</u>	<u>\$ 9,632,259</u>	<u>\$ 6,506,942</u>	<u>\$ 7,120,302</u>	<u>\$ 20,917,176</u>	<u>\$ 16,752,561</u>

CITY OF GREENSBURG
Management's Discussion and Analysis
Year Ended December 31, 2021

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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

As of the end of 2021, the City's governmental funds reported combined ending fund balances of \$5,827,115. Of this amount, \$3,103,602 constitutes *unassigned fund balance*.

The General Fund is the principal operating fund of the City. At the end of the current year, the *unassigned fund balance* of the General Fund was \$3,106,331 and the *non-spendable fund balance* of the General Fund was \$122,803.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual General Fund revenues increased 25% over budgetary estimates, or by \$2,395,614; expenditures were more than budgetary estimates by \$125,401 or 1%. The City budgeted for the use of \$800,000 of fund balance accumulated in prior years and actually utilized \$0 of the beginning fund balance in the current year. A detailed budgetary comparison statement for the General Fund can be found on page 58 of this report.

DEBT ADMINISTRATION

Long-Term Debt - At the end of the current year, the City had total general obligation bonds and notes outstanding of \$6,005,000 (not inclusive of capital leases). The total outstanding bonds/notes decreased \$295,000 during the current year.

A summary of the City's debt (including capital leases and notes payable) activity in 2021 follows:

Beginning balance, January 1, 2021	\$	6,300,000
Repayments		(295,000)
		<hr/>
Ending balance, December 31, 2021	\$	<u><u>6,005,000</u></u>

More detailed information about the City's debt activity can be found in Note 6 to the financial statements.

CITY OF GREENSBURG
Management's Discussion and Analysis
Year Ended December 31, 2021

CAPITAL ASSETS

At December 31, 2021, the City's Governmental Activities had \$20,857,246 invested in capital assets. The Proprietary Activities had \$6,066,209 invested in capital assets. During 2021, the City purchased total capital assets of \$2,174,226.

More detailed information regarding the City's capital assets is included in the Note 4 to the financial statements.

ECONOMIC OUTLOOK

As is the case with most local governments, the City is struggling to continue to provide its citizens the same level of service that they have come to expect over the years. The City is keeping a close eye on the state of the economy and its effect on the City's budget. The majority of the City's tax base is residential. Approximately 35% of the total real estate assessed value is tax exempt, which presents unique challenges in balancing service demands with revenue streams. The City residents take pride in their community and maintain their neighborhoods. The City remains a very desirable place to live, work, and play.

The City continues to bring services and revenues to pre-pandemic levels. The City has received funds through the American Rescue Plan Act, which will alleviate some of the lost revenues due to the pandemic. This money will fund certain City projects. The City is in the process of renovating the Kirk S. Nevin Ice Rink, which is being paid mainly through grants.

There is very little vacant commercial land available for new construction. Most future commercial building will be through renovations and rebuilding of existing structures. The City is now home to three brewery's that have opened over the last few years. The City continues to grow downtown businesses with additional shops and restaurants. There are also plans for constructing two gas stations outside of the downtown district.

The City Council and management continue to meet the ever-increasing challenges of securing all monies due to the City and controlling expenditures in an effort to continue to provide outstanding service at a reasonable cost. The City offers many services, including the administration of police and fire protection, parks and recreation, public works, finance, and planning. The community benefits from the coordination of these services and strong community leadership.

Additionally, the City has secured Community Development Block Grant (CDBG) monies. These funds are to be used in areas that are designated as Low to Moderate Income through the U.S. Census. CDBG Projects will include repaving streets, rehabilitating curbs and sidewalks, and demolishing blighted properties, the reconstruction of the Spring Avenue playground, and purchasing new playground equipment in other City parks.

CITY OF GREENSBURG
Management's Discussion and Analysis
Year Ended December 31, 2021

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Fiscal Director
City of Greensburg
416 South Main Street
Greensburg, PA 15601

CITY OF GREENSBURG
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 5,059,464	\$ 938,988	\$ 5,998,452
Taxes Receivable (Net)	1,356,300	-	1,356,300
Internal Balances	(1,076)	1,076	-
Other Receivables	94,211	6,359	100,570
Prepays	128,803	7,500	136,303
Non-Current Assets:			
Capital Assets:			
Non-depreciable	834,663	944,328	1,778,991
Depreciable (Net)	20,022,583	5,121,881	25,144,464
Bond Discounts (Net Accumulated Amortization)	55,085	-	55,085
Net Pension Asset	5,289,856	56,802	5,346,658
Total Assets	32,839,889	7,076,934	39,916,823
Deferred Outflows of Resources			
Deferred Losses on Refunding Debt	100,562	-	100,562
Pensions	1,676,988	22,504	1,699,492
Other Post Employment Benefits	228,075	10,000	238,075
Total Deferred Outflows of Resources	2,005,625	32,504	2,038,129
Liabilities			
Current Liabilities:			
Accounts Payable	364,250	111,254	475,504
Accrued Interest	16,982	-	16,982
Other Accrued Liabilities	157,331	13,758	171,089
Unearned Revenues	771	109,990	110,761
Current Portion of Long-Term Debt			
Bonds Payable	645,000	-	645,000
Capital Lease Payable	129,829	-	129,829
Due to Fiduciary Funds	40,643	-	40,643
Total Current Liabilities	1,354,806	235,002	1,589,808
Noncurrent Liabilities:			
Other Post Employment Benefits	6,749,375	295,902	7,045,277
Bonds Payable	5,360,000	-	5,360,000
Capital Lease Payable	78,243	-	78,243
Bond Premiums (Net Accumulated Amortization)	29,584	-	29,584
Compensated Absences	131,211	-	131,211
Total Liabilities	13,703,219	530,904	14,234,123
Deferred Inflows of Resources			
Pensions	6,690,180	69,756	6,759,936
Other Post-Employment Benefits	41,881	1,836	43,717
Total Deferred Inflows of Resources	6,732,061	71,592	6,803,653
Net Position			
Net Investment in Capital Assets	14,770,237	6,066,209	20,836,446
Restricted			
Liquid Fuels	221,931	-	221,931
Library	8,860	-	8,860
Lottery	1,012	-	1,012
Community Development	3,761	-	3,761
Community Events	47,665	-	47,665
Capital Projects	1,778,036	-	1,778,036
Debt Service	539,445	-	539,445
Unrestricted	(2,960,713)	440,733	(2,519,980)
Total Net Position	\$ 14,410,234	\$ 6,506,942	\$ 20,917,176

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

CITY OF GREENSBURG
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

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Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Department of Public Affairs and Safety	\$ 4,750,820	\$ 596,823	\$ 512,103	\$ -	\$ (3,641,894)	\$ -	\$ (3,641,894)
Department of Accounts and Finance	647,883	7,799	53,771	-	(586,313)	-	(586,313)
Department of Administrative Development	1,402,451	100,329	-	-	(1,302,122)	-	(1,302,122)
Department of Public Works	2,504,157	50,700	1,512,701	-	(940,756)	-	(940,756)
Department of Parks and Recreation	1,842,142	1,006,289	40,950	-	(794,903)	-	(794,903)
Interest on Long-Term Debt	111,304	-	-	-	(111,304)	-	(111,304)
Total Government Activities	11,258,757	1,761,940	2,119,525	-	(7,377,292)	-	(7,377,292)
Business-Type Activities:							
Parking Revenue Fund	696,690	1,333,731	-	-	-	637,041	637,041
Hutchinson Garage Fund	210,201	202,098	-	-	-	(8,103)	(8,103)
Total Primary Government	\$ 12,165,648	\$ 3,297,769	\$ 2,119,525	\$ -	\$ (7,377,292)	\$ 628,938	\$ 628,938
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 2,962,751	\$ -	\$ 2,962,751
Earned Income Tax					3,737,382	-	3,737,382
Business Privilege Tax					415,294	-	415,294
Local Service Tax					537,323	-	537,323
Other Taxes Levied for General Purposes					856,665	-	856,665
Interest, Rents, and Royalties					4,788	213	5,001
Franchise Fees					274,301	-	274,301
Gain on Sale of Fixed Assets					20,532	-	20,532
Insurance Recoveries					1,252,792	-	1,252,792
Miscellaneous Income					839,605	11,323	850,928
Operating Transfers					1,253,834	(1,253,834)	-
Total General Revenues and Transfers					12,155,267	(1,242,298)	10,912,969
Change in Net Position					4,777,975	(613,360)	4,164,615
Net Position - Beginning as Restated (See Note 14)					9,632,259	7,120,302	16,752,561
Net Position - Ending					\$ 14,410,234	\$ 6,506,942	\$ 20,917,176

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

CITY OF GREENSBURG
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Assets				
Cash and Cash Equivalents	\$ 2,378,913	\$ 528,678	\$ 2,151,873	\$ 5,059,464
Taxes Receivable (Net)	1,334,861	15,673	5,766	1,356,300
Due From Other Funds	84,910	-	89,159	174,069
Other Receivables	94,211	-	-	94,211
Prepaid Expenses	122,803	-	6,000	128,803
Total Assets	<u>4,015,698</u>	<u>544,351</u>	<u>2,252,798</u>	<u>6,812,847</u>
Liabilities				
Accounts Payable	252,354	-	111,896	364,250
Due to Other Funds	136,092	-	79,696	215,788
Other Accrued Liabilities	134,052	-	-	134,052
Other Payables	23,279	-	-	23,279
Unearned Revenue	771	-	-	771
Total Liabilities	<u>546,548</u>	<u>-</u>	<u>191,592</u>	<u>738,140</u>
Deferred Inflows of Resources				
Unavailable Revenue-Property Taxes	<u>240,016</u>	<u>4,906</u>	<u>2,670</u>	<u>247,592</u>
Total Deferred Inflows of Resources	<u>240,016</u>	<u>4,906</u>	<u>2,670</u>	<u>247,592</u>
Fund Balance				
Nonspendable Fund Balance	122,803	-	6,000	128,803
Restricted Fund Balance				
Liquid Fuels	-	-	221,931	221,931
Library Fund	-	-	8,860	8,860
Debt Service	-	539,445	-	539,445
Lottery Fund	-	-	1,012	1,012
Community Development	-	-	3,761	3,761
Community Events	-	-	47,665	47,665
Capital Projects	-	-	1,772,036	1,772,036
Unassigned Fund Balance	<u>3,106,331</u>	<u>-</u>	<u>(2,729)</u>	<u>3,103,602</u>
Total Fund Balances	<u>3,229,134</u>	<u>539,445</u>	<u>2,058,536</u>	<u>5,827,115</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,015,698</u>	<u>\$ 544,351</u>	<u>\$ 2,252,798</u>	<u>\$ 6,812,847</u>

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

CITY OF GREENSBURG
 RECONCILIATION OF THE FUND BALANCE OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 DECEMBER 31, 2021

Amounts reported for governmental activities in the statement of net position is different because:

Total Fund Balances - Governmental Funds	\$ 5,827,115
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of assets is \$42,425,546 and the accumulated depreciation is \$21,568,300.	20,857,246
Real Estate taxes receivable will be collected in future years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	247,592
Long-term liabilities and related deferrals such as Debt, Accrued Interest, and Compensated Absences are not due and payable in the current period and accordingly are not reported as fund liabilities. Both current and long-term liabilities are reported in the Statement of Net Position.	
Long-term Bonds and Notes Payable	\$ (6,005,000)
Bond Discounts, Premiums, Deferred Losses, Net	126,063
Accrued Interest	(16,982)
Capital Lease Payable	(208,072)
Deferred Inflows and Outflows related to Other Post Employment Benefits, Net	186,194
Other Post Employment Benefits Liability	(6,749,375)
Deferred Inflows and Outflows related to Pensions	(5,013,192)
Net Pension Asset	5,289,856
Compensated Absences	(131,211)
	(12,521,719)
Total Net Position - Governmental Activities	<u>\$ 14,410,234</u>

CITY OF GREENSBURG
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Revenues:				
Taxes	\$ 7,897,976	\$ 740,342	\$ 124,692	\$ 8,763,010
Licenses and Permits	311,880	-	17,100	328,980
Fines and Forfeits	333,815	-	-	333,815
Charges for Service	1,365,472	-	175	1,365,647
Intergovernmental Revenue	1,308,965	-	643,632	1,952,597
Interest, Rent, and Earnings on Investments	4,305	113	370	4,788
Contributions	174,077	-	-	174,077
Miscellaneous	613,045	-	227,214	840,259
Total Revenues	<u>12,009,535</u>	<u>740,455</u>	<u>1,013,183</u>	<u>13,763,173</u>
Expenditures:				
Department of Public Affairs and Safety	5,644,404	-	29,029	5,673,433
Department of Accounts and Finance	2,400,566	-	-	2,400,566
Department of Administrative Development	1,141,232	-	119,120	1,260,352
Department of Public Works	1,299,057	-	761,948	2,061,005
Department of Parks and Recreation	1,487,434	-	163,548	1,650,982
Capital Outlay	-	-	1,534,675	1,534,675
Total Expenditures	<u>11,972,693</u>	<u>-</u>	<u>2,608,320</u>	<u>14,581,013</u>
Debt Service:				
Principal	-	295,000	-	295,000
Interest	-	102,131	-	102,131
Total Debt Service	<u>-</u>	<u>397,131</u>	<u>-</u>	<u>397,131</u>
Total Expenditures	<u>11,972,693</u>	<u>397,131</u>	<u>2,608,320</u>	<u>14,978,144</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>36,842</u>	<u>343,324</u>	<u>(1,595,137)</u>	<u>(1,214,971)</u>
Other Financing Sources (Uses):				
Transfers In	1,201,897	-	51,937	1,253,834
Proceeds from Sale of Fixed Assets	20,429	-	103	20,532
Other Financing Sources	-	-	1,252,792	1,252,792
Total Other Financing Sources (Uses)	<u>1,222,326</u>	<u>-</u>	<u>1,304,832</u>	<u>2,527,158</u>
Net Change in Fund Balances	1,259,168	343,324	(290,305)	1,312,187
Fund Balance - December 31, 2020 as Restated (See Note 14)	<u>1,969,966</u>	<u>196,121</u>	<u>2,348,841</u>	<u>4,514,928</u>
Fund Balance - December 31, 2021	<u>\$ 3,229,134</u>	<u>\$ 539,445</u>	<u>\$ 2,058,536</u>	<u>\$ 5,827,115</u>

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

CITY OF GREENSBURG
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2021

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

Total Net Change in Fund Balance - Governmental Funds	\$	1,312,187
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Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation expense	(1,237,549)	
Capital outlays	<u>2,161,914</u>	
		924,365

Payments of long-term debt, certain expenditures of debt issuance, compensated absences, and other long-term liabilities are expensed when paid in the Governmental Funds, but are amortized or recorded as a reduction of long-term liabilities in the Statement of Net Position.

