

CITY OF GREENSBURG

General Purpose
Financial Statements

December 31, 2020

CITY OF GREENSBURG

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Independent Auditor's Report

To: City Council
City of Greensburg, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and fiduciary funds of the City of Greensburg (City), Pennsylvania, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

(continued)

Independent Auditor's Report

(continued)

Basis for Qualified Opinion

The Pennsylvania Municipal Retirement System has not issued the most recent GASB pension report, therefore, the information related to pensions included in this financial statement is that of the December 31, 2019 year end. This impacts deferred inflows, deferred outflows and pension expense on the face of the financial statement as well as pension information disclosed in the footnotes of the financial statement and required supplementary information. Accounting principles generally accepted in the United States of America require that pension information be displayed for the current year of audit. The amount by which this departure would affect the assets, liabilities and expenses has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and fiduciary funds of the City of Greensburg, as of December 31, 2020, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and fiduciary funds of the City, other than noted above, as of December 31, 2020, and the respective changes in financial position, the respective budgetary comparisons for the General, 2020 General Obligation Note Fund and Debt Funds and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the pension and other post-employment benefits information on pages 4-10 and 57-61, respectfully, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Independent Auditor's Report

(continued)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining balance sheet and statement of revenues, expenditures, and changes in fund balance – other governmental funds and individual budgetary comparisons of other governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining balance sheet and statement of revenues, expenditures, and changes in fund balance – other governmental funds and individual budgetary comparisons of other governmental funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The combining balance sheet, statement of revenues, expenditures and changes in fund balance – other governmental funds, and individual budgetary comparisons of other governmental funds have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2021, on our consideration of the City'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 the City's 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 the City's internal control over financial reporting and compliance.

Singer Accounting, PC

Singer Accounting, PC
Ligonier, Pennsylvania
September 13, 2021

CITY OF GREENSBURG
Management's Discussion and Analysis
Year Ended December 31, 2020

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, 2020. 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, 2020.

FINANCIAL HIGHLIGHTS

- The City's net position, as presented, was \$17,089,416 at December 31, 2020, an increase of \$1,119,620 from 2019.
- At the end of the current year, the City had total bonds and notes outstanding of \$10,175,000.
- Revenues of the City's governmental funds based upon the fund financial statements were \$13,413,874. Expenditures amounted to \$11,282,415.
- Operating revenues of the City's business-type activities were \$1,395,611 for 2020 and operating expenses amounted to \$1,028,604.
- The real estate tax millage rate was 26.05 mills for 2020 and 2019.

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.

CITY OF GREENSBURG
Management's Discussion and Analysis
Year Ended December 31, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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.

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 18 governmental funds during 2020. 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 Fund and the 2020 General Obligation Bond Fund which are reported as major funds. The other governmental funds are the Armstrong Fund, the 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 2020 General Obligation Note Fund, Police Equipment Fund, Fire Department Capital Equipment Fund, Hutchinson Garage Reserve Fund, the 2013 General Obligation Note 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 20 through 22 of this report.

CITY OF GREENSBURG
Management's Discussion and Analysis
Year Ended December 31, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fiduciary Funds - *Fiduciary funds* are used to account for assets held in a trustee capacity. The City's fiduciary funds consist of two agency 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 23 and 24 of this report.

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 25 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 57 through 61 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 62 through 71 of this report.

CITY OF GREENSBURG
Management's Discussion and Analysis
Year Ended December 31, 2020

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 \$17,089,416 at the close of the year.

A condensed summary of the City's net position at December 31, 2020 and 2019 is as follows.

	<u>2020</u>	<u>2019</u>	<u>Variance</u>
Assets			
Current assets	\$ 10,616,578	\$ 5,624,712	\$ 4,991,866
Other non-current assets	23,279	38,839	(15,560)
Capital assets, net	<u>26,510,037</u>	<u>27,721,887</u>	<u>(1,211,850)</u>
Total Assets	37,149,894	33,385,438	3,764,456
Deferred Outflows of Resources	2,381,140	3,057,870	(676,730)
Liabilities			
Current liabilities	1,547,335	1,655,678	(108,343)
Non-current liabilities	<u>16,521,857</u>	<u>15,430,350</u>	<u>1,091,507</u>
Total Liabilities	18,069,192	17,086,028	983,164
Deferred Inflows of Resources	<u>4,372,426</u>	<u>3,485,494</u>	<u>886,932</u>
Net Position			
Net investment in capital assets	16,011,569	20,823,257	(4,811,688)
Restricted	5,553,673	1,837,561	3,716,112
Unrestricted	<u>(4,475,826)</u>	<u>(6,789,032)</u>	<u>2,313,206</u>
Total Net Position	<u>\$ 17,089,416</u>	<u>\$ 15,871,786</u>	<u>\$ 1,217,630</u>

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.

CITY OF GREENSBURG
Management's Discussion and Analysis
Year Ended December 31, 2020

FINANCIAL ANALYSIS OF THE CITY (continued)

A condensed summary of the City's change in net position for the years ended December 31, 2020 and 2019 for all funds is as follows:

	Governmental		Business-type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Program revenues						
Charges for services	\$ 1,358,670	\$ 1,660,180	\$ 1,395,611	\$ 1,887,958	\$ 2,754,281	\$ 3,548,138
Operating grant contributions	1,217,644	1,300,283	-	-	1,217,644	1,300,283
Capital grants and contributions	67,661	285,649	-	-	67,661	285,649
General revenues						
Property taxes	3,306,148	3,201,391	-	-	3,306,148	3,201,391
Earned income tax	3,359,556	3,268,868	-	-	3,359,556	3,268,868
Business privilege tax	425,534	409,840	-	-	425,534	409,840
Local service tax	538,295	571,142	-	-	538,295	571,142
Other taxes	357,650	454,048	-	-	357,650	454,048
Interest, rents, and royalties	11,503	47,936	2,522	12,821	14,025	60,757
Franchise fees	280,058	279,843	-	-	280,058	279,843
Gain (loss) on disposal of fixed assets	(112,860)	(158,478)	-	-	(112,860)	(158,478)
Insurance Proceeds	872,634	-	-	-	872,634	-
Miscellaneous income	349,933	597,679	80	275	350,013	597,954
Internal transfers	1,381,448	1,412,924	(1,381,448)	(1,412,924)	-	-
Total Revenues	<u>13,413,874</u>	<u>13,331,305</u>	<u>16,765</u>	<u>488,130</u>	<u>13,430,639</u>	<u>13,819,435</u>
Program expenses						
Public affairs and safety	4,801,031	6,416,144	-	-	4,801,031	6,416,144
Accounts and finance	1,626,877	1,968,318	-	-	1,626,877	1,968,318
Administrative development	1,376,368	1,382,122	-	-	1,376,368	1,382,122
Public works	1,758,864	1,857,619	-	-	1,758,864	1,857,619
Parks and recreation	1,522,667	1,753,188	-	-	1,522,667	1,753,188
Interest	196,608	169,446	-	-	196,608	169,446
Parking activities	-	-	1,028,604	1,149,724	1,028,604	1,149,724
Total Expenses	<u>11,282,415</u>	<u>13,546,837</u>	<u>1,028,604</u>	<u>1,149,724</u>	<u>12,311,019</u>	<u>14,696,561</u>
Change in Net Position	2,131,459	(215,532)	(1,011,839)	(661,594)	1,119,620	(877,126)
Net Position - Beginning of Year	<u>7,797,771</u>	<u>8,013,303</u>	<u>8,172,025</u>	<u>8,735,609</u>	<u>15,969,796</u>	<u>16,748,912</u>
Net Position - End of Year	<u>\$ 9,929,230</u>	<u>\$ 7,797,771</u>	<u>\$ 7,160,186</u>	<u>\$ 8,074,015</u>	<u>\$ 17,089,416</u>	<u>\$ 15,871,786</u>

CITY OF GREENSBURG
Management's Discussion and Analysis
Year Ended December 31, 2020

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 2020, the City's governmental funds reported combined ending fund balances of \$8,547,188. Of this amount, \$1,645,848 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 \$1,645,848 and the *non-spendable fund balance* of the General Fund was \$324,118.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, actual General Fund revenues increased 7% over budgetary estimates, or by \$672,064; expenditures were less than budgetary estimates by \$1,503,849 or 13%. The City budgeted for the use of \$1,000,000 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 17 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 \$10,175,000 (not inclusive of capital leases). The total outstanding bonds/notes increased \$3,670,505 during the current year.

A summary of the City's debt (including capital leases and notes payable) activity in 2020 follows:

Beginning balance, January 1, 2020	\$	6,898,629
Additions		6,233,907
Repayments and amortization of premiums and discounts		<u>(2,634,069)</u>
Ending balance, December 31, 2020	\$	<u><u>10,498,467</u></u>

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

CAPITAL ASSETS

At December 31, 2020, the City's Governmental Activities had \$19,932,884 invested in capital assets. The Proprietary Activities had \$6,577,153 invested in capital assets. During 2020, the City purchased total capital assets of \$800,403 and placed prior year construction into progress in service in the amount of \$0.

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

CITY OF GREENSBURG
Management's Discussion and Analysis
Year Ended December 31, 2020

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 COVID-19 pandemic has brought many challenges. The City will receive funds through the American Rescue Plan Act, which will help alleviate some of the lost revenues due to the pandemic. This money will be allocated in accordance with the plan's guidelines.

There is very little vacant commercial land available for new construction. Most future commercial building will be through renovations and rebuilding of existing structures. Construction of a Seton Hill University Center for the Dance and Visual Arts in the downtown area, and a major renovation and addition to the Westmoreland Museum of American Arts have been completed in recent years. While the past year has put some plans on hold due to the pandemic, the City has still achieved business growth through the addition of several new shops and restaurants including a candy/ice cream shop.

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 the drafting of the City's new comprehensive plan.