Debt principal repayments	295,000	
Capital lease payments	143,203	
Amortization of bond premiums and discounts	(2,376)	
Change in accrued interest	18,256	
Amortization of deferred losses on refundings	(12,067)	
Change in compensated absences	(5,497)	
Change in OPEB Liability	(219,076)	
Change in OPEB deferred outflows	(59,987)	
Change in OPEB deferred inflows	<u>11,015</u>	
		168,471

Governmental funds do not report the changes in the Pension Expense.

Change in net pension liability	3,555,487	
Pension Expense	<u>(928,938)</u>	
		2,626,549

Deferred inflows of resources related to unavailable revenues on property taxes are recorded as an adjustment to delinquent real estate revenues on the Statement of Activities.

(253,597)

Change in Net Position of Governmental Activities	\$	<u><u>4,777,975</u></u>
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CITY OF GREENSBURG
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Parking Revenue Fund	Hutchinson Garage Fund	Total Proprietary Funds
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 758,423	\$ 180,565	\$ 938,988
Other Receivable	6,006	353	6,359
Due From Other Funds	-	6,290	6,290
Prepays	7,500	-	7,500
Total Current Assets	771,929	187,208	959,137
Noncurrent Assets:			
Non-depreciable	934,868	9,460	944,328
Depreciable (Net)	4,313,972	807,909	5,121,881
Net Pension Asset	28,401	28,401	56,802
Total Noncurrent Assets	5,277,241	845,770	6,123,011
Total Assets	6,049,170	1,032,978	7,082,148
<u>Deferred Outflows of Resources</u>			
Pensions	11,252	11,252	22,504
Other Post Employment Benefits	5,000	5,000	10,000
Total Deferred Outflows of Resources	16,252	16,252	32,504
Total Assets and Deferred Outflows of Resources	6,065,422	1,049,230	7,114,652
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	3,652	107,602	111,254
Other Current Liabilities	10,819	2,939	13,758
Due to Other Funds	5,214	-	5,214
Unearned Revenues	101,410	8,580	109,990
Total Current Liabilities	121,095	119,121	240,216
Non-Current Liabilities			
Other Post Employment Benefits	147,951	147,951	295,902
Total Non-Current Liabilities	147,951	147,951	295,902
Total Liabilities	269,046	267,072	536,118
<u>Deferred Inflows of Resources</u>			
Pensions	34,878	34,878	69,756
Other Post Employment Benefits	918	918	1,836
Total Deferred Inflows of Resources	35,796	35,796	71,592
<u>Net Position</u>			
Net Investment in Capital Assets	5,248,840	817,369	6,066,209
Unrestricted	511,740	(71,007)	440,733
Total Net Position	5,760,580	746,362	6,506,942
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 6,065,422	\$ 1,049,230	\$ 7,114,652

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

CITY OF GREENSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Parking Revenue Fund	Hutchinson Garage Fund	Total Proprietary Funds
Operating Revenues			
Charges for Service	\$ 1,333,731	\$ 202,098	\$ 1,535,829
Miscellaneous	<u>11,300</u>	<u>23</u>	<u>11,323</u>
Total Operating Revenues	<u>1,345,031</u>	<u>202,121</u>	<u>1,547,152</u>
Operating Expenditures			
Department of Public Works	273,647	111,885	385,532
Depreciation	<u>423,043</u>	<u>98,316</u>	<u>521,359</u>
Total Operating Expenditures	<u>696,690</u>	<u>210,201</u>	<u>906,891</u>
Operating Income	648,341	(8,080)	640,261
Other Financing Sources (Uses):			
Transfers Out	(1,201,897)	(51,937)	(1,253,834)
Interest, Rent, and Earnings on Investments	<u>180</u>	<u>33</u>	<u>213</u>
Total Other Financing Sources (Uses)	<u>(1,201,717)</u>	<u>(51,904)</u>	<u>(1,253,621)</u>
Change in Net Position	(553,376)	(59,984)	(613,360)
Fund Balance - December 31, 2020 as Restated (See Note 14)	<u>6,313,956</u>	<u>806,346</u>	<u>7,120,302</u>
Fund Balance - December 31, 2021	<u>\$ 5,760,580</u>	<u>\$ 746,362</u>	<u>\$ 6,506,942</u>

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

CITY OF GREENSBURG
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Parking Revenue Fund	Hutchinson Garage Fund	Total Proprietary Funds
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 1,336,395	\$ 201,252	\$ 1,537,647
Payments to Employees	(97,902)	(97,220)	(195,122)
Payments to Suppliers	(199,027)	(30,823)	(229,850)
Net Provided by Operating Activities	<u>1,039,466</u>	<u>73,209</u>	<u>1,112,675</u>
Cash Flows From Capital and Related Financing Activities:			
Purchase of Fixed Assets Net of Disposals	(10,415)	-	(10,415)
Transfers from Other Funds, Net	(1,201,897)	(51,937)	(1,253,834)
Net Cash Used In Capital and Related Financing Activities	<u>(1,212,312)</u>	<u>(51,937)</u>	<u>(1,264,249)</u>
Cash Flows from Investing Activities:			
Earnings on Investments, Rents, and Royalties	180	33	213
Net Cash Provided by Investing Activities	<u>180</u>	<u>33</u>	<u>213</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(172,666)	21,305	(151,361)
Cash and Cash Equivalents, Beginning of Year	<u>931,089</u>	<u>159,260</u>	<u>1,090,349</u>
Cash and Cash Equivalents, End of Year	<u><u>758,423</u></u>	<u><u>180,565</u></u>	<u><u>938,988</u></u>
Reconciliation of Operating Income to Net Cash Used In Operating Activities:			
Operating Income (Loss)	<u>648,341</u>	<u>(8,080)</u>	<u>640,261</u>
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities:			
Depreciation	423,043	98,316	521,359
(Increase) Decrease in Accounts Receivable	(6,006)	385	(5,621)
(Increase) Decrease in Prepaids	(3,875)	3,624	(251)
Increase (Decrease) in Accounts Payable	(11,814)	(1,764)	(13,578)
Increase (Decrease) in Accrued Liabilities	10,819	-	10,819
Increase (Decrease) in Due To/ Due From Other Funds	(195)	195	-
Increase (Decrease) in Pension Liability	(23,723)	(23,723)	(47,446)
Increase (Decrease) in OPEB Liability	5,506	5,506	11,012
Increase (Decrease) in Deferred Revenues	(2,630)	(1,250)	(3,880)
Total Adjustments	<u>391,125</u>	<u>81,289</u>	<u>472,414</u>
Net Cash Provided by Operating Activities	<u><u>\$ 1,039,466</u></u>	<u><u>\$ 73,209</u></u>	<u><u>\$ 1,112,675</u></u>

CITY OF GREENSBURG
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	Police Pension Trust Fund	Thomas Lynch Trust Fund - Thomas Lynch Concert Fund	Custodial Funds	Total Fiduciary Funds
<u>Assets</u>				
Cash and Cash Equivalents	\$ 729,472	\$ 10,954	\$ 10,073	\$ 750,499
Investments	30,581,519	-	-	30,581,519
Due From Other Funds	-	36,546	4,097	40,643
Other Receivables	4,373	-	-	4,373
Total Assets	<u>31,315,364</u>	<u>47,500</u>	<u>14,170</u>	<u>31,377,034</u>
<u>Liabilities</u>				
Accounts Payable	-	-	1,500	1,500
Other Accrued Liabilities	-	-	218	218
Other Payables	-	-	12,452	12,452
Total Liabilities	<u>-</u>	<u>-</u>	<u>14,170</u>	<u>14,170</u>
<u>Fund Balance</u>				
Fund Balance Held in Trust	<u>31,315,364</u>	<u>47,500</u>	<u>-</u>	<u>31,362,864</u>
Total Fund Balances	<u>31,315,364</u>	<u>47,500</u>	<u>-</u>	<u>31,362,864</u>
Total Liabilities and Fund Balances	<u>\$ 31,315,364</u>	<u>\$ 47,500</u>	<u>\$ 14,170</u>	<u>\$ 31,377,034</u>

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

CITY OF GREENSBURG
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED
DECEMBER 31, 2021

	Police Pension Trust Fund	Thomas Lynch Trust Fund - Thomas Lynch Concert Fund	Custodial Funds	Total Fiduciary Funds
Revenues:				
Interest, Rent, and Earnings on Investments	\$ 3,645,197	\$ 1	\$ -	\$ 3,645,198
Contributions				
Commonwealth	441,350	-	-	441,350
Employer	477,282	-	-	477,282
Employee	<u>126,602</u>	<u>-</u>	<u>-</u>	<u>126,602</u>
Total Revenues	<u>4,690,431</u>	<u>1</u>	<u>-</u>	<u>4,690,432</u>
Expenditures:				
Pension Payments	<u>1,546,577</u>	<u>-</u>	<u>-</u>	<u>1,546,577</u>
Total Expenditures	<u>1,546,577</u>	<u>-</u>	<u>-</u>	<u>1,546,577</u>
Net Change in Fund Balances	3,143,854	1	-	3,143,855
Net Position - December 31, 2020	<u>28,171,510</u>	<u>47,499</u>	<u>-</u>	<u>28,219,009</u>
Net Position - December 31, 2021	<u>\$ 31,315,364</u>	<u>\$ 47,500</u>	<u>\$ -</u>	<u>\$ 31,362,864</u>

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Greensburg (City), incorporated in 1926, is a Home Rule Municipality governed by a Charter passed by the voters in 1988 and is represented by a mayor, who serves as President of City Council (Council), and four Council members. Each official is elected for overlapping four-year terms with elections taking place every two years. Council appoints a City Administrator, who is responsible for the day-to-day operations of the City under the direction of the Mayor and the Council. The City provides the following services as authorized by its charter: public safety, streets, health and social services, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services.

Reporting Entity

The City, for financial reporting purposes, includes all of the funds and account groups relevant to the operation of the City. The financial statements presented herein do not include agencies that have been formed under applicable state laws or separate and distinct units of government apart from the City.

In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing body and 1) the City is able to significantly influence the programs or services performed or provided by the organization, 2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization, or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the city or that the City approves the budget or the issuance of debt.

Based on the foregoing criteria, the City has determined that no organizations are controlled by or dependent on the City during the year ended December 31, 2021.

Excluded from the Reporting Entity

The Aerobic Center Municipal Authority is not a part of the City's reporting entity. Although Council appoints Aerobic Center Municipal Authority Board members, the City has no accountability for fiscal matters.

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 non-fiduciary activities of the City. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 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 revenue sources not reported as program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. General tax revenues are considered measurable when they have been levied. To be considered available and thus susceptible to accrual, taxes must be collected within the City's period of availability of sixty (60) days. Franchise taxes, licenses, grants, and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenue items are considered to be measurable and available only when cash is received by the government.

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, pensions, other post-employment benefits, and claims and judgments, are recorded only when payment is due and payable.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The City reports in accordance with GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The purpose of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP).

With the implementation of GASB 63, the Statement of Net Assets became the Statement of Net Position. Along with the name change, the Statement of Net Position included two new classifications separate from assets and liabilities. Amounts reported as deferred outflows of resources are required to be reported in a Statement of Net Position in a separate section following assets. Likewise, amounts reported as deferred inflows of resources are required to be reported in a Statement of Net Position in a separate section following liabilities.

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 City's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary 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.

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

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. It finances the regular day-to-day operations of the City. It is used to account for all financial revenues and expenditures, except those required to be accounted for in another fund.

The Debt Service Fund accounts for resources to be used for debt service expenditures.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major proprietary funds:

The Parking Revenue Fund generates revenue through metered and leased parking from three garages, 15 lots, and various on-street locations located throughout the City.

The Hutchinson Garage Fund accounts for the revenue that is generated by the garage that is located near the hospital within the city limits. At year-end, the net profit is divided based upon an agreement with the hospital.

In addition, the City reports the following other governmental funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds utilized to account for those financial activities include:

- The Armstrong Fund is funded through a grant each year and is used for emergency assistance.
- The Grant Fund accounts for periodic small grants for specific purposes.
- The Motor Tax Fund accounts for state aid revenues (liquid fuels tax) used for road repair and maintenance, equipment purchases, and winter maintenance services.
- The Greensburg Community Days Fund accounts for the activity associated with this community event.
- The St. Clair Park Concert Series Fund accounts for the activity associated with this community event.
- The Community Development Fund accounts for grant funding.
- The Lottery Fund accounts for the golf course lottery machine
- The Library Fund accounts for the allocation of tax revenue to the Library

Capital Projects Funds are used to account for financial resources to be used for the acquisition of major capital equipment or construction of major capital projects. Capital Projects Funds utilized to account for those financial activities include:

- The Police Equipment Fund
- The Fire Department Capital Equipment Fund
- The Hutchinson Garage Reserve Fund.
- The 2013 General Obligation Bond Fund
- The 2005 General Obligation Bond Fund
- The 2016 General Obligation Note Fund is a Capital Projects Fund that was created in 2016 when the City obtained a note for various capital projects throughout the City.
- The 2017 General Obligation Bond Fund is a Capital Projects Fund that was created in 2017 when the City obtained a bond that refunded the 2011 and 2013 bonds and provided capital for various capital projects throughout the City.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- The 2020 General Obligation Bond Fund is a Capital Projects Fund that was created when the City obtained a bond that refunded the 2016 and 2017 bonds.
- The DPW Insurance Proceeds Funds is solely used for pass through of insurance funds related to the 2019 fire.

The City reports the following fiduciary funds:

Trust and Agency Funds are used to account for assets held in a capacity as a trustee or as an agent for other funds. The Police Retirement Fund and the Thomas Lynch Concert Fund are classified as Nonexpendable Trust Funds. The Payroll Clearing Fund and the Special Fund are classified as Agency Funds.

Budgets and Budgetary Accounting

An operating budget is adopted each year for all governmental funds on the cash basis (budgetary basis) as opposed to the modified accrual basis (GAAP basis). The City's year begins January 1 and ends December 31 of each year. The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. On or before the fifteenth day of October of each year, the individual department directors submit to the fiscal director the proposed budget for their individual departments for the ensuing year.
2. On or before the 60th day prior to the end of the year, the fiscal director shall submit to the Council a proposed budget for the ensuing year.
3. The budget shall provide a complete financial plan for all City funds and activities for the ensuing year. The total of proposed expenditures shall not exceed the total of estimated income.
4. A general summary of the budget is advertised within 20 days of receipt. This summary includes a notice stating the times and places where the budget is available for public inspection, and the place and time, not less than seven days after the notice and at least fourteen days before adoption, for a public hearing on the budget.
5. After the public hearing, the Council may adopt the budget with or without amendment. In amending the budget, Council may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by applicable law, for debt service, or for estimated cash deficit; but no amendment of the budget shall increase the authorized expenditures to any amount greater than the estimated income.

The legal level of control for expenditures (level at which expenditures cannot legally exceed appropriations) is the surplus or deficit of the fund as a whole. Any excess appropriations at the end of the year are not carried forward, but instead lapse. The procedures as described above are the same for all funds with the following exception for the capital project funds: the Finance Director prepares and submits the capital projects budget to Council at least three months prior to the final date for submission of the budget.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Comparison

The General Fund revenue was more than budgeted amounts due to higher than expected tax revenues and revenues recognized from grants related to COVID funding received and miscellaneous revenues. Higher than expected expenditures for public affairs and safety, public works, and parks and recreation were offset by lower expenditures in accounts and finance and administrative development.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less when purchased.

Investments

Investments in all funds are stated at fair value, including the investments in the Pension Trust Fund. The City categories its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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. Investments consist of a variety of investments including direct obligations of the U.S. government, money market funds, corporate and other obligations, and money market funds.

Interfund Activity in the Government-Wide Financial Statements

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as "due to/from other funds." The effect of interfund activity has been eliminated in the government-wide financial statements. Flow of cash or goods from one fund to another without a requirement for repayment is reported as interfund transfers. Interfund transfers are reported as other financing sources (uses) in the governmental funds.

Property and Earned Income Taxes

Property tax revenue and earned income tax revenue are recognized based on amounts levied to the extent expected to be collected. In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," earned income taxes are recognized as a receivable when the obligation to pay the tax is incurred by the taxpayer (i.e., income subject to the taxes earned). Property taxes and earned income taxes not collected within 60 days of year end, reflected on the balance sheet as taxes receivable, are offset by deferred revenue on the governmental fund financial statements. Interest and penalty charges accrued on unpaid taxes are recognized as revenue when received. Tax refunds are charged against revenues when paid.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intergovernmental Receivables

Accounts receivable related to grant activity are recorded as intergovernmental receivables when earned.

Capital Assets of the Primary Government

Capital assets, which include property, improvements, equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and a useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

The capital assets of the City are depreciated using the straight-line method over the estimated useful lives of the asset as follows. No depreciation expense is recorded for land or construction-progress.

Buildings and Improvements	5-40 years
Land Improvements	15-40 years
Equipment and Vehicles	5-15 years
Infrastructure	20-50 years

Compensated Absences

Vacation and personal time for non-uniformed employees must be used by year-end. Sick time for non-uniformed employees is not paid when an employee terminates. When an employee retires, the employee is paid \$30 per sick day up to 100 sick days. Also, depending on their days in their "sick bank," employees are given the following bonuses upon retirement: 10-25 days: \$500, 26-50 days: \$1,000, 51-100 days: \$1,500, 101 days and above: \$2,000. The sick time accrual has been determined to be immaterial in nature for non-uniformed employees; and therefore, a compensated absence accrual has not been recorded in the financial statements.

Employees under the police union contract are entitled to the payment of not more than 18 days combined of unused book days, vacation days, personal days, and compensatory days upon retirement. The accumulated days will be paid at the employee's regular base pay.

A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In the government-wide financial statements, a police compensated absence accrual of \$131,211 is recorded as a noncurrent liability due in more than one year.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

When incurred, bond premiums and discounts are deferred and amortized over the life of the bonds.

Fund Financial Statements: Fund Balance

GASB Statement No. 54 established accounting and financial standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions as follows:

Non-spendable

The non-spendable fund balance category includes amounts that cannot be spent because they are not in a spendable form or are legally or contractually required to be maintained intact.

Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party, such as citizens, to use resources created by enabling legislation only for the purposes specified by the legislation.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

Committed

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable.

Assigned

Amounts in assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the City Council or a City official delegated with that authority.

Unassigned

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Government-wide and Proprietary Fund Financial Statements: Net Position

The net position is classified into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets net of accumulated depreciation and is reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - This component of net position consists of constraints placed on net position through external restrictions. The City had net position restricted for liquid fuels, capital projects, and debt service at December 31, 2021.
- Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

Upon implementation of GASB 65: *Items Previously Reported as Assets and Liabilities*, the City reports deferred outflows and inflows of resources.

Deferred Outflows of Resources – The City reports a separate section for deferred outflows of resources, in addition to assets in the statement of net position. Deferred outflows of resources represent a consumption of net position by the City that is applicable to a future reporting period. As of December 31, 2021, the City had two deferred outflow of resources related to the police and non-uniform pension plans. The City reported pension contributions between the measurement date and the reporting date as deferred outflows of resources in accordance with GASB 68. As of December 31, 2021, the City also had a deferred outflow of resources, a deferred charge, relating to the bond refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred Inflows of Resources – The City reports a separate section for deferred inflows of resources, in addition to liabilities in the statement of financial position. Deferred inflows of resources represent an acquisition of net position by the City that is applicable to a future reporting period. As of December 31, 2021, the City had two deferred inflow of resources related to the police and non-uniform pension plans. The City reported a deferred inflow of resources resulting from changes in its proportion and differences in projected and actual earnings from the pension plan in accordance with GASB 68.

Estimates

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

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balances or changes in fund balance.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 2: CASH, CASH EQUIVALENTS, AND INVESTMENTS

Primary Government

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

The deposit and investment policy of the City adheres to state statutes and prudent business practices. Deposits of the governmental funds are either maintained in demand deposits, savings accounts, invested with approved investment pools, and/or certificates of deposit. There were no deposits or investment transactions during the year that were in violation of either the state statutes or the policy of the City.

GASB Statement No. 40, "Deposit and Investment Risk Disclosures," requires disclosures related to the following deposit and investment risks: credit risk (including custodial credit risk and concentrations of credit risk), interest rate risk, and foreign currency risk. The following is a description of the City's deposit and investment risks:

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. At December 31, 2021, \$5,601,951 of the City's bank balance of \$5,851,951 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have carrying amounts of \$5,712,737 as of December 31, 2021.

In addition to the deposits noted above, included in cash and cash equivalents on the statement of net position are investments with the Pennsylvania Local Government Investment Trust (PLGIT) of \$285,715. The fair value of the City's investments with PLGIT, which is an external investment pool, is the same as the value of pooled shares.

Concentration of Credit Risk – City deposits greater than 5 percent of total City deposits were with the following institutions at December 31, 2021:

First Commonwealth	\$5,851,951	90.41%
PLGIT	\$309,195	9.59%

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of the City's investments. The City 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. The City's investments in PLGIT are short-term with maturities of less than one year and are included within cash and cash equivalents.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 2: CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Primary Government (continued)

Credit Risk - The City has no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. PLGIT has a rating of AAAM by Standard & Poor's at December 31, 2021.

The funds in the Thomas Lynch Concert Series Fund, which is a private purpose trust fund, are held separately from those of other City funds. The entire balance of \$10,955 is held in a PLGIT account. The entire balance was exposed to custodial credit risk at December 31, 2021.

There are also funds in the Payroll Clearing Fund and the Special Fund, which are custodial funds that are held separately from those of other City funds. The entire balances of \$10,073 are held in interest bearing accounts at a local bank. Of the entire balance, \$0 was exposed to custodial credit risk at December 31, 2021.

The City has no foreign currency risks for any of its funds.

Pension Trust Fund

The Pension Trust Fund is used to account for assets held by the City in a trustee capacity for future payment of retirement benefits to employees or former employees.

At December 31, 2021, the Plan held \$729,472 in deposits and was fully insured by the Securities Investor Protection Corporation (SIPC).

Custodial credit risk for deposits is the risk that the plan's deposits will not be returned in the event of a failure of the bank or trustee holding the deposits. None of the plan's deposits are potentially exposed to custodial credit risk.

The Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. According to an investment policy statement adopted in November 2016, the Plan's target asset allocation is as follows:

<u>Asset Class</u>	<u>Target Percentage</u>	<u>Range</u>
Cash & Equivalents	0%	0-20%
Fixed Income Securities	35%	15-55%
Other Income Assets	0%	0-20%
Domestic Equities	42%	22-62%
International Equities	23%	3-43%
Other Growth Assets	0%	0-20%
Real Return Assets	0%	0-20%

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 2: CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Pension Trust Fund (continued)

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The plan has no investment policy for credit risk. The credit ratings of the plan's investments (excluding obligations explicitly guaranteed by the U.S. government) are indicated on the table below.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Corporate Debt	\$ 146,901	AAA
Corporate Debt	154,892	AA
Corporate Debt	538,277	A
Corporate Debt	347,486	BBB
Corporate Debt	115,174	Not Rated
Fixed Income Mutual Funds & ETF	<u>3,900,795</u>	Not Rated
	<u>\$ 5,203,525</u>	

Concentration of Credit Risk is the risk of loss attributed to the magnitude of an investment in a single issuer. At December 31, 2021 the Plan had no investments (other than U.S. Government and U.S. Government guaranteed obligations, mutual funds or other pooled investments) in any one issuer that represent 5% or more of Fiduciary Net Position.

Interest Rate Risk for investments is the risk that a change in interest rates will adversely affect the fair value of an investment. The plan has no investment policy for interest rate risk other than the 55% limit on fixed income securities. The maturities of the plan's debt investments are listed on the table below:

Cash or Investment Type	Fair Market Value	Less than 1			More than 10	
		Year	1-5 Years	6-10 Years	Years	
U.S. Government Treasuries	\$ 442,533	\$ -	\$ 340,228	\$ 102,305	\$ -	
U.S. Government Agencies	441,531	-	323,661	77,862	40,008	
Certificates of Deposit	79,881	-	79,881	-	-	
Corporate Debt	1,302,731	10,422	989,585	261,803	40,921	
Fixed Income Mutual Funds	984,072	-	456,972	-	527,100	
Fixed Income ETFs	<u>2,916,723</u>	-	<u>184,598</u>	<u>2,527,183</u>	<u>204,942</u>	
Total Debt Securities	\$ 6,167,471	\$ 10,422	\$ 2,374,925	\$ 2,969,153	\$ 812,971	
Cash and Cash Equivalents	729,472					
Common Stock	<u>24,414,048</u>					
Total Investments Reported on the Statement of Fiduciary Net Position	<u>\$ 31,310,991</u>					

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 2: CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Pension Trust Fund (continued)

Custodial Credit Risk - For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside entity. The City's Pension Investment Policy does not limit the holding of securities by counterparties.