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, 2020

	Governmental Activities	Business-Type Activities	Total Primary Government
Assets			
Current Assets			
Cash and cash equivalents	\$ 7,750,107	\$ 1,090,349	\$ 8,840,456
Receivables, net			
Taxes	1,273,221	-	1,273,221
Intergovernmental	(38,690)	1,076	(37,614)
Other	208,415	734	209,149
Prepaid expenses	324,118	7,248	331,366
Total Current Assets	9,517,171	1,099,407	10,616,578
Noncurrent Assets			
Restricted escrow assets	23,279	-	23,279
Capital assets, not being depreciated	834,663	946,225	1,780,888
Capital assets, net of accumulated depreciation	19,098,221	5,630,928	24,729,149
Total Noncurrent Assets	19,956,163	6,577,153	26,533,316
Total Assets	29,473,334	7,676,560	37,149,894
Deferred Outflows of Resources - Pensions	2,268,510	-	2,268,510
Deferred Outflows of Resources - Bond refunding	112,630	-	112,630
Liabilities			
Current Liabilities			
Accounts payable	145,978	109,926	255,904
Accrued interest	35,244	-	35,244
Other accrued liabilities	322,916	17,842	340,758
Unearned revenue	-	113,870	113,870
Liabilities payable from restricted assets	23,279	-	23,279
Due within one year	778,280	-	778,280
Total Current Liabilities	1,305,697	241,638	1,547,335
Noncurrent Liabilities			
Other postemployment benefits liability	6,249,899	274,736	6,524,635
Due in more than one year	9,845,902	-	9,845,902
Net pension liability	151,320	-	151,320
Total Noncurrent Liabilities	16,247,121	274,736	16,521,857
Total Liabilities	17,552,818	516,374	18,069,192
Deferred Inflows of Resources	4,372,426	-	4,372,426
Net Position			
Net investment in capital assets	9,434,416	6,577,153	16,011,569
Restricted for			
Liquid fuels	440,071	-	440,071
Emergency assistance	-	-	-
Capital projects	4,756,269	-	4,756,269
Debt service	357,333	-	357,333
Unrestricted	(5,058,859)	583,033	(4,475,826)
Total Net Position	\$ 9,929,230	\$ 7,160,186	\$ 17,089,416

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

CITY OF GREENSBURG
Statement of Activities
Year Ended December 31, 2020

	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 Primary Government
Governmental Activities							
Department of Public Affairs and Safety	\$ 4,801,031	\$ 355,443	\$ 553,809	\$ 67,661	\$ (3,824,118)	\$ -	\$ (3,824,118)
Department of Accounts and Finance	1,626,877	26,664	61,709	-	(1,538,504)	-	(1,538,504)
Department of Administrative Development	1,376,368	79,725	-	-	(1,296,643)	-	(1,296,643)
Department of Public Works	1,758,864	38,400	547,234	-	(1,173,230)	-	(1,173,230)
Department of Parks and Recreation	1,522,667	858,438	54,892	-	(609,337)	-	(609,337)
Interest	196,608	-	-	-	(196,608)	-	(196,608)
Total Governmental Activities	<u>11,282,415</u>	<u>1,358,670</u>	<u>1,217,644</u>	<u>67,661</u>	<u>(8,638,440)</u>	<u>-</u>	<u>(8,638,440)</u>
Business-Type Activities							
Parking revenue fund	736,549	1,181,828	-	-	-	445,279	445,279
Hutchinson Garage fund	292,055	213,783	-	-	-	(78,272)	(78,272)
Total Business-Type Activities	<u>1,028,604</u>	<u>1,395,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>367,007</u>	<u>367,007</u>
Total Primary Government	<u>\$ 12,311,019</u>	<u>\$ 2,754,281</u>	<u>\$ 1,217,644</u>	<u>\$ 67,661</u>	<u>(8,638,440)</u>	<u>367,007</u>	<u>(8,271,433)</u>
General Revenues							
Taxes							
Property taxes, levied for general purposes					3,306,148	-	3,306,148
Earned income tax					3,359,556	-	3,359,556
Business privilege tax					425,534	-	425,534
Local service tax					538,295	-	538,295
Other taxes levied for general purposes					357,650	-	357,650
Interest, rents, and royalties					11,503	2,522	14,025
Franchise fees					280,058	-	280,058
Gain (loss) on disposal of capital assets					(112,860)	-	(112,860)
Insurance Proceeds					872,634	-	872,634
Miscellaneous income					349,933	80	350,013
Internal transfers					1,381,448	(1,381,448)	-
Total General Revenues, Special Items and Transfers					<u>10,769,899</u>	<u>(1,378,846)</u>	<u>9,391,053</u>
Change in Net Position					2,131,459	(1,011,839)	1,119,620
Beginning Net Position					7,797,771	8,074,015	15,871,786
Ending Net Position					<u>\$ 9,929,230</u>	<u>\$ 7,160,186</u>	<u>\$ 17,089,416</u>

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

CITY OF GREENSBURG
Balance Sheet – Governmental Funds
December 31, 2020

	General Fund	Debt Service Fund	2020 General Obligation Bond Fund	Other Governmental Funds	Total
Assets					
Cash and cash equivalents	\$ 1,160,092	\$ 178,314	\$ 4,034,720	\$ 2,400,259	\$ 7,773,385
Receivables					
Taxes (net)	1,171,131	87,505	-	14,584	1,273,220
Other receivables	208,415	-	-	-	208,415
Prepaid expenses	324,118	-	-	-	324,118
Total Assets	\$ 2,863,756	\$ 265,819	\$ 4,034,720	\$ 2,414,843	\$ 9,579,138
Liabilities					
Accounts payable	\$ 93,806	\$ -	\$ -	\$ 52,171	\$ 145,977
Other accrued liabilities	346,194	-	-	-	346,194
Deferred revenue	419,775	69,698	-	11,616	501,089
Due To / Due From	34,015	-	-	4,675	38,690
Total Liabilities	893,790	69,698	-	68,462	1,031,950
Fund Balance					
Non-spendable - prepaid expenses	324,118	-	-	-	324,118
Restricted					
Emergency assistance	-	-	-	-	-
Liquid fuels	-	-	-	440,071	440,071
Capital projects	-	-	4,034,720	985,032	5,019,752
Library fund	-	-	-	8,732	8,732
Debt service	-	196,121	-	-	196,121
Lottery Fund	-	-	-	21	21
Committed					
Community event	-	-	-	44,164	44,164
Capital projects	-	-	-	868,361	868,361
Unassigned	1,645,848	-	-	-	1,645,848
Total Fund Balance	1,969,966	196,121	4,034,720	2,346,381	8,547,188
Total Liabilities and Fund Balance	\$ 2,863,756	\$ 265,819	\$ 4,034,720	\$ 2,414,843	\$ 9,579,138

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

CITY OF GREENSBURG
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2020

Total Fund Balance - Governmental Funds \$ 8,547,188

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds. The cost of assets is \$40,307,766 and the accumulated depreciation is \$20,374,882. 19,932,884

Taxes receivable will be collected in future years but are not available soon enough to pay for the current year's expenditures and, therefore, are deferred in those funds. 501,089

The net OPEB liability is a long-term liability that is not due and payable in the current period and, therefore, is not reported as a liability in the funds. (6,249,899)

The net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, it is not reported in the governmental funds. (2,255,236)

Liabilities that are not due and payable in the current period and, therefore, are not reported as liabilities in the fund financial statements consist of the following at year end:

Bonds and notes payable, net deferred outflow for refunding	(10,062,370)	
Capital leases obligations	(351,344)	
Compensated absences	(125,715)	
Accrued interest	(35,244)	
	(10,574,673)	(10,574,673)

Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of net position. 27,877

Total Net Position - Governmental Activities **\$ 9,929,230**

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

CITY OF GREENSBURG
Statement of Revenues, Expenditures and Changes in
Fund Balances – Governmental Funds
Year Ended December 31, 2020

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>2020 General Obligation Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Revenues					
Taxes	\$ 7,629,945	\$ 122,753	\$ -	\$ 123,639	\$ 7,876,337
Licenses and permits	425,987	-	-	17,400	443,387
Fines and forfeits	238,211	-	-	-	238,211
Charges for services	1,033,321	-	-	25	1,033,346
Intergovernmental revenue	682,984	-	-	454,256	1,137,240
Interest, rent, and earnings on investments	5,218	1,748	-	4,537	11,503
Miscellaneous	382,109	-	-	900,978	1,283,087
Total Revenues	<u>10,397,775</u>	<u>124,501</u>	<u>-</u>	<u>1,500,835</u>	<u>12,023,111</u>
Expenditures					
Department of Public Affairs and Safety	5,407,960	-	-	16,293	5,424,253
Department of Accounts and Finance	1,606,540	-	-	-	1,606,540
Department of Administrative Development	1,227,558	-	-	-	1,227,558
Department of Public Works	1,123,513	-	-	747,840	1,871,353
Department of Parks and Recreation	1,088,541	-	-	263,670	1,352,211
Capital outlay	-	-	-	298,902	298,902
Debt service					
Principal	-	625,000	-	-	625,000
Interest	-	133,980	86,648	-	220,628
Total Expenditures	<u>10,454,112</u>	<u>758,980</u>	<u>86,648</u>	<u>1,326,705</u>	<u>12,626,445</u>
Excess (deficiency) of Revenues over Expenditures before other Financing Activities	(56,337)	(634,479)	(86,648)	174,130	(603,334)
Other Financing Sources (Uses)					
Transfers in	1,200,000	383,480	-	181,448	1,764,928
Transfers out	-	-	(383,480)	-	(383,480)
Proceeds from bond issuance	-	-	6,304,848	-	6,304,848
Payment to bond escrow agent	-	-	(1,800,000)	-	(1,800,000)
Proceeds from sale of fixed assets	10,075	-	-	-	10,075
Total Other Financing Sources (Uses)	<u>1,210,075</u>	<u>383,480</u>	<u>4,121,368</u>	<u>181,448</u>	<u>5,896,371</u>
Net Change in Fund Balance	1,153,738	(250,999)	4,034,720	355,578	5,293,037
Fund Balance - Beginning of Year	<u>816,228</u>	<u>447,120</u>	<u>-</u>	<u>1,990,803</u>	<u>3,254,151</u>
Fund Balance - End of Year	<u>\$ 1,969,966</u>	<u>\$ 196,121</u>	<u>\$ 4,034,720</u>	<u>\$ 2,346,381</u>	<u>\$ 8,547,188</u>

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

CITY OF GREENSBURG
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended December 31, 2020

Net Change in Fund Balance - Governmental Funds \$ 5,293,037

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year.