Concentration of Credit Risk - The City's Pension Investment Policy requires that no more than 5% of the total equity holdings of the entire Fund shall be invested in the securities of any one issuer. Additionally, no more than 15% of the total Fund equity holdings shall be invested in any one industry, and investments in any corporation shall not exceed 5% of the outstanding shares of the corporation. Similarly, fixed income investments in any one issuer (excluding direct or indirect obligations of the U.S. Government) shall not exceed 5% of the total fixed income assets of the entire fund, and fixed income holdings by the Fund should not represent more than 5% of a total particular issue. No violations of the Pension Investment Policy existed at December 31, 2021.

NOTE 3: ACCOUNTS RECEIVABLE - OTHER

Accounts receivable - other in the governmental funds at December 31, 2021 consisted of the following:

Comcast Franchise Fee	\$ 68,818
Miscellaneous Receivables	<u>25,393</u>
	<u>\$ 94,211</u>

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 4: CAPITAL ASSETS

Primary Government

A summary of changes in capital assets during 2021 are as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Govenmental Activities:					
Non Depreciable Capital Assets					
Land	\$ 753,126	\$ -	\$ -	\$ -	\$ 753,126
Construction in Progress	<u>81,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,537</u>
Total Non Depreciable Capital Assets	<u>834,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>834,663</u>
Depreciable Capital Assets					
Buildings and Improvements	11,658,815	1,380,854	-	-	13,039,669
Land Improvements	2,670,223	-	-	-	2,670,223
Equipment and Vehicles	10,764,612	455,427	(44,134)	-	11,175,905
Infrastructure	<u>14,379,453</u>	<u>325,633</u>	<u>-</u>	<u>-</u>	<u>14,705,086</u>
Total Depreciable Capital Assets	<u>39,473,103</u>	<u>2,161,914</u>	<u>(44,134)</u>	<u>-</u>	<u>41,590,883</u>
Less Accumulated Depreciation					
Building and Building Improvements	(7,559,386)	(280,239)	-	-	(7,839,625)
Land Improvements	(1,182,576)	(84,500)	-	-	(1,267,076)
Furniture, Vehicles, and Equipment	(8,346,831)	(495,107)	44,134	-	(8,797,804)
Infrastructure	<u>(3,286,092)</u>	<u>(377,703)</u>	<u>-</u>	<u>-</u>	<u>(3,663,795)</u>
Total Accumulated Depreciation	<u>(20,374,885)</u>	<u>(1,237,549)</u>	<u>44,134</u>	<u>-</u>	<u>(21,568,300)</u>
Governmental Activities Capital Assets-Net	<u>\$ 19,932,881</u>	<u>\$ 924,365</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,857,246</u>

Depreciation expense was charged to governmental functions as follows:

Department of Public Affairs and Safety	\$ 281,293
Department of Accounting and Finance	20,530
Department of Administration Development	155,965
Department of Public Works	443,720
Department of Parks and Recreation	<u>336,041</u>
	<u>\$ 1,237,549</u>

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 4: CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-Type Activities:					
Non Depreciable Capital Assets					
Land	\$ 946,225	\$ -	\$ (1,897)	\$ -	\$ 944,328
Total Non Depreciable Capital Assets	<u>946,225</u>	<u>-</u>	<u>(1,897)</u>	<u>-</u>	<u>944,328</u>
Depreciable Capital Assets					
Buildings and Improvements	10,434,421	-	-	-	10,434,421
Land Improvements	5,387,935	12,312	-	-	5,400,247
Equipment and Vehicles	538,499	-	-	-	538,499
Infrastructure	<u>37,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,316</u>
Total Depreciable Capital Assets	<u>16,398,171</u>	<u>12,312</u>	<u>-</u>	<u>-</u>	<u>16,410,483</u>
Less Accumulated Depreciation					
Building and Building Improvements	(6,685,993)	(280,689)	-	-	(6,966,682)
Land Improvements	(3,657,871)	(214,940)	-	-	(3,872,811)
Furniture, Vehicles, and Equipment	(417,860)	(24,984)	-	-	(442,844)
Infrastructure	<u>(5,519)</u>	<u>(746)</u>	<u>-</u>	<u>-</u>	<u>(6,265)</u>
Total Accumulated Depreciation	<u>(10,767,243)</u>	<u>(521,359)</u>	<u>-</u>	<u>-</u>	<u>(11,288,602)</u>
Business-Type Activities Capital Assets-Net	<u>\$ 6,577,153</u>	<u>\$ (509,047)</u>	<u>\$ (1,897)</u>	<u>\$ -</u>	<u>\$ 6,066,209</u>

NOTE 5: INTERFUND TRANSFERS

Interfund transfers at December 31, 2021 are summarized below:

Transfers between funds mainly represent reimbursements and administrative fees paid on behalf of other funds and transfers required by local ordinances and agreements.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 1,201,897	\$ -
Fire Department Capital Fund	33,266	-
Police Department Capital Fund	6,653	-
Hutchinson Garage Reserve Fund	7,582	-
Greensburg Community Days Fund	<u>4,436</u>	<u>-</u>
Total Governmental Funds	<u>1,253,834</u>	<u>-</u>
Proprietary Funds:		
Parking Revenue Fund	-	1,201,897
Hutchinson Garage Fund	<u>-</u>	<u>51,937</u>
Total Proprietary Funds	<u>-</u>	<u>1,253,834</u>
Total Transfers	<u>\$ 1,253,834</u>	<u>\$ 1,253,834</u>

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 6: LONG-TERM DEBT OF THE PRIMARY GOVERNMENT

Long-term liability activity for the City for year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Repayment	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 6,300,000	\$ -	\$ 295,000	\$ 6,005,000	\$ 645,000
General Obligation Notes	-	-	-	-	-
Capital Leases	351,344	-	143,203	208,141	129,829
Compensated Absences	125,714	5,497	-	131,211	-
Total Face Value of Long-Term Debt	6,777,058	5,497	438,203	6,344,352	774,829
Premiums	33,810	-	4,226	29,584	-
Discounts	(61,687)	-	(6,602)	(55,085)	-
Total Governmental Activities	<u>\$ 6,749,181</u>	<u>\$ 5,497</u>	<u>\$ 435,827</u>	<u>\$ 6,318,851</u>	<u>\$ 774,829</u>

General Obligation Bonds

2020 Series A and B Bonds

In September 2020, the City issued General Obligation Bonds, Series of A and B of 2020 in the amount of \$6,300,000. The proceeds of the 2020 Bonds were used to refund the 2016 general obligation note and the advance refund the 2017 bond issuance and to fund various capital projects. The 2020 Series A and B Bonds carry interest rates ranging from 1.5% to 2.0% and mature in differing amounts through December 2037.

\$ 6,005,000

Annual debt service requirements for the General Obligation Bonds Payable are as follows:

Year Ending December 31,	Principal	Interest	Total Payments
2022	\$ 645,000	\$ 98,991	\$ 743,991
2023	655,000	90,017	745,017
2024	665,000	80,489	745,489
2025	675,000	70,271	745,271
2026	685,000	59,531	744,531
2027-2031	<u>2,680,000</u>	<u>122,715</u>	<u>2,802,715</u>
	<u>\$ 6,005,000</u>	<u>\$ 522,014</u>	<u>\$ 6,527,014</u>

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 6: LONG-TERM DEBT OF THE PRIMARY GOVERNMENT (CONTINUED)

Obligations under Capital Leases

In February 2018, the City entered into a lease agreement for a maintenance pickup truck and mowing equipment at a cost of \$262,655. The lease bears interest at 3.59% and requires annual payments of principal and interest of \$56,444. The lease is secured by the equipment and will mature in 2022. \$ 54,416

In August 2018, the City entered into a lease agreement for 12 APX 8000 portable radios at a cost of \$77,687. The lease bears interest at 5.22% and requires annual payments of principal and interest of \$18,053. The lease is secured by the equipment and will mature in 2023. 33,464

In March 2019, the City entered into a lease agreement for a 2019 F550 truck at a cost of \$31,003. The lease bears interest at 3.5% and requires annual payments of principal and interest of \$6,645. The lease is secured by the equipment and will mature in 2023. 12,608

In June 2019, the City entered into a lease agreement for a dump truck at a cost of \$132,216. The lease bears interest at 3.49% and requires annual payments of principal and interest of \$28,290. The lease is secured by the equipment and will mature in 2023. 53,747

In December 2019, the City entered into a lease agreement for a dump truck and skid steer at a cost of \$132,625. The lease bears interest at 3.5% and requires annual payments of principal and interest of \$28,381. The lease is secured by the equipment and will mature in 2023. 53,837

Total Leases Payable \$ 208,072

All of the aforementioned leases contain \$1 purchase options.

Future minimum lease payments for these capital leases for the years ending December 31 are as follows:

Year Ended December 31,	Principal	Interest	Total Payments
2022	\$ 129,829	\$ 7,984	\$ 137,813
2023	<u>78,243</u>	<u>3,127</u>	<u>81,370</u>
:	<u>\$ 208,072</u>	<u>\$ 11,111</u>	<u>\$ 219,183</u>

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 7: REAL ESTATE TAX AND OTHER TAX LEVIES

Real estate taxes are based on assessed valuations provided by Westmoreland County (County) and are levied on March 1. These taxes are billed and collected by a third-party collection agency. Taxes paid through April 30 are given a 2% discount. Amounts paid after June 30 are assessed a 10% penalty. By January 15th in the year following the billing, uncollected balances are returned to the Tax Claim Bureau of Westmoreland County who collects and liens the delinquent real estate taxes on behalf of the City.

For 2021, City real estate taxes were levied at the rate of 26.05 mills on assessed valuation (\$128,964,030), as follows:

Real Estate Taxes:

General purposes	19.05 mills
Debt service	6.00 mills
Library fund	1.00 mills

The other taxes levied for 2021 were as follows:

Real estate transfer tax	0.50%
Local service tax	\$52
Earned income taxes	1.15%
Mechanical device tax	\$100
Mercantile tax, retail or wholesale	\$0.001 on each \$1 up to \$10,000
Business privilege tax	\$0.001 on each \$1 up to \$10,000

NOTE 8: TAX ABATEMENTS

The City enters into tax abatement agreements with local businesses under the Local Economic Revitalization Tax Abatement Program (LERTA). Under the Program, the City may grant property tax abatements by "freezing" property taxes at the predevelopment level for five years and then increasing by 20% each year after that until the full taxable value is reached by year eleven. To be eligible for a LERTA, the value of the commercial building renovations, site improvements or new construction must be reviewed by the City, County, and School District. Prior to final approval. As of December 31, 2021, the City did not abate any properties.

NOTE 9: TAXES RECEIVABLE

In the citywide and governmental funds financial statements, taxes receivable as of December 31, 2021, amount to \$1,356,300 as follows:

<u>Current Taxes</u>	<u>Delinquent Real Estate Taxes</u>	<u>Total</u>
<u>\$1,059,409</u>	<u>\$296,904</u>	<u>\$1,356,300</u>

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 10: PENSION PLANS

The City administers two defined benefit pension plans covering substantially all full-time employees: the City Police Pension Plan (Police Plan), a single-employer plan for police officers and the Non-Uniformed Pension Plan (Non-Uniformed Plan), an agent multi-employer plan held by the Pennsylvania Municipal Retirement System (PMRS) for employees other than police. The plans provide retirement benefits to plan members. PMRS prepares financial statements for the Non-Uniformed Plan.

Police Pension Plan

Plan Description

Established July 6, 1959, the Police Plan is a defined benefit plan available to all full-time city police officers under Act 205 of the Commonwealth of Pennsylvania (Act). The Police Plan is governed by the Council which may amend the plan provisions, and which is responsible for the management of plan assets. The Police Retirement Commission, the plan administrator, has delegated the authority to manage the plan assets to a third-party investment manager, separate from the plan's trustee. The commission is made up of the mayor, city administrator, fiscal director, council and seven police officers, all of whom are approved by council and have experience with plan administration. City contributions are based on the MMO and member contributions are 5% of base, holiday, and shift pay plus \$1 per month.

For those police officers hired prior to January 1, 2009, participants are eligible for retirement upon the completion of 20 years of continuous service. Participants are fully vested in the Police Plan upon the completion of 12 years of continuous service. The monthly pension benefit is equal to 60 percent of the greater of the participant's monthly salary at retirement or the average monthly compensation over the participant's five highest years.

For those police officers hired after January 1, 2009, the participants are subject to the provisions of the Third-Class City Code and are eligible to retire after 20 years of service and attainment of age 50. The monthly pension benefit is equal to 50 percent of the participant's final monthly average salary. As of December 31, 2021, the plan had 64 active members, of which 26 were active employees and 38 were retirees and beneficiaries currently receiving benefits.

Police Plan Summary of Significant Accounting Policies

Financial information is presented on the accrual basis of accounting. Employer contributions to the Police Plan are recognized when earned. Benefits and refunds are recognized when incurred in accordance with the terms of the Police Plan.

Police Plan assets are reported at fair value. Police Plan assets are invested primarily in equities, U.S. Treasury obligations, corporate bonds, and certificates of deposit. The Police Plan did not have any investment transactions with related parties during the year.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 10: PENSION PLANS (CONTINUED)

Police Pension Plan (Continued)

Police Plan Contributions and Funding Policy

Act 205 requires that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO), which is based upon the biennial actuarial valuation. The Commonwealth of Pennsylvania (Commonwealth) allocates certain funds to assist in pension funding, which is funded by state foreign casualty insurance tax. Any financial requirement established by the MMO that exceeds the Commonwealth allocations must be funded by the City (and could include employee contributions). In 2021, the City used the Commonwealth allocation of \$618,004 for its Police Plan. The remaining \$477,612 of MMO was paid by the General Fund. In addition, employee contributions to the Police Plan for 2020 were \$118,293, which represents 5% of covered payroll.

Administrative costs, which may include but are not limited to investment management fees and actuarial services are charged to the Police Plan and funded by the MMO and/or investment earnings.

Net Pension Liability (NPL)

Total pension liability	\$ 27,388,7651
Plan fiduciary net position	<u>(31,315,364)</u>
Net pension liability	<u><u>\$ (3,926,599)</u></u>

Plan fiduciary net position as a percentage of the total pension liability: 114.3%

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2021 and rolled forward to the reporting date, using the following significant actuarial assumptions applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Inflation	2.5%
Salary increases	4.75% including inflation
Mortality	2010 Public Plan – Public Safety mortality tables (PubS-2010). Mortality improvement projected from 2015 with rates derived from the Long-Range Demographic Assumptions for the 2020 SSA's Trustee Report.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 10: PENSION PLANS (CONTINUED)

Police Pension Plan (Continued)

Expected long-term rate of return 7.0%, applied to all periods

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset classes. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of December 31, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real ROR</u>
Equities	4.09% - 9.06%
Fixed Income	.44% - 4.96%
Cash and Cash Equivalents	0.07% - .53%

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 will continue to be funded based on the Minimum Municipal Obligation as determined in accordance with Act 205. 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 the projected benefit payment to determine the total pension liability.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 10: PENSION PLANS (CONTINUED)

Police Pension Plan (Continued)Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2020	<u>\$ 26,641,491</u>	<u>\$ 28,171,510</u>	<u>\$ (1,530,019)</u>
Changes for the Year:			
Service Cost	600,748	-	600,748
Interest	1,843,233	-	1,843,233
Changes of Benefit Terms	-	-	-
Differences Between Actual and Expected Experience	(899,593)	-	(899,593)
Changes of Assumptions	749,463	-	749,463
Contributions - Employer	-	918,632	(918,632)
Contributions - Employee	-	126,602	(126,602)
Net Investment Income	-	3,768,867	(3,768,867)
Benefit Payments and Refunds of Employee Contributions	(1,546,577)	(1,546,577)	-
Administrative Expense	-	(123,670)	123,670
Net Changes	<u>747,274</u>	<u>3,143,854</u>	<u>(2,396,580)</u>
Balances at 12/31/2021	<u>\$ 27,388,765</u>	<u>\$ 31,315,364</u>	<u>\$ (3,926,599)</u>

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

The following presents the net pension liability of this Plan, calculated using the discount rate of 7.0%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	\$ (895,879)	\$ (3,926,599)	\$ (6,465,663)

Payables to the Pension Plan

The City had no outstanding contributions as of December 31, 2021.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 10: PENSION PLANS (CONTINUED)

Police Pension Plan (Continued)Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

Components of Pension Expense for the Year Ended December 31, 2021:

Service Cost	\$ 600,748
Interest on the Total Pension Liability	1,843,233
Recognition of Difference Between Expected and Actual Experience	(237,046)
Amortization of Changes in Assumptions	352,422
Employee Contributions	(126,602)
Projected Earnings on Pension Plan Investments	(1,929,119)
Recognition of Difference Between Projected and Actual Investment Earnings	(1,196,120)
Pension Plan Administrative Expense	123,670
	<u>\$ (568,814)</u>

As of December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to this Plan from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 995,513
Changes in Assumptions	593,325	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>543,584</u>	<u>4,020,543</u>
Total	<u>\$ 1,136,909</u>	<u>\$ 5,016,056</u>

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

Year Ended December 31:	
2022	\$ (1,045,815)
2023	(1,557,917)
2024	(882,445)
2025	<u>(392,970)</u>
Total	<u>\$ (3,879,147)</u>

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 10: PENSION PLANS (CONTINUED)

Non-Uniform Pension Plan

Plan Description

Established May 1, 1968, the Non-Uniformed Plan is an agent multi-employer plan held by the PMRS for employees other than police. Plan provisions are established by municipal ordinance with the authority for municipal contributions required by Act 205.

Benefits Provided

The plan provides retirement, disability and death benefits to plan members and their beneficiaries. Cost-of-living allowances are provided at the discretion of the plan.

Employees Covered by Benefit Terms

The following table contains the number of active employees, inactive employees entitled to but not yet receiving benefits, and inactive employees or beneficiaries currently receiving benefits from the Plan based upon the most recent actuarial valuation date of January 1, 2021.

<u>Participants</u>	<u>Count</u>
Inactive Employees or Beneficiaries	
Currently Receiving Benefits	39
Inactive Employees Entitled To But Not Yet	
Receiving Benefits	8
Active Employees	<u>42</u>
	<u>89</u>

Non-Uniformed Plan Financial Information

PMRS is separately audited and a separate audit report for PMRS is available online through the PMRS website.

Non-Uniformed Plan Contributions and Funding Policy

Act 205 requires that annual contributions be based upon the calculation of the MMO. The MMO calculation is based upon the biennial actuarial valuation. Employees are not required to contribute under the Act; such contributions are subject to collective bargaining and City policies. The Commonwealth allocates certain funds to assist in pension funding. Any financial requirement established by the MMO, which exceeds the Commonwealth allocation must be funded by the City (and could include employee contributions). In 2021, the MMO for the Non-Uniformed Plan was \$263,126, which was paid by the General Fund.

Employee contributions to the Non-Uniformed Plan for 2021 were \$89,970, which represents 3.5% of covered payroll.

Administrative costs, including investment, custodial trustee, and actuarial services are charged to the appropriate plan and funded from investment earnings.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 10: PENSION PLANS (CONTINUED)

Non-Uniform Pension Plan (Continued)

Net Pension Liability

The City's net pension liability related to the PMRS Plan was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

Actuarial Assumptions – The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return 5.25% compounded annually, net of expenses

	Total Rate (%) *
Age	(including Inflation)
25	6.22%
30	5.16%
35	4.49%
40	4.14%
45	3.82%
50	3.55%
55	3.28%
60	3.11%
65	2.79%

* Add 3% for each of the first two years of service, 2% for years 3 and 4, and 1% for years 5 and 6.

Expenses	Based upon the expected expenses for the current year.
Social Security Wage Base	2.7% per annum
Inflation	2.2% per annum

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 10: PENSION PLANS (CONTINUED)

Non-Uniform Pension Plan (Continued)

Mortality rates were based on the RP-2000 non-annuitant male table with scale AA and 5-year setback for females. Rates of post-retirement mortality were based on the RP 2000 annuitant male table projected five years, and 10 years for females with scale AA. The current mortality assumptions, while not reflecting projections for improvements as recommended under Actuarial Standard of Practice No. 35 are subject to experience review every four years at which time the Board receives recommendations of changes to reflect changes in experience over those expected from the tables applied over the five year period preceding the experience analysis. Such experience review is required by State statute. In addition, the retired life reserve measured by PMRS is annually reviewed against the actuarial liability for retirees to ensure they are within a reasonable level of difference which has been proven to remain consistent year by year as a reflection of the effectiveness of the reserves and the underlying actuarial assumptions for mortality.

Disability life mortality rates were based on the RP 2006 disabled annuitant tables.

The actuarial assumptions used in the January 1, 2021 valuation were based on the PMRS Experience Study for the period covering January 1, 2014 through December 31, 2018 issued by the actuary in July 2020 as well as subsequent Board approved assumption changes. These assumptions were first used for the December 31, 2015 measurement date. Effective with the December 31, 2016 measurement date, the Investment Return Assumption for municipal assets decreased from 5.50% to 5.25%.

The long-term expected rate of return is based on return expectations of the pooled investments.

Discount Rate – The discount rate used to measure the total pension liability was 5.25% as of December 31, 2020. PMRS has not performed a formal cash flow projection as described under Paragraph 41 of GASB Statement 67. However, Paragraph 43 allows for alternative methods to confirm the sufficiency of the Net Position if the evaluations “can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan...” Adherence to the actuarial funding policy in accordance with Act 205 will result in the pension plan's projected Fiduciary Net Position being greater than or equal to the benefit payments projected for each future period. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefits to determine Total Pension Liability.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 10: PENSION PLANS (CONTINUED)

Non-Uniform Pension Plan (Continued)Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/19	\$ 14,142,386	\$ 14,355,251	\$ (212,865)
Changes for the Year:			
Service Cost	219,217	-	219,217
Interest	733,338	-	733,338
Changes in Benefits	-	-	-
Changes of Assumptions	485,763	-	485,763
Differences Between Expected and Actual Experience	(661,104)	-	(661,104)
Contributions - Employer	-	255,395	(255,395)
Contributions - PMRS Assessment	-	1,940	(1,940)
Contributions - Employee	-	79,883	(79,883)
PMRS Investment Income	-	686,636	(686,636)
Market Value Investment Income	-	992,410	(992,410)
Transfers	-	-	-
Benefit Payments	(796,717)	(796,717)	-
PMRS Administrative Expense	-	(1,940)	1,940
Additional Administrative Expense	-	(29,916)	29,916
Net Changes	(19,503)	1,187,691	(1,207,194)
Balance at 12/31/20	<u>\$ 14,122,883</u>	<u>\$ 15,542,942</u>	<u>\$ (1,420,059)</u>

Sensitivity of the Net Pension Liability to Changes in Discount Rate

The following presents the net pension liability of this Plan, calculated using the discount rate of 5.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (4.25%) or 1% higher (6.25%) than the current rate:

	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Total Pension Liability	\$ 15,755,018	\$ 14,122,883	\$ 12,746,895
Plan Fiduciary Net Position	15,542,942	15,542,942	15,542,942
Net Pension Liability	<u>\$ 212,076</u>	<u>\$ (1,420,059)</u>	<u>\$ (2,796,047)</u>

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 10: PENSION PLANS (CONTINUED)

Non-Uniform Pension Plan (Continued)

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

For the year ended December 31, 2021, the City recognized pension expense of \$263,246 related to this Plan.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 29,694	\$ 380,796	\$ 1,238	\$ 15,867
Changes in Assumptions	279,799	-	11,658	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	230,586	1,293,328	9,608	53,889
Total	<u>\$ 540,079</u>	<u>\$ 1,674,124</u>	<u>\$ 22,504</u>	<u>\$ 69,756</u>

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

<u>Fiscal Year Ending December 31,</u>	<u>Amount</u>
2022	\$ (338,310)
2023	(609,436)
2024	(233,551)
	<u>\$ (1,181,297)</u>

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 11: OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits disclosed in Note 9, the City has provided for certain postemployment benefits, other than pension benefits, to be provided to retirees or their beneficiaries. Postemployment benefits consist of healthcare, dental, vision, and life insurance coverage for eligible employees and their spouses. The benefits, benefit levels, employee contributions, and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts.

The City does not have a formal plan document for the Other Postemployment Benefit Plan (OPEB Plan), but it operates as a single employer defined benefit plan. Actuarial data for the OPEB Plan is split into two categories of employees corresponding to the City's pension plans: police and non-uniformed (union and non-union). Stand-alone financial statements are not issued for the plan.

Description

The provisions for the Police Department cover healthcare, dental, and vision expenses for the retiree and the retiree's spouse up to a certain dollar amount linked to the annual cost of husband/wife coverage until each individual reaches Medicare eligibility (normally, age 65). Retirees are also provided an \$8,000 life insurance policy.

The provisions for the Non-Uniformed Employees (Union and Non-Union members) cover healthcare expenses up to a specified dollar amount for the retiree and the retiree's spouse if the participant retired after age 55 with 20 years of service or after age 62 regardless of service until the retiree reaches Medicare eligibility (normally, age 65). Retirees are also provided a \$2,000 life insurance policy.