Capital outlays	800,403	
Less: depreciation expense, net of deletions	<u>1,449,066</u>	(648,663)

Because some taxes will not be collected for several months after the City of Greensburg's year-end, they are not considered as "available" revenues in the governmental funds. Deferred revenues related to taxes increased (decreased) by this amount during the year. 90,734

Issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on the change in net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The effect of these transactions in the statement of activities is shown below:

Proceeds from issuance of bond	(6,256,613)	
Refunding of bonds	1,800,000	
Proceeds from new capital leases	-	
Amortization of bond premium/discount	(1,589)	
Repayment of bond/note principal	625,000	
Repayment of capital lease principal	<u>210,658</u>	(3,622,544)

Governmental funds do not report the net pension obligation and the other post employment benefits liability as they are not considered a use of financial resource. The net pension obligation and OPEB obligation increased by this amount during the year. 1,025,058

In the statement of activities, certain operating expenses for accumulated employee benefits such as vacations and sick days are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used. (6,163)

Change in Net Position of Governmental Activities **\$ 2,131,459**

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

CITY OF GREENSBURG
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual (Budgetary Basis)
Year Ended December 31, 2020

GENERAL FUND

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final vs.
				Actual
Revenues				
Taxes	\$ 6,892,766	\$ 6,892,766	\$ 7,629,945	\$ 737,179
Licenses and permits	491,050	491,050	425,987	(65,063)
Fines and forfeits	323,200	323,200	238,211	(84,989)
Charges for services	1,071,235	1,071,235	1,033,321	(37,914)
Intergovernmental revenue	680,150	680,150	682,984	2,834
Interest, rent, and earnings on investments	10,800	10,800	5,218	(5,582)
Miscellaneous	256,510	256,510	382,109	125,599
Total Revenues	<u>9,725,711</u>	<u>9,725,711</u>	<u>10,397,775</u>	<u>672,064</u>
Expenditures				
Department of Public Affairs and Safety	5,749,330	5,749,330	5,407,960	(341,370)
Department of Accounts and Finance	2,033,496	2,033,496	1,606,540	(426,956)
Department of Administrative Development	1,331,789	1,331,789	1,227,558	(104,231)
Department of Public Works	1,332,460	1,332,460	1,123,513	(208,947)
Department of Parks and Recreation	1,510,886	1,510,886	1,088,541	(422,345)
Total Expenditures	<u>11,957,961</u>	<u>11,957,961</u>	<u>10,454,112</u>	<u>(1,503,849)</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(2,232,250)	(2,232,250)	(56,337)	2,175,913
Other Financing Sources (Uses)				
Transfers in	1,200,000	1,200,000	1,200,000	-
Transfers out	-	-	-	-
Proceeds from the sale of fixed assets	32,250	32,250	10,075	(22,175)
Total Other Financing Sources (Uses)	<u>1,232,250</u>	<u>1,232,250</u>	<u>1,210,075</u>	<u>(22,175)</u>
Net Change in Fund Balances	<u>\$ (1,000,000)</u>	<u>\$ (1,000,000)</u>	<u>\$ 1,153,738</u>	<u>\$ 2,153,738</u>

* In 2020, the City budgeted for the use of \$1,000,000 of fund balance accumulated in prior years.

* The Original and Final Budget was adjusted for health insurance costs that were originally budgeted in the Department of Accounts and Finance. For reporting purposes, these expenditures are allocated to the applicable department. The amount allocated for Actual reporting was allocated within the Original and Final Budget amounts to ensure comparability.

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

CITY OF GREENSBURG
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual (Budgetary Basis)
Year Ended December 31, 2020

DEBT SERVICE FUND

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final vs. Actual
Revenues				
Taxes	\$ 739,377	\$ 739,377	\$ 122,753	\$ (616,624)
Interest, rent, and earnings on investments	<u>1,000</u>	<u>1,000</u>	<u>1,748</u>	<u>748</u>
Total Revenues	740,377	740,377	124,501	(615,876)
Expenditures				
Debt service:				
Principal	625,000	625,000	625,000	-
Interest	<u>143,776</u>	<u>143,776</u>	<u>133,980</u>	<u>(9,796)</u>
Total Expenditures	<u>768,776</u>	<u>768,776</u>	<u>758,980</u>	<u>(9,796)</u>
Excess (Deficiency) of Revenues Over Expenditures	(28,399)	(28,399)	(634,479)	(606,080)
Other Financing Sources (Uses)				
Transfers in	-	-	383,480	383,480
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>383,480</u>	<u>383,480</u>
Net Change in Fund Balances	<u>\$ (28,399)</u>	<u>\$ (28,399)</u>	<u>\$ (250,999)</u>	<u>\$ (222,600)</u>

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

CITY OF GREENSBURG
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual (Budgetary Basis)
Year Ended December 31, 2020

2020 GENERAL OBLIGATION BOND FUND

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Final vs.
				Actual
Revenues				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Interest, rent, and earnings on investments	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Department of accounts and finance	-	-	-	-
Capital outlay	-	-	86,648	86,648
Total Expenditures	<u>-</u>	<u>-</u>	<u>86,648</u>	<u>86,648</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(86,648)</u>	<u>(86,648)</u>
Other Financing Sources (Uses)				
Proceeds from bond issuance	-	-	6,304,848	6,304,848
Payment to bond escrow agent	-	-	(1,800,000)	(1,800,000)
Operating transfers out	-	-	(383,480)	(383,480)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,121,368</u>	<u>4,121,368</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,034,720</u>	<u>\$ 4,034,720</u>

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

CITY OF GREENSBURG
Statement of Net Position – Proprietary Funds
December 31, 2020

	Parking Revenue Fund	Hutchinson Garage Fund	Total Proprietary Fund Types
Assets			
Current assets			
Cash and cash equivalents	\$ 931,089	\$ 159,260	\$ 1,090,349
Receivables	-	734	734
Prepays	3,624	3,624	7,248
Due from General Fund	(5,409)	6,485	1,076
Total Current Assets	<u>929,304</u>	<u>170,103</u>	<u>1,099,407</u>
Non-current assets			
Land	936,765	9,460	946,225
Construction in Progress	-	-	-
Buildings and other property and equipment	12,437,968	3,960,202	16,398,170
Less: accumulated depreciation	(7,713,265)	(3,053,977)	(10,767,242)
Total Noncurrent Assets, Net of Depreciation	<u>5,661,468</u>	<u>915,685</u>	<u>6,577,153</u>
Total Assets	6,590,772	1,085,788	7,676,560
Liabilities			
Current liabilities			
Accounts payable and other current liabilities	15,466	112,302	127,768
Deferred revenue	104,040	9,830	113,870
Due to General Fund	-	-	-
Total Current Liabilities	<u>119,506</u>	<u>122,132</u>	<u>241,638</u>
Long-term liabilities			
Other postemployment benefits liability	<u>137,368</u>	<u>137,368</u>	<u>274,736</u>
Total Liabilities	<u>256,874</u>	<u>259,500</u>	<u>516,374</u>
Net Position			
Net investment in capital assets	5,661,468	915,685	6,577,153
Unrestricted	672,430	(89,397)	583,033
Total Net Position	<u>\$ 6,333,898</u>	<u>\$ 826,288</u>	<u>\$ 7,160,186</u>
Total Liabilities and Net Position	<u>\$ 6,590,772</u>	<u>\$ 1,085,788</u>	<u>\$ 7,676,560</u>

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

CITY OF GREENSBURG
Statement of Revenues, Expenditures, and Changes in Net Position – Proprietary Funds
Year Ended December 31, 2020

	Parking Revenue Fund	Hutchinson Garage Fund	Total Proprietary Fund Types
Operating Revenues			
Charges for services	\$ 1,181,828	\$ 213,783	\$ 1,395,611
Other operating revenue	80	-	80
Total Operating Revenues	<u>1,181,908</u>	<u>213,783</u>	<u>1,395,691</u>
Operating Expenses			
Department of Public Works	303,357	162,060	465,417
Depreciation	433,192	129,995	563,187
Total Operating Expenses	<u>736,549</u>	<u>292,055</u>	<u>1,028,604</u>
Operating Income	445,359	(78,272)	367,087
Nonoperating Revenues (Expenses)			
Operating transfers in	-	-	-
Operating transfers out	(1,200,000)	(181,448)	(1,381,448)
Interest, rents, and royalties	1,989	533	2,522
Interest expense	-	-	-
Total Nonoperating Expenses	<u>(1,198,011)</u>	<u>(180,915)</u>	<u>(1,378,926)</u>
Change in Net Position	(752,652)	(259,187)	(1,011,839)
Net Position - Beginning of Year	7,086,550	987,465	8,074,015
Restatement - Note 13	-	98,010	98,010
Net Position - End of Year	<u>\$ 6,333,898</u>	<u>\$ 826,288</u>	<u>\$ 7,160,186</u>

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

CITY OF GREENSBURG
Statement of Cash Flows – Proprietary Funds
Year Ended December 31, 2020

	<u>Parking Revenue Fund</u>	<u>Hutchinson Garage Fund</u>	<u>Total Proprietary Fund Types</u>
Cash Flows From Operating Activities			
Receipts from customers	\$ 1,222,881	\$ 218,441	\$ 1,441,322
Payments to employees	(89,591)	(86,140)	(175,731)
Payments to suppliers	<u>(199,639)</u>	<u>(43,075)</u>	<u>(242,714)</u>
Net cash provided by operating activities	933,651	89,226	1,022,877
Cash Flows From Capital and Related Financing Activities			
Purchases of capital expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in capital and related financing activities	-	-	-
Cash Flows From Noncapital Financing			
Interfund transfers, noncapital	(1,200,000)	(181,448)	(1,381,448)
Cash Flows From Investing Activities			
Interest, rents, and royalties	<u>1,989</u>	<u>533</u>	<u>2,522</u>
Net Decrease in Cash and Cash Equivalents	(264,360)	(91,689)	(356,049)
Cash and Cash Equivalents - Beginning of Year	<u>1,195,449</u>	<u>250,949</u>	<u>1,446,398</u>
Cash and Cash Equivalents - End of Year	<u>\$ 931,089</u>	<u>\$ 159,260</u>	<u>\$ 1,090,349</u>
Reconciliation of Operating Income to Net Cash			
Provided by operating activities			
Operating income	\$ 445,359	\$ (78,272)	\$ 367,087
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	433,192	129,995	563,187
Changes in operating assets and liabilities			
(Increase) decrease in accounts receivable	13,772	7,032	20,804
(Increase) decrease in prepaid	(3,624)	(3,624)	(7,248)
Increase (decrease) in accounts payable and other accrued liabilities	2,453	28,489	30,942
Increase (decrease) in due to/from	7,318	-	7,318
Increase in OPEB liability	4,356	4,356	8,712
Increase (decrease) deferred revenue	<u>30,825</u>	<u>1,250</u>	<u>32,075</u>
Net cash provided by operating activities	<u>\$ 933,651</u>	<u>\$ 89,226</u>	<u>\$ 1,022,877</u>

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

CITY OF GREENSBURG
Statement of Fiduciary Net Position – Fiduciary Funds
December 31, 2020