Plan Membership

At January 1, 2020, the date of the most recent actuarial valuation, the OPEB plan membership consisted of the following:

	<u>Medical Insurance</u>	<u>Life Insurance</u>
Active Participants	66	69
Vested Former Participants	-	-
Retired Participants	14	50
Total	<u>80</u>	<u>119</u>

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 11: OTHER POST EMPLOYMENT BENEFITS

Net OPEB Liability

As indicated earlier in this footnote, in accordance with Governmental Accounting Standards, the City is considered to be administering a single plan for financial reporting purposes. Changes in the net OPEB liability of the City for the year ended December 31, 2021, were as follows:

Total OPEB Liability	
Service Cost	\$ 361,545
Benefit Payments	(343,876)
Interest	210,247
Changes in Benefit Terms	-
Changes in Assumptions or Other Inputs	-
Differences Between Expected and Actual Experience	-
Net Change in Total OPEB Liability	<u>227,916</u>
Total OPEB Liability - 12/31/20	<u>6,817,361</u>
Total OPEB Liability - 12/31/21	<u>7,045,277</u>
Plan Fiduciary Net Position	<u>-</u>
Net OPEB Liability	<u>\$ 7,045,277</u>

Discount Rate

The discount rate used to measure the total OPEB liability was 3.00%. This is the equivalent single rate determined by applying the long-term expected rate of return on investments to future benefits for current plan members expected to be funded by plan assets, and applying a tax-exempt, high quality municipal bond rate to benefit payments thereafter.

The following presents the total OPEB liability of the City, as well as what City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2%) or 1-percentage point higher (4%) than the current discount rate.

	1% Decrease to 2%	Current Discount Rate 3%	1% Increase to 4%
City's Total OPEB Liability	<u>\$7,766,532</u>	<u>\$7,045,273</u>	<u>\$6,493,897</u>

Funding Policy

The contribution requirements of OPEB Plan members and the City are established and may be amended by the City. The OPEB Plan is not funded. The City's contribution is based on projected pay-as-you-go financing requirements. In 2021, the City contributed \$196,393 to the OPEB Plan, all of which was for current premiums.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a cost trend rate that is 1-percentage point lower (4%) or 1-percentage point higher (5%) than the current healthcare cost rate trend rates:

	1% Decrease to 4%	Healthcare Cost Rate 5%	1% Increase to 5%
City's Total OPEB Liability	\$6,407,119	\$7,045,273	\$7,802,017

Contributions

OPEB plan contribution rates are based on an actuarially determined rate. Employees are not required to make contributions for basic life insurance. Employees contribute to health care costs at a flat rate based on wages and family size.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

- Actuarial Valuation Date: 1/1/2020
- Actuarial Cost Method: Entry Age Normal
- Inflation Rate: 2.75%
- Discount Rate: 3.00%
- Mortality: RP-2014 Mortality Table with 50% Blue Collar Adjustment and rates set forward 5 years for disabled lives
- Annual Trend Rates:
 - 2021: Medical/Rx: 5.00% which vary through 2029 and later; Dental & Vision: 1.0%

OPEB Expense and Deferred Outflow of Resources and Deferred Inflow of Resources Related to OPEB

	Governmental Activities		Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 41,881	\$ -	\$ 1,836
Changes of assumptions	228,075	-	10,000	-
Total	\$ 228,075	\$ 41,881	\$ 10,000	\$ 1,836

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to this Plan will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 51,147
2023	51,147
2024	51,147
2025	40,917
	<u>\$ 194,358</u>

NOTE 12: DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan (plan) created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The City does not contribute to the plan or match employees' contributions. Participation in the plan is optional. The funds are not available to employees until termination, retirement, death, or unforeseeable emergency. At December 31, 2021, all amounts of compensation deferred under the plan were held in trust solely for the benefit of the participants. Investments are managed by the plan's trustee under several investment options selected by the participant. Deferred compensation assets at December 31, 2021 totaled \$6,956,353. Under the provisions of GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the plan is not required to be included in the City's financial statements.

NOTE 13: CONTINGENCIES

The City is involved in a number of other matters arising in the ordinary course of its operations. At present, management believes the ultimate outcome of these matters, after consideration of any applicable insurance coverage, will not be material to the financial statements taken as a whole.

The City maintains insurance through independent carriers for all types of business losses. Management believes the insurance coverage is sufficient to cover the City against potential losses.

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 14: PRIOR PERIOD ADJUSTMENTS

The following restatements to the fund balances and net positions of the governmental funds and the net positions of the business-type activities of the city were required.

- A. In 2020, the city issued the General Obligation Bond 2020 Series B for the purpose of advance refunding the 2017 bond issue. The proceeds of the debt issuance were deposited with Bank of New York Mellon for the purpose of paying the principal and interest of the 2017 bonds as they came due.

On the governmental funds and citywide statements, the account used by the trustee to make the payments on the refunded bonds was included as a city cash account. On the citywide statements, the advanced refunded 2017 bond was reflected as a liability of the city.

- B. Deferred Outflows and Inflows related to Other Post-Employment Benefits were not reported in accordance with Generally Accepted Accounting Principles. In addition, the OPEB liability did not agree to the actuary report for the year ended December 31, 2020.
- C. The business-type activities did not report a liability or provision for deferred outflows and inflows relating to the non-uniformed pension plan.

The effect on the fund balances of the governmental funds is as follows:

Fund Balance, beginning balance of prior year as previously stated	\$ 8,547,188
Decrease of Fund Balance due to the effect of Not recognizing the cash account held by Trustee	<u>(4,032,260)</u>
Fund Balance, beginning balance as restated	<u>\$ 4,514,928</u>

CITY OF GREENSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

NOTE 14: PRIOR PERIOD ADJUSTMENTS (CONTINUED)

The effect on the net position of the governmental and business-type activities of the city were as follows:

	Governmental Activities	Business Type- Activities
Net Position, beginning balance of prior year as previously stated	\$ 9,929,230	\$ 7,160,186
Decrease of Fund Balance due to the effect of removing the cash account held by Trustee	(4,032,260)	-
Increase of Net Position due to the effect of removing the advanced refunded debt	3,875,000	-
Decrease of Net Position due to the effect of Other Post-Employment Benefits balances	(45,232)	(1,988)
Decrease in Net Position due to the effect of pension related differences in the prior year	<u>(94,479)</u>	<u>(37,896)</u>
Net Position, beginning balance of prior year as restated	<u>\$ 9,632,259</u>	<u>\$ 7,120,302</u>

NOTE 15: RISK AND UNCERTAINTIES

As the effects of the Coronavirus pandemic continue to evolve and are dependent on future developments, the impact of the Coronavirus on the City's operations and financial results are uncertain at this time.

NOTE 16: SUBSEQUENT EVENTS

The City evaluated its December 31, 2021 financial statements for subsequent events through January 16, 2023, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GREENSBURG
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED
DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,901,035	\$ 6,901,035	\$ 7,897,976	\$ 996,941
Licenses and Permits	329,050	329,050	311,880	(17,170)
Fines and Forfeits	271,462	271,462	333,815	62,353
Charges for Service	1,225,619	1,225,619	1,365,472	139,853
Intergovernmental Revenue	653,150	653,150	1,308,965	655,815
Interest, Rent, and Earnings on Investments	3,400	3,400	4,305	905
Contributions	-	-	174,077	174,077
Miscellaneous	230,205	230,205	613,045	382,840
Total Revenues	<u>9,613,921</u>	<u>9,613,921</u>	<u>12,009,535</u>	<u>2,395,614</u>
Expenditures:				
Department of Public Affairs and Safety	4,870,467	4,870,467	5,644,404	773,937
Department of Accounts and Finance	3,383,349	3,383,349	2,400,566	(982,783)
Department of Administrative Development	1,266,920	1,266,920	1,141,232	(125,688)
Department of Public Works	920,591	920,591	1,299,057	378,466
Department of Parks and Recreation	1,405,965	1,405,965	1,487,434	81,469
Total Expenditures	<u>11,847,292</u>	<u>11,847,292</u>	<u>11,972,693</u>	<u>125,401</u>
Excess of Revenue Over Expenditures	(2,233,371)	(2,233,371)	36,842	2,270,213
Other Financing Sources (Uses):				
Transfers In	1,200,000	1,200,000	1,201,897	1,897
Proceeds from Sale of Fixed Assets	2,000	2,000	20,429	18,429
Total Other Financing Sources (Uses)	<u>1,202,000</u>	<u>1,202,000</u>	<u>1,222,326</u>	<u>20,326</u>
Net Change in Fund Balances	(1,031,371)	(1,031,371)	1,259,168	2,290,539
Fund Balance - December 31, 2020 as Restated (See Note 14)	<u>1,969,966</u>	<u>1,969,966</u>	<u>1,969,966</u>	-
Fund Balance -December 31, 2021	<u>\$ 938,595</u>	<u>\$ 938,595</u>	<u>\$ 3,229,134</u>	<u>\$ 2,290,539</u>

CITY OF GREENSBURG
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED
DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 739,427	\$ 739,427	\$ 740,342	\$ 915
Interest, Rent, and Earnings on Investments	-	-	113	113
Total Revenues	<u>739,427</u>	<u>739,427</u>	<u>740,455</u>	<u>1,028</u>
Debt Service:				
Principal	295,000	295,000	295,000	-
Interest	<u>118,503</u>	<u>118,503</u>	<u>102,131</u>	<u>(16,372)</u>
Total Debt Service	<u>413,503</u>	<u>413,503</u>	<u>397,131</u>	<u>(16,372)</u>
Total Expenditures	<u>413,503</u>	<u>413,503</u>	<u>397,131</u>	<u>(16,372)</u>
Excess of Revenue Over Expenditures	325,924	325,924	343,324	17,400
Fund Balance - December 31, 2020	<u>196,121</u>	<u>196,121</u>	<u>196,121</u>	-
Fund Balance -December 31, 2021	<u>\$ 522,045</u>	<u>\$ 522,045</u>	<u>\$ 539,445</u>	<u>\$ 17,400</u>

CITY OF GREENSBURG
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - RETIREES' HEALTH PLAN
LAST 10 YEARS
DECEMBER 31, 2021

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability				
Service Cost	\$ 306,426	\$ 314,853	\$ 351,865	\$ 361,545
Interest	196,674	203,809	203,737	210,247
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	(66,725)	-
Changes of assumptions or other inputs	-	-	363,375	-
Benefit payments	<u>(272,552)</u>	<u>(311,750)</u>	<u>(352,616)</u>	<u>(343,876)</u>
Net change in OPEB liability	230,548	206,912	499,636	227,916
Total OPEB liability - beginning	<u>5,880,265</u>	<u>6,110,813</u>	<u>6,317,725</u>	<u>6,817,361</u>
Total OPEB liability - ending	<u>\$ 6,110,813</u>	<u>\$ 6,317,725</u>	<u>\$ 6,817,361</u>	<u>\$ 7,045,277</u>
Covered payroll	<u>\$ 5,170,397</u>	<u>\$ 5,117,692</u>	<u>\$ 4,864,526</u>	<u>\$ 5,553,276</u>
City's total OPEB liability as a percentage of covered payroll	<u>118.19%</u>	<u>123.45%</u>	<u>140.14%</u>	<u>126.87%</u>

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively.
This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

CITY OF GREENSBURG
SCHEDULE OF CITY'S OPEB CONTRIBUTIONS
LAST 10 YEARS
DECEMBER 31, 2021

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually determined contributions	\$ 272,552	\$ 311,750	\$ 352,616	\$ 343,876
Contributions in relation to the contractually determined contribution	\$ 272,552	\$ 311,750	\$ 352,616	\$ 343,876
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,170,397	\$ 5,117,692	\$ 4,864,526	\$ 5,553,276
Contributions as a percentage of covered payroll	5.271%	6.092%	7.249%	6.192%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively.