	Police Pension Trust Fund	Private Purpose Trust Fund - Thomas Lynch Concert Fund	Agency Funds		Total
			Payroll Clearing Fund	Special Fund	
Assets					
Cash and cash equivalents	\$ 697,194	\$ 10,953	\$ 3,402	\$ 8,216	\$ 719,765
Investments	27,474,317	-	-	-	27,474,317
Other receivables	-	-	-	-	-
Total Assets	28,171,511	10,953	3,402	8,216	28,194,082
Liabilities					
Due to others	-	(36,546)	3,402	8,216	(24,928)
Total Liabilities	-	(36,546)	3,402	8,216	(24,928)
Net Position					
Net position restricted for pensions	28,171,511	-	-	-	28,171,511
Net position held in trust	-	47,499	-	-	47,499
Total Net Position	\$ 28,171,511	\$ 47,499	\$ -	\$ -	\$ 28,219,010

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

CITY OF GREENSBURG
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
Year Ended December 31, 2020

	Police Pension Trust Fund	Private Purpose Trust Fund - Thomas Lynch Concert Fund	Total
Additions			
Contributions			
Commonwealth	\$ 477,612	\$ -	\$ 477,612
Employer	618,004	-	618,004
Employee	118,293	-	118,293
Total Contributions	<u>1,213,909</u>	<u>-</u>	<u>1,213,909</u>
Investment income			
Net appreciation (depreciation) in fair value of investment	3,684,579	-	3,684,579
Interest and dividends	464,074	52	464,126
Total investment income	<u>4,148,653</u>	<u>52</u>	<u>4,148,705</u>
Total Additions	<u>5,362,562</u>	<u>52</u>	<u>5,362,614</u>
Deductions			
Benefit payments	1,486,174	-	1,486,174
Refund of member contributions	-	-	-
Administration/other fees	113,681	-	113,681
Total Deductions	<u>1,599,855</u>	<u>-</u>	<u>1,599,855</u>
Change in Net Position	3,762,707	52	3,762,759
Net Position - Beginning of Year	<u>24,408,804</u>	<u>47,447</u>	<u>24,456,251</u>
Net Position - End of Year	<u>\$ 28,171,511</u>	<u>\$ 47,499</u>	<u>\$ 28,219,010</u>

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

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

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, 2020.

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 inter-fund 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
Year Ended December 31, 2020

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.

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).

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

The 2020 General Obligation Bond Fund is a Capital Projects Fund that was created in 2020 when the City obtained a bond that refunded the 2016 bonds and provided capital for various capital projects throughout the City.

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.

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 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.
- 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.

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting (continued)

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.

Budgetary Comparison

The General Fund revenue was more than budgeted amounts due to the City passing a resolution to deposit tax revenues into the general fund instead of the Debt Service Fund for nine months of 2020. Expenditures were less than budgeted amounts due primarily to reductions in spending due to the COVID-19 pandemic.

The Debt Service Fund revenue was less than budgeted due to the City passing a resolution to deposit Debt Service Tax revenue into the General Fund for nine months of the year. Expenditures were in line with budget expenditures.

The 2020 General Obligation Bond Fund was not budgeted.

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.

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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-in-progress.

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

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 \$125,714 is recorded as a noncurrent liability due in more than one year.

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. Bonds are reported net of the applicable unamortized bond premium or discount.

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
Year Ended December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements: Fund Balance (continued)

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 use through external restrictions. The City had net position restricted for liquid fuels, capital projects, and debt service at December 31, 2020.
- 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
Year Ended December 31, 2020

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 represents a consumption of net position by the City that is applicable to a future reporting period. As of December 31, 2020, 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, 2020, 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, 2020, 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
Year Ended December 31, 2020

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, 2020, \$4,277,798 of the City's bank balance of \$4,527,798 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 \$4,337,123 as of December 31, 2020.

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 \$480,387. 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, 2020:

First Commonwealth	\$4,527,798	90.41%
PLGIT	\$480,387	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
Year Ended December 31, 2020

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, 2020.

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 \$10,953 is held in a PLGIT account. The entire balance was exposed to custodial credit risk at December 31, 2020.

There are also funds in the Payroll Clearing Fund and the Special Fund, which are agency funds that are held separately from those of other City funds. The entire balances of \$11,617 are held in interest bearing accounts at a local bank. Of the entire balance, \$0 was exposed to custodial credit risk at December 31, 2020.

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, 2020, the Plan held \$697,194 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
Year Ended December 31, 2020

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.

Investment Type	Fair Value	Credit Rating
Corporate Debt	107,800	AAA
Corporate Debt	176,117	AAA
Corporate Debt	520,229	AAA
Corporate Debt	332,844	BBB
Corporate Debt	85,125	NR
Fixed Income Mutual Funds &	4,453,746	NR
Total	<u>5,675,861</u>	

Concentration of Credit Risk is the risk of loss attributed to the magnitude of an investment in a single issuer. At December 31, 2020 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	Investment Maturities from December 31, 2020			
		Less than 1 year	1-5 Years	6-10 Years	More than 10 Years
U.S. Government Treasuries	\$ 1,004,361	\$ 121,346	\$ 533,414	\$ 349,601	\$ -
U.S. Government Agencies	183,154	100,000	23,025	24,008	36,121
Corporate Debt	1,222,115	3,438	898,813	303,716	16,148
Fixed Income Mutual Funds	3,401,726	-	-	3,401,726	-
Fixed Income ETFs	1,052,021	-	780,096	-	271,925
Certificates of Deposit	-	-	-	-	-
Total debt securities	<u>\$ 6,863,377</u>	<u>\$ 224,784</u>	<u>\$ 2,235,348</u>	<u>\$ 4,079,051</u>	<u>\$ 324,194</u>
Cash and cash equivalents	697,194				
Common stock	<u>20,610,940</u>				
Total investments reported on the statement of fiduciary net position	<u>\$ 28,171,511</u>				

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

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, 2020.

The following is a list of the City's investments and their related average maturities:

Cash or Investment Type	Fair Market Value	Investment Maturities from December 31, 2020			
		Less than 1 year	1-5 Years	6-10 Years	More than 10 Years
U.S. Government Treasuries	\$ 1,004,361	\$ 121,346	\$ 533,414	\$ 349,601	\$ -
U.S. Government Agencies	183,154	100,000	23,025	24,008	36,121
Corporate Debt	1,222,115	3,438	898,813	303,716	16,148
Fixed Income Mutual Funds	3,401,726	-	-	3,401,726	-
Fixed Income ETFs	1,052,021	-	780,096	-	271,925
Certificates of Deposit	-	-	-	-	-
Total debt securities	\$ 6,863,377	\$ 224,784	\$ 2,235,348	\$ 4,079,051	\$ 324,194
Cash and cash equivalents	697,194				
Common stock	<u>20,610,940</u>				
Total investments reported on the statement of fiduciary net position	\$ <u>28,171,511</u>				

NOTE 3 – ACCOUNTS RECEIVABLE - OTHER

Accounts receivable - other in the governmental funds at December 31, 2020 consisted of the following:

Comcast franchise fee	\$ 71,111
Miscellaneous receivables	<u>137,304</u>
	<u>\$ 208,415</u>

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 4 – CAPITAL ASSETS

Primary Government

A summary of changes in capital assets during 2020 are as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 762,126	\$ -	\$ (9,000)	\$ -	\$ 753,126
Construction in progress	38,490	43,047	-	-	81,537
	<u>800,616</u>	<u>43,047</u>	<u>(9,000)</u>	<u>-</u>	<u>834,663</u>
Capital assets, being depreciated:					
Buildings and improvements	11,658,815	-	-	-	11,658,815
Land improvements	2,604,639	65,584	-	-	2,670,223
Equipment and vehicles	10,576,773	504,677	(316,838)	-	10,764,612
Infrastructure	14,192,358	187,095	-	-	14,379,453
	<u>39,032,585</u>	<u>757,356</u>	<u>(316,838)</u>	<u>-</u>	<u>39,473,103</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,278,467)	(280,919)	-	-	(7,559,386)
Land improvements	(1,096,250)	(86,326)	-	-	(1,182,576)
Equipment and vehicles	(7,955,896)	(593,836)	202,904	-	(8,346,828)
Infrastructure	(2,921,041)	(365,051)	-	-	(3,286,092)
Total Accumulated Depreciation	<u>(19,251,654)</u>	<u>(1,326,132)</u>	<u>202,904</u>	<u>-</u>	<u>(20,374,882)</u>
Governmental Activities:					
Capital Assets, Net	<u>\$ 20,581,547</u>	<u>\$ (525,729)</u>	<u>\$ (122,934)</u>	<u>\$ -</u>	<u>\$ 19,932,884</u>

Depreciation expense was charged to governmental functions as follows:

Department of Public Affairs and Safety	\$ 395,139
Department of Accounting and Finance	21,813
Department of Administration Development	157,225
Department of Public Works	409,602
Department of Parks and Recreation	331,038
	<u>\$ 1,314,817</u>

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 4 – CAPITAL ASSETS (continued)

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 946,225	\$ -	\$ -	\$ -	\$ 946,225
Construction in progress	-	-	-	-	-
	<u>946,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>946,225</u>
Capital assets, being depreciated:					
Buildings and improvements	10,434,421	-	-	-	10,434,421
Land improvements	5,387,935	-	-	-	5,387,935
Equipment and vehicles	538,499	-	-	-	538,499
Infrastructure	37,316	-	-	-	37,316
	<u>16,398,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,398,171</u>
Less accumulated depreciation for:					
Buildings and improvements	(6,501,451)	(250,856)	-	-	(6,752,307)
Land improvements	(3,310,084)	(281,473)	-	-	(3,591,557)
Equipment and vehicles	(387,748)	(19,471)	-	-	(407,219)
Infrastructure	(4,773)	(11,387)	-	-	(16,160)
Total Accumulated Depreciation	<u>(10,204,056)</u>	<u>(563,187)</u>	<u>-</u>	<u>-</u>	<u>(10,767,243)</u>
Business-Type Activities					
Capital Assets, Net	<u>\$ 7,140,340</u>	<u>\$ (563,187)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,577,153</u>

Depreciation expense related to the Parking Revenue Fund and the Hutchinson Garage Fund is included in business-type activities.

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers at December 31, 2020 are summarized below:

Fund	Transfers In	Transfers Out
Major Funds:		
General	\$ 1,200,000	\$ -
2020 General Obligation Bonds Fund	-	383,480
Debt Service Fund	383,480	-
Parking Revenue	-	1,200,000
Hutchinson Garage	-	181,448
Other Governmental	<u>181,448</u>	<u>-</u>
Total	<u>\$ 1,764,928</u>	<u>\$ 1,764,928</u>

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

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 6 – LONG-TERM DEBT OF THE PRIMARY GOVERNMENT

Long-term liability activity for the City for year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Repayment	Ending Balance	Due Within One Year
<i>Governmental Activities</i>					
General Obligation Bonds	\$ 4,200,000	\$ 6,300,000	\$ 325,000	\$ 10,175,000	\$ 635,000
General Obligation Note	2,100,000	-	2,100,000	-	-
Capital leases	562,002	-	210,658	351,344	143,280
Compensated absences	119,552	6,163	-	125,715	-
Total Face Value of Long-Term Debt	<u>6,981,554</u>	<u>6,306,163</u>	<u>2,635,658</u>	<u>10,652,059</u>	<u>778,280</u>
Premiums	36,627	-	2,817	33,810	-
Discounts	-	<u>(66,093)</u>	<u>(4,406)</u>	<u>(61,687)</u>	-
Total Governmental Activities	<u>7,018,181</u>	<u>6,240,070</u>	<u>2,634,069</u>	<u>10,624,182</u>	<u>778,280</u>
<i>Business-type Activities</i>					
Capital leases	-	-	-	-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,018,181</u>	<u>\$ 6,240,070</u>	<u>\$ 2,634,069</u>	<u>\$ 10,624,182</u>	<u>\$ 778,280</u>

General Obligation Bonds

2020 Bonds

In September 2020, the City issued General Obligation Bonds, Series of 2020 in the amount of \$6,300,000. The proceeds of the 2020 Bonds were used to refund the 2016 bond issuance and to fund various capital projects. The 2020 Bonds carry interest rates ranging from 1.5% to 2.0% and mature in differing amounts through December 2037. The principal balance remaining at December 31, 2020 was \$6,300,000.

2017 Bonds

On September 29, 2017, the City issued General Obligation Bonds, Series of 2017 in the amount of \$4,845,000. The proceeds of the 2017 Bonds were used to refund the 2011 and 2013 bond issuances and to fund various capital projects. The 2017 Bonds carry interest rates ranging from 1.5% to 2.0% and mature in differing amounts through December 2032. The principal balance remaining at December 31, 2020 was \$3,875,000.

2016 General Obligation Note

On September 9, 2016, the City obtained a general obligation note in the amount of \$3,000,000. The proceeds of the 2016 note are being used to fund various capital projects throughout the City. At December 31, 2020, the amount outstanding relating to the 2016 Note was \$0. The 2016 Note carries an interest rate of 2.040% and matures in May 2026.

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 6 – LONG-TERM DEBT OF THE PRIMARY GOVERNMENT (continued)

Annual debt service requirements for the General Obligation Bonds and Note and mortgage payable are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2021	\$ 635,000	\$ 194,542	\$ 829,542
2022	1,005,000	175,740	1,180,740
2023	1,025,000	161,366	1,186,366
2024	1,050,000	144,438	1,194,438
2025	1,075,000	126,520	1,201,520
2026-2030	5,140,000	319,794	5,459,794
2031-2032	245,000	10,950	255,950
	<u>\$ 10,175,000</u>	<u>\$ 1,133,350</u>	<u>\$ 11,308,350</u>

Obligations under Capital Leases

In May 2016, the City entered into a lease agreement for a boom flail mower and ten (10) golf carts at a cost of \$153,284 and \$39,100, respectively, \$192,384 total cost. The lease bears interest at 2.14% and requires annual payments of principal and interest of \$40,436. The lease is secured by the equipment and will mature in 2020. The principal balance was paid in full as of December 31, 2020.

In September 2016, the City entered into a lease agreement for a small and large dump truck at a cost of \$57,452 and \$160,493, respectively, \$217,945 total cost. The lease bears interest at 2.25% and requires annual payments of principal and interest of \$45,589. The lease is secured by the equipment and will mature in 2020. The principal balance was paid in full as of December 31, 2020.

In May 2017, the City entered into a lease agreement for a dump truck and truckster at a cost of \$58,193 and \$29,591, respectively, \$87,784 total cost. The lease bears interest at 3.42% and requires annual payments of principal and interest of \$18,757. The lease is secured by the equipment and will mature in 2021. The principal balance remaining at December 31, 2020 was \$18,136.

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. The principal balance remaining at December 31, 2020 was \$106,880.

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 6 – LONG-TERM DEBT OF THE PRIMARY GOVERNMENT (continued)

Obligations under Capital Leases (continued)

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. The principal balance remaining at December 31, 2020 was \$48,961.

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. The principal balance remaining at December 31, 2020 was \$18,587.

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. The principal balance remaining at December 31, 2020 was \$79,268.

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. The principal balance remaining at December 31, 2020 was \$79,512.

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:

Governmental Activities:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2021	\$ 143,187	\$ 13,380	\$ 156,567
2022	129,820	7,992	137,812
2023	78,337	3,041	81,378
2024	-	-	-
2025	-	-	-
	<u>\$ 351,344</u>	<u>\$ 24,413</u>	<u>\$ 375,757</u>

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

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 2020, City real estate taxes were levied at the rate of 26.05 mills on assessed valuation (\$128,990,500), as follows:

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

The other taxes levied for 2020 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, 2020, the City did not abate any properties.

NOTE 9 – 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. Stand-alone financial statements are not issued for the Police Plan.

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 9 – PENSION PLANS (continued)

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, 2020, 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. See the summary of plan assets at Note 2. The Police Plan did not have any investment transactions with related parties during the year.

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 2020, 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.

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 9 – PENSION PLANS (continued)

Police Plan Contributions and Funding Policy (continued)

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	\$	26,641,491
Plan fiduciary net position		<u>(28,171,510)</u>
Net pension liability	\$	<u><u>(1,530,019)</u></u>
Plan fiduciary net position as a percentage of the total pension liability		105.7%

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2019 and rolled forward to the measurement date, using the following significant actuarial assumptions applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Inflation	2.75%
Salary increases	4.75% including inflation
Mortality	RP-2014 Combined Healthy Mortality Table with 50% of the Blue-Collar Adjustment, with rates set forward 5 years for disabled members. Mortality improvement based on the Long-Range Demographic Assumptions for the 2015 SSA's Trustee Report.

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 9 – PENSION PLANS (continued)

Net Pension Liability (NPL) (continued)

Expected long-term rate of return 7.25%, 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, 2020 are summarized in the following table:

Asset Class	Long-Term Expected Real ROR
Equities	5% - 7.0%
Fixed Income	1.0% - 3.0%
Cash and Cash Equivalents	0.0% - 1.0%

Discount rate The discount rate used to measure the total pension liability was 7.25%. 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
Year Ended December 31, 2020

NOTE 9 – PENSION PLANS (continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balances at 12/31/19	\$ 25,657,659	\$ 24,408,804	\$ 1,248,855
Changes for the year:			
Service cost	617,955	-	617,955
Interest	1,852,051	-	1,852,051
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions—employer	-	1,095,616	(1,095,616)
Contributions—employee	-	118,293	(118,293)
Net investment income	-	4,148,652	(4,148,652)
Benefit payments and refunds of employee contributions	(1,486,174)	(1,486,174)	-
Administrative expense	-	(113,681)	113,681
Net changes	983,832	3,762,706	(2,778,874)
Balances at 12/31/20	\$ 26,641,491	\$ 28,171,510	\$ (1,530,019)

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 7.25%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25 %)	Current Rate (7.25 %)	1% Increase (8.25 %)
Net pension liability	\$ 1,356,194	\$ (1,530,019)	\$ (3,948,438)

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 9 – PENSION PLANS (continued)

Payables to the Pension Plan

As of December 31, 2020, there were no outstanding City contributions.

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

Components of Pension Expense for the Year Ended December 31, 2020:

Service Cost	\$	617,955
Interest on the total pension liability		1,852,051
Recognition of differences between expected and actual experience		(37,654)
Changes in benefit terms		-
Amortization of changes of assumptions		218,093
Employee contributions		(118,293)
Projected earnings on pension plan investments		(1,732,554)
Recognition of difference between projected and actual earnings on plan investments		(813,389)
Pension plan administrative expense		113,681
Other changes in fiduciary net position		-
	\$	<u>99,890</u>

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to this Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 107,777	\$ 440,743
Changes of assumptions	196,284	-
Net difference between projected and actual earnings on pension plan investments	<u>1,087,170</u>	<u>3,920,501</u>
Total	<u>\$ 1,391,231</u>	<u>\$ 4,361,244</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>
2021	\$ (681,517)
2022	(646,588)
2023	(1,158,690)
2024	(483,218)
2025	-
Total	<u>\$ (2,970,013)</u>

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 9 – 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, 2019.

Participants	Count
Inactive employees or beneficiaries currently receiving benefits	35
Inactive employees entitled to but not yet receiving benefits	7
Active employees	45
Total	87

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 2020, the MMO for the Non-Uniformed Plan was \$252,337, which was paid by the General Fund.

Employee contributions to the Non-Uniformed Plan for 2020 were \$82,038, 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
Year Ended December 31, 2020

NOTE 9 – PENSION PLANS (continued)

Net Pension Liability

The City’s net pension liability related to the PMRS Plan was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019.

Actuarial Assumptions – The total pension liability in the January 1, 2019 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 (%) *
Salary Increase	Age	(including inflation)
	25	7.05%
	30	5.44%
	35	4.55%
	40	4.26%
	45	3.97%
	50	3.72%
	55	3.44%
	60	3.28%
	65	2.80%
	* Add 2% for each of the first three years of service.	
Expenses	Based upon the expected expenses for the current year.	
Social Security Wage Base	3.3% per annum	
Inflation	2.8% per annum	

Mortality rates were based on the RP-2000 with a 1-year setback for males and 5-year setback for females. Rates of post-retirement mortality were based on the RP 2000 Sex-Distinct Mortality Table. 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 2000 with a 10-year set forward.

The actuarial assumptions used in the January 1, 2019 valuation were based on the PMRS Experience Study for the period covering January 1, 2009 through December 31, 2013 issued by the actuary in July 2015 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%.

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 9 – PENSION PLANS (continued)

Net Pension Liability (continued)

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, 2019. 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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 12/31/17	\$ 13,268,609	\$ 12,981,486	\$ 287,123
Changes for the year:			
Service cost	232,674	-	232,674
Interest	694,860	-	694,860
Changes of benefits	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	154,651	-	154,651
Contributions - employer	-	199,604	(199,604)
Contributions - PMRS assessment	-	1,800	(1,800)
Contributions - employee	-	86,037	(86,037)
PMRS investment income	-	631,415	(631,415)
Market value investment income *	-	(1,200,970)	1,200,970
Transfers	-	-	-
Benefit payments	(538,586)	(538,586)	-
PMRS administrative expense	-	(1,740)	1,740
Additional administrative expense	-	(28,177)	28,177
Net changes	543,599	(850,617)	1,394,216
Balances at 12/31/18	\$ 13,812,208	\$ 12,130,869	\$ 1,681,339

* Reflects the net investment income (loss) of (\$1,217,512) and the income (loss) due to the difference between expected and actual asset values of 16,542, which includes the impact from allocation of assets in support of the underlying retiree liabilities.