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

CITY OF GRENSBURG
SCHEDULE OF THE CITY'S CONTRIBUTIONS
Police Pension Plan
Last 10 Fiscal Years*
DECEMBER 31, 2021

	2014	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 1,033,596	\$ 1,207,880	\$ 1,095,987	\$ 1,042,775	\$ 940,430	\$ 1,297,258	\$ 1,095,616	\$ 918,632
Contributions in relation to the contractually required contribution	1,033,746	1,208,030	1,095,987	1,042,775	940,430	1,297,258	1,095,616	918,632
Contribution deficiency (excess)	<u>\$ (150)</u>	<u>\$ (150)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 2,536,533	\$ 2,381,538	\$ 2,408,966	\$ 2,599,916	\$ 2,712,168	\$ 2,699,752	\$ 2,600,351	\$ 2,979,472
Contributions as a percentage of covered-employee payroll	40.75%	50.72%	45.50%	40.11%	34.67%	48.05%	42.13%	30.83%

* The amounts presented for each fiscal year were determined as of 12/31

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

CITY OF GREENSBURG
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Police Pension Plan
Last 10 Fiscal Years*
(Dollar amounts in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	\$ 381,942	\$ 445,318	\$ 401,747	\$ 526,255	\$ 551,252	\$ 589,933	\$ 617,955	\$ 600,748
Interest	1,563,561	1,540,737	1,589,483	1,706,559	1,768,432	1,782,911	1,852,051	1,843,233
Changes in Benefit Terms	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(615,009)	-	586,793	-	(755,559)	-	(899,593)
Changes in Assumptions	-	668,343	-	1,068,656	-	-	-	749,463
Benefit Payments, Including Refunds of Employee Contributions	(976,940)	(1,152,199)	(1,438,059)	(1,411,732)	(1,396,803)	(1,409,598)	(1,486,174)	(1,546,577)
Net Change in Total Pension Liability	968,563	887,190	553,171	2,476,531	922,881	207,687	983,832	747,274
Total Pension Liability - Beginning	19,641,636	20,610,199	21,497,389	22,050,560	24,527,091	25,449,972	25,657,659	26,641,491
Total Pension Liability - Ending	\$ 20,610,199	\$ 21,497,389	\$ 22,050,560	\$ 24,527,091	\$ 25,449,972	\$ 25,657,659	\$ 26,641,491	\$ 27,388,765
Plan Fiduciary Net Position								
Contributions - Employer	\$ 1,033,746	\$ 1,208,030	\$ 1,095,987	\$ 1,042,775	\$ 940,430	\$ 1,297,258	\$ 1,095,616	\$ 918,632
Contributions - PMRS Assessment	-	-	-	-	-	-	-	-
Contributions - Employee	107,749	109,813	103,690	112,690	117,742	120,457	118,293	126,602
Net Investment Income	1,146,823	(154,968)	1,257,193	3,050,175	(1,167,061)	4,187,504	4,148,652	3,768,867
Benefit Payments, Including Refunds of Employee Contributions	(976,940)	(1,152,199)	(1,438,059)	(1,411,732)	(1,396,803)	(1,409,598)	(1,486,174)	(1,546,577)
Administrative Expense	(91,717)	(86,829)	(74,266)	(101,758)	(102,244)	(96,586)	(113,681)	(123,670)
Other	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	1,219,661	(76,153)	944,545	2,692,150	(1,607,936)	4,099,035	3,762,706	3,143,854
Plan Fiduciary Net Position - Beginning	17,137,502	18,357,163	18,281,010	19,225,555	21,917,705	20,309,769	24,408,804	28,171,510
Plan Fiduciary Net Position - Ending	18,357,163	18,281,010	19,225,555	21,917,705	20,309,769	24,408,804	28,171,510	31,315,364
Net Pension Liability	\$ 2,253,036	\$ 3,216,379	\$ 2,825,005	\$ 2,609,386	\$ 5,140,203	\$ 1,248,855	\$ (1,530,019)	\$ (3,926,599)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.07%	85.04%	87.19%	89.36%	79.80%	95.13%	105.74%	114.34%
Covered-Employee Payroll	\$ 2,536,533	\$ 2,381,538	\$ 2,408,966	\$ 2,599,916	\$ 2,712,168	\$ 2,699,752	\$ 2,600,351	\$ 2,979,472
Net Pension Liability as a Percentage of Covered-Employee Payroll	88.82%	135.05%	117.27%	100.36%	189.52%	46.26%	-58.84%	-131.79%

* The amounts presented for each fiscal year were determined as of 12/31

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

CITY OF GRENSBURG
SCHEDULE OF THE CITY'S CONTRIBUTIONS
Non-Uniform Pension Plan
Last 10 Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 124,414	\$ 174,683	\$ 176,784	\$ 199,224	\$ 201,404	\$ 252,337	\$ 257,335
Contributions in relation to the contractually required contribution	124,414	174,683	176,784	199,224	201,404	252,337	257,335
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 2,386,279	\$ 2,306,889	\$ 2,328,354	\$ 2,362,222	\$ 2,458,229	\$ 2,417,940	\$ 2,264,175
Contributions as a percentage of covered-employee payroll	5.21%	7.57%	7.59%	8.43%	8.19%	10.44%	11.37%

* The amounts presented for each fiscal year were determined as of 12/31

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

CITY OF GREENSBURG
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Non-Uniform Pension Plan
Last 10 Fiscal Years*
(Dollar amounts in thousands)

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 236,891	\$ 236,942	\$ 206,393	\$ 223,587	\$ 232,674
Interest	620,163	636,773	660,801	674,107	694,860
Changes in Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	(67,092)	-	74,768	-	154,651
Changes in Assumptions	-	120,729	341,666	-	-
Benefit Payments, Including Refunds of Employee Contributions	(391,672)	(586,987)	(465,410)	(485,073)	(538,586)
Net Change in Total Pension Liability	398,290	407,457	818,218	412,621	543,599
Total Pension Liability - Beginning	11,232,023	11,630,313	12,037,770	12,855,988	13,268,609
Total Pension Liability - Ending	\$ 11,630,313	\$ 12,037,770	\$ 12,855,988	\$ 13,268,609	\$ 13,812,208
Plan Fiduciary Net Position					
Contributions - Employer	\$ 124,414	\$ 172,943	\$ 174,964	\$ 197,424	\$ 199,604
Contributions - PMRS Assessment	-	1,740	1,820	1,800	1,800
Contributions - Employee	78,848	80,741	81,493	82,677	86,037
PMRS Investment Income	581,598	600,105	627,678	616,085	631,415
Market Value Investment Income	(106,040)	(657,853)	196,916	1,335,349	(1,200,970)
Benefit Payments, Including Refunds of Employee Contributions	(391,672)	(586,987)	(465,410)	(485,073)	(538,586)
Administrative Expense	(1,760)	(1,740)	(1,720)	(1,700)	(1,740)
Other	(22,304)	(25,017)	(30,751)	(28,333)	(28,177)
Net Change in Plan Fiduciary Net Position	263,084	(416,068)	584,990	1,718,229	(850,617)
Plan Fiduciary Net Position - Beginning	10,831,251	11,094,335	10,678,267	11,263,257	12,981,486
Plan Fiduciary Net Position - Ending	\$ 11,094,335	\$ 10,678,267	\$ 11,263,257	\$ 12,981,486	\$ 12,130,869
Net Pension Liability - Ending	\$ 535,978	\$ 1,359,503	\$ 1,592,731	\$ 287,123	\$ 1,681,339
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.39%	88.71%	87.61%	97.84%	87.83%
Covered-Employee Payroll	\$ 2,386,279	\$ 2,306,889	\$ 2,328,354	\$ 2,362,222	\$ 2,458,229
Net Pension Liability as a Percentage of Covered-Employee Payroll	22.46%	58.93%	68.41%	12.15%	68.40%

* The amounts presented for each fiscal year were determined as of 12/31

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

SUPPLEMENTARY INFORMATION

CITY OF GREENSBURG
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	Special Revenue Funds						
	Armstrong Fund	Grant Fund	Motor Tax Fund	Greensburg Community Days Fund	St. Clair Park Concert Series Fund	Community Development Fund	Library Fund
Assets							
Cash and Cash Equivalents	\$ -	\$ -	\$ 225,044	\$ 46,790	\$ -	\$ -	\$ 4,221
Taxes Receivable (Net)	-	-	-	-	-	-	5,766
Due From Other Funds	-	-	1,511	875	-	6,195	5,764
Prepaid Expenses	-	-	-	-	-	-	-
Total Assets	-	-	226,555	47,665	-	6,195	11,530
Liabilities							
Accounts Payable	-	2,729	4,624	-	-	2,434	-
Due to Other Funds	-	-	-	-	-	-	-
Total Liabilities	-	2,729	4,624	-	-	2,434	-
Deferred Inflows of Resources							
Unavailable Revenue-Property Taxes	-	-	-	-	-	-	2,670
Total Deferred Inflows of Resources	-	-	-	-	-	-	2,670
Fund Balance							
Nonspendable Fund Balance	-	-	-	-	-	-	-
Restricted Fund Balance							
Liquid Fuels	-	-	221,931	-	-	-	-
Library Fund	-	-	-	-	-	-	8,860
Lottery Fund	-	-	-	-	-	1,012	-
Community Development	-	-	-	-	-	3,761	-
Committed							
Community Event	-	-	-	47,665	-	-	-
Capital Projects	-	-	-	-	-	-	-
Unassigned Fund Balance	-	(2,729)	-	-	-	-	-
Total Fund Balances	-	(2,729)	221,931	47,665	-	3,761	8,860
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ -	\$ 226,555	\$ 47,665	\$ -	\$ 6,195	\$ 11,530

CITY OF GREENSBURG
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(CONTINUED)

	Capital Projects Funds									Total Other Governmental Funds
	Police Equipment Fund	Fire Department Capital Equipment Fund	Hutchinson Garage Reserve Fund	2005 General Obligation Note Fund	2013 General Obligation Note Fund	2016 General Obligation Bond Fund	2017 General Obligation Bond Fund	2020 General Obligation Bond Fund	DPW Insurance Proceeds Fund	
Assets										
Cash and Cash Equivalents	\$ 136,824	\$ 373,336	\$ 60,671	\$ 617,281	\$ -	\$ 324,258	\$ 5,724	\$ 2,460	\$ 355,264	\$ 2,151,873
Taxes Receivable (Net)	-	-	-	-	-	-	-	-	-	5,766
Due (To) From Other Funds	-	71,235	-	-	2,061	685	833	-	-	89,159
Prepaid Expenses	-	-	-	-	-	-	-	-	6,000	6,000
Total Assets	<u>136,824</u>	<u>444,571</u>	<u>60,671</u>	<u>617,281</u>	<u>2,061</u>	<u>324,943</u>	<u>6,557</u>	<u>2,460</u>	<u>361,264</u>	<u>2,252,798</u>
Liabilities										
Accounts Payable	-	-	-	-	-	-	5,000	-	93,900	111,896
Due to Other Funds	-	-	-	71,235	-	-	-	-	8,461	79,696
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,235</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>102,361</u>	<u>191,592</u>
Deferred Inflows of Resources										
Unavailable Revenue-Property Taxes	-	-	-	-	-	-	-	-	-	2,670
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,670</u>
Fund Balance										
Nonspendable Fund Balance	-	-	-	-	-	-	-	-	6,000	6,000
Restricted Fund Balance										
Liquid Fuels	-	-	-	-	-	-	-	-	-	221,931
Library Fund	-	-	-	-	-	-	-	-	-	8,860
Lottery Fund	-	-	-	-	-	-	-	-	-	1,012
Community Development	-	-	-	-	-	-	-	-	-	3,761
Committed										
Community Event	-	-	-	-	-	-	-	-	-	47,665
Capital Projects	136,824	444,571	60,671	546,046	2,061	324,943	1,557	2,460	252,903	1,772,036
Unassigned Fund Balance	-	-	-	-	-	-	-	-	-	(2,729)
Total Fund Balances	<u>136,824</u>	<u>444,571</u>	<u>60,671</u>	<u>546,046</u>	<u>2,061</u>	<u>324,943</u>	<u>1,557</u>	<u>2,460</u>	<u>258,903</u>	<u>2,058,536</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 136,824</u>	<u>\$ 444,571</u>	<u>\$ 60,671</u>	<u>\$ 617,281</u>	<u>\$ 2,061</u>	<u>\$ 324,943</u>	<u>\$ 6,557</u>	<u>\$ 2,460</u>	<u>\$ 361,264</u>	<u>\$ 2,252,798</u>

CITY OF GREENSBURG
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED
DECEMBER 31, 2021

	Special Revenue Funds						
	Armstrong Fund	Grant Fund	Motor Tax Fund	Greensburg Community Days Fund	St. Clair Park Concert Series Fund	Community Development Fund	Library Fund
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,692
Licenses and Permits	-	-	-	-	-	-	-
Charges for Service	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	415,125	-	-	208,507	-
Interest, Rent, and Earnings on Investments	-	-	64	9	-	-	1
Miscellaneous	-	-	140,792	650	-	-	990
Total Revenues	-	-	555,981	659	-	208,507	124,692
Expenditures:							
Department of Public Affairs and Safety	-	2,729	-	-	-	-	-
Department of Administrative Development	-	-	119,120	-	-	-	-
Department of Public Works	-	-	655,001	-	-	15,927	-
Department of Parks and Recreation	-	-	-	-	1,594	-	124,564
Capital Outlay	-	-	-	-	-	162,864	-
Total Current Expenditures	-	2,729	774,121	-	1,594	178,791	124,564
Excess (Deficit) of Revenue Over Expenditures	-	(2,729)	(218,140)	659	(1,594)	29,716	128
Other Financing Sources (Uses):							
Transfers In	-	-	-	4,436	-	-	-
Proceeds from Sale of Fixed Assets	-	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	4,436	-	-	-
Net Change in Fund Balances	-	(2,729)	(218,140)	5,095	(1,594)	29,716	128
Fund Balance - December 31, 2020 as Restated (See Note 14)	-	-	440,071	42,570	1,594	(25,955)	8,732
Fund Balance - December 31, 2021	\$ -	\$ (2,729)	\$ 221,931	\$ 47,665	\$ -	\$ 3,761	\$ 8,860