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 9 – PENSION PLANS (continued)

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	\$ 15,411,023	\$ 13,812,208	\$ 12,457,580
Plan Fiduciary Net Position	12,130,869	12,130,869	12,130,869
Net Pension Liability	\$ 3,280,154	\$ 1,681,339	\$ 326,711

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

For the year ended December 31, 2020, the City recognized pension expense of \$257,574 related to this Plan. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 153,627	\$ 11,182
Changes in assumptions	176,908	-
Contributions subsequent to the measurement date	-	-
Net difference between projected and actual earnings on pension plan investments	212,369	-
Total	\$ 542,904	\$ 11,182

The City reported \$334,375 as deferred outflows of resources related to contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to this plan will be recognized in pension expense as follows:

Fiscal year ending December 31,	Amount
2019	\$ 188,467
2020	68,075
2021	4,055
2022	271,125
2023	-
Total	\$ 531,722

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 10 – 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, 2018, the date of the most recent actuarial valuation, the OPEB plan membership consisted of the following:

	Medical Insurance	Life Insurance
Active Participants	69	72
Vested Former Participants	-	-
Retired Participants	13	53

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (continued)

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, 2020, were as follows:

Total OPEB Liability	
Service cost	314,853
Benefit payments	(311,750)
Interest	203,809
Changes in benefit terms	-
Changes in assumptions or other inputs	-
Differences between expected and actual experience	-
Net Change in Total OPEB Liability	206,912
Total OPEB Liability - 12/31/19	6,317,726
Total OPEB Liability - 12/31/20	\$ 6,524,638
Plan Fiduciary Net Position	\$ -
Net OPEB Liability	\$ 6,524,638

Discount Rate

The discount rate used to measure the total OPEB liability was 3.25%. 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.

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 2020, the City contributed \$188,519 to the OPEB Plan, all of which was for current premiums.

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.

CITY OF GREENSBURG
Notes to the Financial Statements
Year Ended December 31, 2020

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

- Actuarial Valuation Date: 1/1/2018
- Actuarial Cost Method: Entry Age Normal
- Inflation Rate: 2.75%
- Discount Rate: 3.25%
- Mortality: RP-2014 Mortality Table with 50% Blue Collar Adjustment and rates set forward 5 years for disabled lives
- Annual Trend Rates:
 - o 2018: Medical/Rx: 11.3%; Dental & Vision: 0.0%
 - o 2019 and Later: Medical/Rx: 5.0%; Dental & Vision: 3.0%

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

There were no deferred outflow or inflow of resources related to the OPEB for the year ended December 31, 2020.

NOTE 11 – 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, 2020, 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, 2020 totaled \$6,186,867. 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 12 – 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
Year Ended December 31, 2020

NOTE 13 – RESTATEMENT

A prior period adjustment was recorded in the Hutchinson Garage Proprietary Fund for \$98,010. This adjustment relates to accounts payable being overstated by \$98,010 in the 2019 audited financial statements.

NOTE 14 – RISK MANAGEMENT

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak has adversely affected workforces, the economies, and financial markets globally, leading to an economic downturn. The resulting direct and indirect negative impact to the City cannot be determined at this time, but they could have a prospective material impact to the City financial position, results of operations, cash flows, and liquidity.

NOTE 15 – SUBSEQUENT EVENTS

The City evaluated its December 31, 2020 financial statements for subsequent events through September 13, 2021, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GREENSBURG
Schedule of Changes in the City's Net Pension Liability and Related Ratios –
Police Pension Plan
December 31, 2020

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Total pension liability							
Service cost	\$ 617,955	\$ 589,933	\$ 551,252	\$ 526,255	\$ 401,747	\$ 445,318	\$ 381,942
Interest	1,852,051	1,782,911	1,768,432	1,706,559	1,589,483	1,540,737	1,563,561
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(755,559)	-	586,793	-	(615,009)	-
Changes of assumptions	-	-	-	1,068,656	-	668,343	-
Benefit payments, including refunds of member contributions	(1,486,174)	(1,409,598)	(1,396,803)	(1,411,732)	(1,438,059)	(1,152,199)	(976,940)
Net change in total pension liability	983,832	207,687	922,881	2,476,531	553,171	887,190	968,563
Total pension liability—beginning	25,657,659	25,449,972	24,527,091	22,050,560	21,497,389	20,610,199	19,641,636
Total pension liability—ending (a)	\$ 26,641,491	\$ 25,657,659	\$ 25,449,972	\$ 24,527,091	\$ 22,050,560	\$ 21,497,389	\$ 20,610,199
Plan fiduciary net position							
Contributions - employer	\$ 1,095,616	\$ 1,297,258	\$ 940,430	\$ 1,042,775	\$ 1,095,987	\$ 1,208,030	\$ 1,033,746
Contributions - employee	118,293	120,457	117,742	112,690	103,690	109,813	107,749
Net investment income	4,148,652	4,187,504	(1,167,061)	3,050,175	1,257,193	(154,968)	1,146,823
Benefit payments, including refunds of member contributions	(1,486,174)	(1,409,598)	(1,396,803)	(1,411,732)	(1,438,059)	(1,152,199)	(976,940)
Administrative expense	(113,681)	(96,586)	(102,244)	(101,758)	(74,266)	(86,829)	(91,717)
Other	-	-	-	-	-	-	-
Net change in plan fiduciary net position	3,762,706	4,099,035	(1,607,936)	2,692,150	944,545	(76,153)	1,219,661
Plan fiduciary net position—beginning	24,408,804	20,309,769	21,917,705	19,225,555	18,281,010	18,357,163	17,137,502
Plan fiduciary net position—ending (b)	\$ 28,171,510	\$ 24,408,804	\$ 20,309,769	\$ 21,917,705	\$ 19,225,555	\$ 18,281,010	\$ 18,357,163
Net pension liability—ending (a) – (b)	\$ (1,530,019)	\$ 1,248,855	\$ 5,140,203	\$ 2,609,386	\$ 2,825,005	\$ 3,216,379	\$ 2,253,036
Plan fiduciary net position as a percentage of the total pension liability	105.7%	95.1%	79.8%	89.4%	87.2%	85.0%	89.1%
Covered-employee payroll	\$ 2,600,351	\$ 2,699,752	\$ 2,712,168	\$ 2,599,916	\$ 2,408,966	\$ 2,381,538	\$ 2,536,533
Net pension liability as a percentage of covered-employee payroll	-58.8%	46.3%	189.5%	100.4%	117.3%	135.1%	88.8%

See independent auditor's report.

CITY OF GREENSBURG
Schedule of the City's Contributions and Investment Returns –
Police Pension Plan
December 31, 2020

Year Ended December 31,	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contribution as a Percentage of Covered-Employee Payroll
2011	\$ 771,535	\$ 673,375	\$ 98,160	\$ -	0.0%
2012	\$ 770,466	\$ 670,148	\$ 100,318	\$ 2,421,432	27.7%
2013	\$ 947,036	\$ 953,884	\$ (6,848)	\$ -	0.0%
2014	\$ 1,033,596	\$ 1,033,746	\$ (150)	\$ 2,536,533	40.8%
2015	\$ 1,207,880	\$ 1,208,030	\$ (150)	\$ 2,381,538	50.7%
2016	\$ 1,095,987	\$ 1,095,987	\$ -	\$ 2,408,966	45.5%
2017	\$ 1,042,775	\$ 1,042,775	\$ -	\$ 2,599,916	40.1%
2018	\$ 940,430	\$ 940,430	\$ -	\$ 2,712,168	34.7%
2019	\$ 1,297,258	\$ 1,297,258	\$ -	\$ 2,699,752	48.1%
2020	\$ 1,095,616	\$ 1,095,616	\$ -	\$ 2,600,351	42.1%

Notes to the Schedule

- Changes to Benefits
 - Effective January 1, 2009: The normal retirement eligibility for officers hired on or after January 1, 2009 was changed to age 50 and completion of 20 years of service (rather than 20 years of service). The normal retirement benefit was changed to 50% of final monthly average salary (rather than 60%).
- Changes to Assumptions
 - Effective January 1, 2009: The asset smoothing corridor was expanded to 75% -125% of market value for the 2009 actuarial valuation report (AVR).
 - Effective January 1, 2011: The mortality assumption was updated to the RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment and rates projected to improve with 75% of scale AA for the 2011 AVR.
 - Effective January 1, 2015: The interest rate and salary scale assumptions were lowered, from 8.0% to 7.5% and from 5.5% to 5.0%, respectively.
 - January 1, 2017: The interest rate, inflation, and salary scale assumptions were lowered, from 7.5% to 7.25%, from 3.0% to 2.75% and from 5.0% to 4.75% respectively. The mortality assumption was updated from the RP-2000 Combined Healthy mortality table with Blue Collar adjustment and rates projected using 75% of scale AA to the RP-2014 mortality table with 50% Blue Collar adjustment and projected mortality improvement based on the Long-Range Demographic Assumptions for the 2015 SSA Trustee Report. The assumed retirement age was updated from the later of age 52 and 20 years of service to rates based on age and service. The disability assumption was updated from 60% of the rates of disablement from Advanced Pension Tables to rates based on the Social Security Administration's 2010 projection of disability incidence.

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

2018	-5.47%
2017	16.34%
2016	6.84% * *
2015	-0.86% *
2014	6.80% *
2013	20.23% *

* Provided by C.S. McKee

** Provided by PFM Asset Management

See independent auditor's report.

CITY OF GREENSBURG
Schedule of Changes in the City's Net Pension Liability and Related Ratios –
Non-uniform Pension Plan
December 31, 2020

	<u>12/31/2018*</u>	<u>12/31/2017 *</u>	<u>12/31/2016 *</u>	<u>12/31/2015 *</u>	<u>12/31/2014*</u>
Total pension liability					
Service cost	\$ 232,674	\$ 223,587	\$ 206,393	\$ 236,942	\$ 236,891
Interest	694,860	674,107	660,801	636,773	620,163
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	154,651	-	74,768	-	(67,092)
Changes of assumptions	-	-	341,666	120,729	-
Benefit payments, including refunds of employee contributions	<u>(538,586)</u>	<u>(485,073)</u>	<u>(465,410)</u>	<u>(586,987)</u>	<u>(391,672)</u>
Net change in total pension liability	543,599	412,621	818,218	407,457	398,290
Total pension liability—beginning	<u>13,268,609</u>	<u>12,855,988</u>	<u>12,037,770</u>	<u>11,630,313</u>	<u>11,232,023</u>
Total pension liability—ending (a)	<u>\$ 13,812,208</u>	<u>\$ 13,268,609</u>	<u>\$ 12,855,988</u>	<u>\$ 12,037,770</u>	<u>\$ 11,630,313</u>
Plan fiduciary net position					
Contributions - employer	\$ 199,604	\$ 197,424	\$ 174,964	\$ 172,943	\$ 124,414
Contributions - PMRS assessment	1,800	1,800	1,820	1,740	-
Contributions - employee	86,037	82,677	81,493	80,741	78,848
PMRS investment income	631,415	616,085	627,678	600,105	581,598
Market value investment income	(1,200,970)	1,335,349	196,916	(657,853)	(106,040)
Benefit payments, including refunds of employee contributions	(538,586)	(485,073)	(465,410)	(586,987)	(391,672)
Administrative expense	(1,740)	(1,700)	(1,720)	(1,740)	(1,760)
Other	<u>(28,177)</u>	<u>(28,333)</u>	<u>(30,751)</u>	<u>(25,017)</u>	<u>(22,304)</u>
Net change in plan fiduciary net position	(850,617)	1,718,229	584,990	(416,068)	263,084
Plan fiduciary net position—beginning	<u>12,981,486</u>	<u>11,263,257</u>	<u>10,678,267</u>	<u>11,094,335</u>	<u>10,831,251</u>
Plan fiduciary net position—ending (b)	<u>\$ 12,130,869</u>	<u>\$ 12,981,486</u>	<u>\$ 11,263,257</u>	<u>\$ 10,678,267</u>	<u>\$ 11,094,335</u>
Net pension liability—ending (a) – (b)	<u>\$ 1,681,339</u>	<u>\$ 287,123</u>	<u>\$ 1,592,731</u>	<u>\$ 1,359,503</u>	<u>\$ 535,978</u>
Plan fiduciary net position as a percentage of the total pension liability	87.83%	97.84%	87.61%	88.71%	95.39%
Covered-employee payroll	\$ 2,458,229	\$ 2,362,222	\$ 2,328,354	\$ 2,306,889	\$ 2,386,279
Net pension liability as a percentage of covered-employee payroll	68.40%	12.15%	68.41%	58.93%	22.46%

*This date represents the measurement date for the current fiscal year end. This was the most recently available measurement date.

See independent auditor's report.

CITY OF GREENSBURG
Schedule of the City's Contributions –
Non-uniform Pension Plan
December 31, 2020

Schedule of the City's Contributions	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 201,344	\$ 199,124	\$ 176,684	\$ 174,623	\$ 122,184
Contributions in relation to the actuarially determined contributions*	<u>201,404</u>	<u>199,224</u>	<u>176,784</u>	<u>174,683</u>	<u>124,414</u>
Contribution deficiency (excess)	<u>\$ (60)</u>	<u>\$ (100)</u>	<u>\$ (100)</u>	<u>\$ (60)</u>	<u>\$ (2,230)</u>
Covered-employee payroll **	\$ 2,458,229	\$ 2,362,222	\$ 2,328,354	\$ 2,306,889	\$ 2,386,279
Contributions as a percentage of covered-employee payroll	8.19%	8.43%	7.59%	7.57%	5.21%

* Information provided by PMRS and not reconciled to determine the cause of any deviation from the Actuarially Determined Contribution (if applicable).

** Beginning in 2015, amount is actual payroll. In 2014, amount is expected payroll based on the most recent actuarial valuation. These amounts may not match the MMO payroll.

Notes to Schedules:

Valuation Date: Actuarially determined contribution rates are calculated as of January 1 for the odd valuation year at least two years prior to the end of the fiscal year in which the contributions were reported. Therefore, the Actuarially Determined Contribution for calendar year 2017 is based upon the January 1, 2015 actuarial valuation.

A summary of key assumptions and methods used to determine the 2017 contribution rates:

- Actuarial Cost Method: Entry Age
- Amortization Period: Level dollar based upon amortization periods in Act 205
- Asset valuation method: based upon the municipal reserves
- Discount Rate: 5.50%
- Inflation: 3.0%
- Salary increases: Age related scale with merit and inflation component
- COLA increases: 3.0% for those eligible for a COLA
- Pre-Retirement Mortality: Males – RP 2000 with 1-year setback, Females – RP 2000 with 5-year set back
- Post-Retirement Mortality: Sex distinct RP 2000 Combined Healthy Mortality

See independent auditor's report.

CITY OF GREENSBURG
Schedule of the City's Assets, Liabilities and Funded Ratio –
Non-uniform Pension Plan
December 31, 2020

Measurement Year Ending:	2013	2014	2015	2016	2017
A Total Pension Liability	\$ 11,232,023	\$ 11,630,313	\$ 12,037,770	\$ 12,855,988	\$ 13,268,609
B Actuarial Value of Assets*	\$ 10,985,758	\$ 11,327,837	\$ 11,635,031	\$ 12,070,937	\$ 12,492,469
C AVA Funded Ratio (B/A)	97.8%	97.4%	96.7%	93.9%	94.2%
D Market Value of Assets*	\$ 10,831,251	\$ 11,094,335	\$ 10,678,267	\$ 11,263,257	\$ 12,981,486
E MVA Funded Ratio (D/A)	96.4%	95.4%	88.7%	87.6%	97.8%

*Amounts may not match the Act 205 Forms due to unpaid MMOs.

See independent auditor's report.

SUPPLEMENTARY INFORMATION

CITY OF GREENSBURG
Combining Balance Sheet
Other Governmental Funds
December 31, 2020

	Special Revenues Funds							Capital Projects Funds							Total Other Governmental Funds	
	Armstrong Fund	Motor Tax Fund	Greensburg Community Days Fund	St. Clair Park Concert Series Fund	Community Development Grant Fund	Lottery Fund	Library Fund	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 Note Fund	2017 General Obligation Note Fund		DPW Insurance Proceeds Fund
Assets																
Cash and cash equivalents	\$ -	\$ 442,376	\$ 41,695	\$ 776	\$ -	\$ 3,230	\$ -	\$ 94,140	\$ 358,047	\$ 60,356	\$ 622,618	\$ -	\$ 358,598	\$ 99,377	\$ 319,046	\$ 2,400,259
Taxes receivables	-	-	-	-	-	-	14,584	-	-	-	-	-	-	-	-	14,584
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ 442,376	\$ 41,695	\$ 776	\$ -	\$ 3,230	\$ 14,584	\$ 94,140	\$ 358,047	\$ 60,356	\$ 622,618	\$ -	\$ 358,598	\$ 99,377	\$ 319,046	\$ 2,414,843
Liabilities																
Accounts payable	\$ -	\$ 3,816	\$ -	\$ -	\$ 17,194	\$ 3,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,950	\$ -	\$ 26,002	\$ 52,171
Deferred revenue	-	-	-	-	-	-	11,616	-	-	-	-	-	-	-	-	11,616
Due To / Due From	-	(1,511)	(875)	(818)	8,761	-	(5,764)	-	(71,235)	-	71,235	(2,061)	(685)	(833)	8,461	4,675
Total Liabilities	-	2,305	(875)	(818)	25,955	3,209	5,852	-	(71,235)	-	71,235	(2,061)	1,265	(833)	34,463	68,462
Fund Balance																
Restricted	-	440,071	-	-	(25,955)	21	8,732	-	-	-	551,383	2,061	357,333	100,210	-	1,433,856
Committed	-	-	42,570	1,594	-	-	-	94,140	429,282	60,356	-	-	-	-	284,583	912,525
Total Fund Balance	-	440,071	42,570	1,594	(25,955)	21	8,732	94,140	429,282	60,356	551,383	2,061	357,333	100,210	284,583	2,346,381
Total Liabilities and Fund Balance	\$ -	\$ 442,376	\$ 41,695	\$ 776	\$ -	\$ 3,230	\$ 14,584	\$ 94,140	\$ 358,047	\$ 60,356	\$ 622,618	\$ -	\$ 358,598	\$ 99,377	\$ 319,046	\$ 2,414,843

See independent auditor's report.

CITY OF GREENSBURG
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Other Governmental Funds
Year Ended December 31, 2020

	Special Revenues Funds							Capital Projects Funds							Total Other Governmental Funds	
	Armstrong	Motor Tax	Greensburg	St. Clair	Community	Lottery	Library	Police	Fire Department	Hutchinson	2005 General	2013 General	2016 General	2017 General		DPW Insurance
	Fund	Fund	Community	Park Concert	Development	Fund	Fund	Equipment	Capital	Garage	Obligation	Obligation	Obligation	Obligation		Proceeds
		Days Fund	Series Fund	Grant Fund	Fund	Fund	Fund	Equipment Fund	Reserve Fund	Fund	Note Fund	Note Fund	Note Fund	Note Fund	Fund	Funds
Revenues																
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,639
License and permits	-	-	-	-	-	-	-	17,400	-	-	-	-	-	-	-	17,400
Charges for service	-	-	-	-	-	-	-	25	-	-	-	-	-	-	-	25
Intergovernmental revenue	-	447,132	-	-	-	-	-	7,124	-	-	-	-	-	-	-	454,256
Interest, rents, and royalties	-	2,114	61	-	-	5	-	130	540	182	1,184	-	-	225	96	4,537
Miscellaneous	-	14,238	12,742	-	-	-	-	-	1,362	-	-	-	-	-	872,636	900,978
Total Revenues	-	463,484	12,803	-	-	5	123,639	24,679	1,902	182	1,184	-	-	225	872,732	1,500,835
Expenditures																
Department of Public Affairs and Safety	-	-	-	-	-	-	-	-	16,293	-	-	-	-	-	-	16,293
Department of Public Works	-	154,848	-	-	-	-	-	-	-	-	-	-	-	-	592,992	747,840
Department of Parks and Recreation	-	-	13,793	-	-	-	118,153	-	-	-	-	-	113,378	18,346	-	263,670
Capital outlay	-	105,248	-	-	32,194	-	-	16,133	22,355	-	5,650	-	-	2,628	114,694	298,902
Debt service																
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	260,096	13,793	-	32,194	-	118,153	16,133	38,648	-	5,650	-	113,378	20,974	707,686	1,326,705
Excess (Deficiency) of Revenues																
Over Expenditures	-	203,388	(990)	-	(32,194)	5	5,486	8,546	(36,746)	182	(4,466)	-	(113,378)	(20,749)	165,046	174,130
Other Financing Sources (Uses)																
Transfers in	-	-	15,496	-	-	-	-	23,244	116,219	26,489	-	-	-	-	-	181,448
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from bond issuance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	15,496	-	-	-	-	23,244	116,219	26,489	-	-	-	-	-	181,448
Net Change in Fund Balance	-	203,388	14,506	-	(32,194)	5	5,486	31,790	79,473	26,671	(4,466)	-	(113,378)	(20,749)	165,046	355,578
Beginning Fund Balance	-	236,683	28,064	1,594	6,239	16	3,246	62,350	349,809	33,685	555,849	2,061	470,711	120,959	119,537	1,990,803
Ending Fund Balance	\$ -	\$ 440,071	\$ 42,570	\$ 1,594	\$ (25,955)	\$ 21	\$ 8,732	\$ 94,140	\$ 429,282	\$ 60,356	\$ 551,383	\$ 2,061	\$ 357,333	\$ 100,210	\$ 284,583	\$ 2,346,381

See independent auditor's report.