	Capital Projects Funds									Total Other Governmental Funds
	Police Equipment Fund	Fire Department Capital Equipment Fund	Hutchinson Garage Reserve Fund	2005 General Obligation Note Fund	2013 General Obligation Note Fund	2016 General Obligation Bond Fund	2017 General Obligation Bond Fund	2020 General Obligation Bond Fund	DPW Insurance Proceeds Fund	
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,692
Licenses and Permits	17,100	-	-	-	-	-	-	-	-	17,100
Charges for Service	175	-	-	-	-	-	-	-	-	175
Intergovernmental Revenue	20,000	-	-	-	-	-	-	-	-	643,632
Interest, Rent, and Earnings on Investments	19	76	8	124	-	-	12	-	57	370
Miscellaneous	84,782	-	-	-	-	-	-	-	-	227,214
Total Revenues	122,076	76	8	124	-	-	12	-	57	1,013,183
Expenditures:										
Department of Public Affairs and Safety	26,300	-	-	-	-	-	-	-	-	29,029
Department of Administrative Development	-	-	-	-	-	-	-	-	-	119,120
Department of Public Works	-	-	7,275	-	-	-	-	-	83,745	761,948
Department of Parks and Recreation	-	-	-	-	-	32,390	5,000	-	-	163,548
Capital Outlay	59,848	18,053	-	5,461	-	-	93,665	-	1,194,784	1,534,675
Total Expenditures	86,148	18,053	7,275	5,461	-	32,390	98,665	-	1,278,529	2,608,320
Excess (Deficit) of Revenue Over Expenditures	35,928	(17,977)	(7,267)	(5,337)	-	(32,390)	(98,653)	-	(1,278,472)	(1,595,137)
Other Financing Sources (Uses):										
Transfers In	6,653	33,266	7,582	-	-	-	-	-	-	51,937
Proceeds from Sale of Fixed Assets	103	-	-	-	-	-	-	-	-	103
Other Financing Sources	-	-	-	-	-	-	-	-	1,252,792	1,252,792
Total Other Financing Sources (Uses)	6,756	33,266	7,582	-	-	-	-	-	1,252,792	1,304,832
Net Change in Fund Balances	42,684	15,289	315	(5,337)	-	(32,390)	(98,653)	-	(25,680)	(290,305)
Fund Balance - December 31, 2020 as Restated (See Note 14)	94,140	429,282	60,356	551,383	2,061	357,333	100,210	2,460	284,583	2,348,841
Fund Balance - December 31, 2021	\$ 136,824	\$ 444,571	\$ 60,671	\$ 546,046	\$ 2,061	\$ 324,943	\$ 1,557	\$ 2,460	\$ 258,903	\$ 2,058,536

CITY OF GREENSBURG
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED
 DECEMBER 31, 2021

Special Revenue Funds					
	Motor Tax Fund			Greensburg Community Days Fund	
	Budget	Actual (Budgetary Basis)	Variance with Budget	Budget	Actual (Budgetary Basis) Variance with Budget
Revenues:					
Charges for Service	\$ -	\$ -	\$ -	\$ 70,900	\$ - \$ (70,900)
Intergovernmental Revenue	402,958	415,125	12,167	-	- -
Interest, Rent, and Earnings on Investments	1,000	64	(936)	200	9 (191)
Miscellaneous	-	140,792	140,792	2,000	650 (1,350)
Total Revenues	<u>403,958</u>	<u>555,981</u>	<u>152,023</u>	<u>73,100</u>	<u>659 (72,441)</u>
Expenditures:					
Department of Administrative Development	113,224	113,224	-	-	- -
Department of Public Works	655,001	655,001	-	-	- -
Department of Parks and Recreation	-	-	-	80,100	- 80,100
Total Current Expenditures	<u>768,225</u>	<u>768,225</u>	<u>-</u>	<u>80,100</u>	<u>- 80,100</u>
Other Financing Sources (Uses):					
Interfund Transfers	-	-	-	-	4,436 (4,436)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,436 (4,436)</u>
Net Change in Fund Balances	<u>\$ (364,267)</u>	<u>\$ (212,244)</u>	<u>\$ 152,023</u>	<u>\$ (7,000)</u>	<u>\$ 5,095 \$ 3,223</u>

CITY OF GREENSBURG
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2021
 (CONTINUED)

	Special Revenue Funds (Continued)					
	St. Clair Park Concert Series Fund			Community Development Fund		
	Budget	Actual (Budgetary Basis)	Variance with Budget	Budget	Actual (Budgetary Basis)	Variance with Budget
Revenues:						
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ 208,507	\$ 208,507
Interest, Rent, and Earnings on Investments	-	-	-	837,393	-	(837,393)
Total Revenues	-	-	-	837,393	208,507	(628,886)
Expenditures:						
Department of Public Works	-	-	-	747,393	15,927	731,466
Department of Parks and Recreation	-	1,594	(1,594)	-	-	-
Capital Outlay	-	-	-	90,000	162,864	(72,864)
Total Current Expenditures	-	1,594	(1,594)	837,393	178,791	658,602
Net Change in Fund Balances	\$ -	\$ (1,594)	\$ (1,594)	\$ -	\$ 29,716	\$ 29,716

CITY OF GREENSBURG
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2021
 (CONTINUED)

Special Revenue Funds (Continued)					
	Lottery Fund			Library Fund	
	Budget	Actual (Budgetary Basis)	Variance with Budget	Budget	Variance with Budget
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ 121,121	\$ 124,692
Interest, Rent, and Earnings on Investments	-	1	1	-	-
Miscellaneous	5,000	990	(4,010)	-	-
Total Revenues	5,000	991	(4,009)	121,121	124,692
Expenditures:					
Department of Parks and Recreation	4,750	-	4,750	123,121	124,564
Total Current Expenditures	4,750	-	4,750	123,121	124,564
Net Change in Fund Balances	\$ 250	\$ 991	\$ 741	\$ (2,000)	\$ 128

CITY OF GREENSBURG
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2021
 (CONTINUED)

Capital Projects Funds						
	Police Equipment Fund			Fire Department Equipment Fund		
	Budget	Actual (Budgetary Basis)	Variance with Budget	Budget	Actual (Budgetary Basis)	Variance with Budget
Revenues:						
Licenses and Permits	\$ 17,450	\$ 17,100	\$ (350)	\$ -	\$ -	\$ -
Charges for Service	50	175	125	-	-	-
Intergovernmental Revenue	-	20,000	20,000	-	-	-
Interest, Rent, and Earnings on Investments	15	19	4	-	76	76
Miscellaneous	250	84,782	84,532	-	-	-
Total Revenues	<u>17,765</u>	<u>122,076</u>	<u>104,311</u>	<u>-</u>	<u>76</u>	<u>76</u>
Expenditures:						
Department of Public Affairs and Safety	-	26,300	(26,300)	-	-	-
Capital Outlay	66,835	59,848	6,987	18,053	15,497	2,556
Total Expenditures	<u>66,835</u>	<u>86,148</u>	<u>(19,313)</u>	<u>18,053</u>	<u>15,497</u>	<u>2,556</u>
Other Financing Sources (Uses):						
Interfund Transfers	25,000	6,653	(18,347)	32,185	33,266	1,081
Proceeds from Sale of Assets	-	103	103	-	-	-
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>6,756</u>	<u>(18,244)</u>	<u>32,185</u>	<u>33,266</u>	<u>1,081</u>
Net Change in Fund Balances	<u>\$ (24,070)</u>	<u>\$ 42,684</u>	<u>\$ 66,754</u>	<u>\$ 14,132</u>	<u>\$ 17,845</u>	<u>\$ 3,713</u>

CITY OF GREENSBURG
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2021
 (CONTINUED)

Capital Projects Funds (Continued)					
	Hutchinson Garage Reserve Fund			2005 General Obligation Note Fund	
	Budget	Actual (Budgetary Basis)	Variance with Budget	Budget	Actual (Budgetary Basis) Variance with Budget
Revenues:					
Interest, Rent, and Earnings on Investments	\$ -	\$ 8	\$ 8	\$ 123	\$ 124 \$ 1
Total Revenues	-	8	8	123	124 1
Expenditures:					
Department of Public Works	-	7,275	(7,275)	-	- -
Capital Outlay	-	-	-	200,000	5,461 194,539
Total Expenditures	-	7,275	(7,275)	200,000	5,461 194,539
Other Financing Sources (Uses):					
Interfund Transfers	-	7,582	7,582	-	- -
Total Other Financing Sources (Uses)	-	7,582	7,582	-	- -
Net Change in Fund Balances	\$ -	\$ 315	\$ 315	\$ (199,877)	\$ (5,337) \$ 194,540

CITY OF GREENSBURG
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2021
 (CONTINUED)

Capital Projects Funds (Continued)						
	2016 General Obligation Bond Fund			2017 General Obligation Bond Fund		
	Budget	Actual (Budgetary Basis)	Variance with Budget	Budget	Actual (Budgetary Basis)	Variance with Budget
Revenues:						
Interest, Rent, and Earnings on Investments	\$ -	\$ -	\$ -	\$ 15	\$ 12	\$ (3)
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>12</u>	<u>(3)</u>
Expenditures:						
Department of Parks and Recreation	-	32,390	(32,390)	-	5,000	(5,000)
Capital Outlay	200,000	-	200,000	108,272	93,665	14,607
Total Expenditures	<u>200,000</u>	<u>32,390</u>	<u>167,610</u>	<u>108,272</u>	<u>98,665</u>	<u>9,607</u>
Net Change in Fund Balances	<u>\$ (200,000)</u>	<u>\$ (32,390)</u>	<u>\$ 167,610</u>	<u>\$ (108,257)</u>	<u>\$ (98,653)</u>	<u>\$ 9,604</u>



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

Members of City Council
City of Greensburg, Pennsylvania

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greensburg as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Greensburg's basic financial statements, and have issued our report thereon dated January 16, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Greensburg's internal control over financial reporting (internal control) as a basis for designing 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 City of Greensburg's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Greensburg'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001, 2021-002, and 2021-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Greensburg's financial statements are free from 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 financial statements. 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*.



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City of Greensburg's Response to Findings

The City of Greensburg's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City of Greensburg's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Zelenkofske Axelrod LLC

ZELENKOFKSKE AXELROD LLC
January 16, 2023

CITY OF GREENSBURG
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2021

2021-01 – Prior Year Audit Entries Not Posted (Material Weakness – Operating and Control Deficiency)

Criteria: Proper controls over financial reporting includes the timely and accurate posting of auditor proposed journal entries to the accounting system to provide reliable financial reporting to those charged with governance.

Condition: The prior year audit adjusting entries, and reversing entries, were not posted to the city's accounting system prior to the start of the audit.

Cause: Based on our conversation with city personnel, it was determined that the city does not post these adjustments to the accounting system.

Effect or Potential Effect: The correction by management of all misstatements, enables management to maintain accurate accounting records and reduces the risks of material misstatement of future financial statements due to the cumulative effects of prior audit adjustments. In the current year, additional audit time was spent identifying the prior year audit adjustments, the purposes for the entries, and the effect on the current audit.

Recommendations: We recommend that all adjustments that are proposed and approved recorded for the audit are posted to the city records to better reflect the results of operations.

Management Response:

Management agrees with this finding.

2021-02 – Lack of Timely Recording of Transactions and Account Reconciliations (Material Weakness – Operating and Control Deficiency)

Criteria: Proper controls over financial reporting should include steps to ensure that all required transactions are recorded timely and that all asset and liability accounts are timely reconciled throughout the year.

Condition: During our audit, management provided the supporting schedules and backup for multiple adjustments which were required to record the current year accounts receivable and payable, taxes receivable, deferred revenues, and with regards to the business-type activities, fixed assets. In addition, the related reconciliations of these accounts were not prepared prior to the start of the audit.

Cause: Based on our conversation with city personnel, it was determined that the city does not post these adjustments during the year.

Effect or Potential Effect: The effect of not recording these transactions was additional audit time to be spent posting entries which should have been completed. In conjunction with the items noted in finding 2021-01 the effect was that the accounting records for the city were not accurate during 2021.

CITY OF GREENSBURG
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2021
CONTINUED

Recommendations: We recommend that all adjustments that are required to be recorded for reporting purposes are posted to the city records in a timely manner to better reflect the results of operations prior to commencement of the audit. Also, key balance sheet accounts, such as accounts receivable and payable, should be periodically reconciled to identify any issues that can be resolved in a timely manner.

Management Response:

Management agrees with this finding.

2021-03 – Prior Period Adjustments (Material Weakness – Operating and Control Deficiency)

Criteria: Proper controls over financial reporting should include that all material transactions are reflected in the financial statements.

Condition: During our audit we discovered the following items:

- No provisions for deferred outflows or inflows related to the city's Other Post Employment Benefit plan. The plan report for the year disclosed these balances.
- No provisions for Pensions were noted in the business-type activities of the city. Per discussion, we noted that employees in these funds are eligible for these benefits
- The 2020 Series B bond issue was used to advance refund the 2017 Bonds. The funds were deposited with a bank for the purpose of paying the bond principal and interest as it came due. Since the funds were deposited to a trustee for this purpose both the cash account and the bonds should not have been included in the city's financial statements.

Cause: The items noted under condition were not identified and reported in the prior year financial statements and the internal controls over reporting did not detect these deficiencies.

Effect or Potential Effect: The governmental funds financial statements cash and fund balance were overstated by \$4,032,260 which was the cash balance in the cash account at the end of the prior year. The net position for the governmental activities on the citywide statements were overstated in the prior year by approximately \$297,000. The net position for the business-type activities were overstated by approximately \$39,000.

Recommendations: We recommend that management and council review the financial statements prior to issuance and discuss any issues and concerns that arise prior to issuing the report. Financial statements are the responsibility of the city.

Management Response:

Management agrees with this finding.