CITY OF GREENSBURG
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budgetary Basis)
Other Governmental Funds
Year Ended December 31, 2020

Special Revenue Funds

	Armstrong Fund			Motor Tax Fund		
	Budget Original/Final	Actual (Budgetary Basis)	Variance with Final Budget	Budget Original/Final	Actual (Budgetary Basis)	Variance with Final Budget
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ 438,192	\$ 447,132	\$ 8,940
Interest, rents, and royalties	-	-	-	5,000	2,114	(2,886)
Miscellaneous	-	-	-	-	14,238	14,238
	<u>-</u>	<u>-</u>	<u>-</u>	<u>443,192</u>	<u>463,484</u>	<u>20,292</u>
Total Revenues	-	-	-	443,192	463,484	20,292
Expenditures						
Department of Public Affairs and Safety	-	-	-	-	-	-
Department of Public Works	-	-	-	322,030	154,848	167,182
Capital outlay	-	-	-	200,000	105,248	94,752
	<u>-</u>	<u>-</u>	<u>-</u>	<u>522,030</u>	<u>260,096</u>	<u>261,934</u>
Total Expenditures	-	-	-	522,030	260,096	261,934
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(78,838)</u>	<u>203,388</u>	<u>282,226</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (78,838)</u>	<u>\$ 203,388</u>	<u>\$ 282,226</u>

See independent auditor's report.

CITY OF GREENSBURG
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budgetary Basis)
Other Governmental Funds
Year Ended December 31, 2020

Special Revenue Funds

	<u>Greensburg Community Days Fund</u>			<u>St. Clair Park Concert Series Fund</u>		
	<u>Budget</u> <u>Original/Final</u>	<u>Actual</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u>	<u>Budget</u> <u>Original/Final</u>	<u>Actual</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u>
Revenues						
Charges for service	\$ 47,500	\$ -	\$ (47,500)	\$ -	\$ -	\$ -
Interest, rents, and royalties	200	61	(139)	-	-	-
Miscellaneous	37,000	12,742	(24,258)	-	-	-
Total Revenues	<u>84,700</u>	<u>12,803</u>	<u>(71,897)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
Department of Parks and Recreation	<u>92,600</u>	<u>13,793</u>	<u>78,807</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>92,600</u>	<u>13,793</u>	<u>78,807</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,900)</u>	<u>(990)</u>	<u>6,910</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)						
Transfers in	<u>-</u>	<u>15,496</u>	<u>(15,496)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>15,496</u>	<u>(15,496)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (7,900)</u>	<u>\$ 14,506</u>	<u>\$ 22,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF GREENSBURG
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budgetary Basis)
Other Governmental Funds
Year Ended December 31, 2020

Special Revenue Funds

	Community Development Grant Fund			Library Fund		
	Budget <u>Original/Final</u>	Actual <u>(Budgetary Basis)</u>	Variance with <u>Final Budget</u>	Budget <u>Original/Final</u>	Actual <u>(Budgetary Basis)</u>	Variance with <u>Final Budget</u>
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 123,639	\$ 123,639
Interest, rents, and royalties	-	-	-	-	-	-
Miscellaneous	<u>558,972</u>	<u>-</u>	<u>(558,972)</u>	<u>123,514</u>	<u>-</u>	<u>(123,514)</u>
Total Revenues	<u>558,972</u>	<u>-</u>	<u>(558,972)</u>	<u>123,514</u>	<u>123,639</u>	<u>125</u>
Expenditures						
Capital Outlay	296,249	32,194	264,055	-	-	-
Department of Public Works	262,723	-	262,723	-	-	-
Department of Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,514</u>	<u>118,153</u>	<u>5,361</u>
Total Expenditures	<u>558,972</u>	<u>32,194</u>	<u>526,778</u>	<u>123,514</u>	<u>118,153</u>	<u>5,361</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(32,194)</u>	<u>(32,194)</u>	<u>-</u>	<u>5,486</u>	<u>5,486</u>
Other Financing Sources (Uses)						
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (32,194)</u>	<u>\$ (32,194)</u>	<u>\$ -</u>	<u>\$ 5,486</u>	<u>\$ 5,486</u>

See independent auditor's report.

CITY OF GREENSBURG
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budgetary Basis)
Other Governmental Funds
Year Ended December 31, 2020

Special Revenue Funds

	Lottery Fund		
	Budget <u>Original/Final</u>	Actual <u>(Budgetary Basis)</u>	Variance with <u>Final Budget</u>
Revenues			
Taxes	\$ -	\$ -	\$ -
Interest, rents, and royalties	-	5	5
Miscellaneous	-	-	-
	-	5	5
Total Revenues	-	5	5
Expenditures			
Capital Outlay	-	-	-
	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	5	5
Other Financing Sources (Uses)			
Transfers in	-	-	-
	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	\$ -	\$ 5	\$ 5

See independent auditor's report.

CITY OF GREENSBURG
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budgetary Basis)
Other Governmental Funds
Year Ended December 31, 2020

Capital Projects Funds

	2013 General Obligation Bonds Fund			Police Equipment Fund		
	Budget	Actual	Variance with	Budget	Actual	Variance with
	<u>Original/Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>	<u>Original/Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
Revenues						
License and permits	\$ -	\$ -	\$ -	\$ 17,750	\$ 17,400	\$ (350)
Charges for service	-	-	-	400	25	(375)
Intergovernmental	-	-	-	250	7,124	6,874
Interest, rents, and royalties	-	-	-	340	130	(210)
Miscellaneous	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	-	-	18,740	24,679	5,939
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures						
Department of Public Affairs and Safety	-	-	-	-	-	-
Department of Public Works	-	-	-	-	-	-
Department of Parks and Recreation	-	-	-	-	-	-
Capital outlay	-	-	-	36,650	16,133	20,517
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	-	-	36,650	16,133	20,517
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues						
Over Expenditures	-	-	-	(17,910)	8,546	26,456
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses)						
Transfers in	-	-	-	25,000	23,244	(1,756)
Proceeds from sale of assets	-	-	-	10,000	-	(10,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	-	-	35,000	23,244	(11,756)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ 17,090	\$ 31,790	\$ 14,700
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See independent auditor's report.

CITY OF GREENSBURG
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budgetary Basis)
Other Governmental Funds
Year Ended December 31, 2020

Capital Projects Funds

	<u>Fire Department Capital Equipment Fund</u>			<u>Hutchinson Garage Reserve Fund</u>		
	<u>Budget Original/Final</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget</u>	<u>Budget Original/Final</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
Revenues						
Interest, rents, and royalties	\$ -	\$ 540	\$ 540	\$ 60	\$ 182	\$ 122
Miscellaneous	-	1,362	1,362	-	-	-
Total Revenues	<u>-</u>	<u>1,902</u>	<u>1,902</u>	<u>60</u>	<u>182</u>	<u>122</u>
Expenditures						
Department of Public Works	-	-	-	-	-	-
Capital outlay	<u>18,053</u>	<u>22,355</u>	<u>(4,302)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>18,053</u>	<u>38,648</u>	<u>(20,595)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(18,053)</u>	<u>(36,746)</u>	<u>(18,693)</u>	<u>60</u>	<u>182</u>	<u>122</u>
Other Financing Sources (Uses)						
Net Transfers	<u>125,025</u>	<u>116,219</u>	<u>(8,806)</u>	<u>28,500</u>	<u>26,489</u>	<u>(2,011)</u>
Total Other Financing Sources (Uses)	<u>125,025</u>	<u>116,219</u>	<u>(8,806)</u>	<u>28,500</u>	<u>26,489</u>	<u>(2,011)</u>
Net Change in Fund Balance	<u>\$ 106,972</u>	<u>\$ 79,473</u>	<u>\$ (9,887)</u>	<u>\$ 28,560</u>	<u>\$ 26,671</u>	<u>\$ (1,889)</u>

See independent auditor's report.

CITY OF GREENSBURG
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budgetary Basis)
Other Governmental Funds
Year Ended December 31, 2020

Capital Projects Funds

	2005 General Obligation Note Fund			DPW Insurance Proceeds Fund		
	Budget <u>Original/Final</u>	Actual <u>(Budgetary Basis)</u>	Variance with <u>Final Budget</u>	Budget <u>Original/Final</u>	Actual <u>(Budgetary Basis)</u>	Variance with <u>Final Budget</u>
Revenues						
Interest, rents, and royalties	\$ 3,500	\$ 1,184	\$ (2,316)	\$ -	\$ 96	\$ 96
Miscellaneous	-	-	-	-	-	-
Insurance Reimbursement	-	-	-	1,500,000	872,636	
Total Revenues	<u>3,500</u>	<u>1,184</u>	<u>(2,316)</u>	<u>1,500,000</u>	<u>872,732</u>	<u>96</u>
Expenditures						
Capital outlay	200,000	5,650	194,350	-	114,694	(114,694)
Department of Public Works	-	-	-	1,500,000	592,992	907,008
Total Expenditures	<u>200,000</u>	<u>5,650</u>	<u>194,350</u>	<u>1,500,000</u>	<u>707,686</u>	<u>792,314</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(196,500)</u>	<u>(4,466)</u>	<u>192,034</u>	<u>-</u>	<u>165,046</u>	<u>165,046</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (196,500)</u>	<u>\$ (4,466)</u>	<u>\$ 192,034</u>	<u>\$ -</u>	<u>\$ 165,046</u>	<u>\$ 165,046</u>

See independent auditor's report.

CITY OF GREENSBURG
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budgetary Basis)
Other Governmental Funds
Year Ended December 31, 2020

Capital Projects Funds

	2016 General Obligation Note Fund			2017 General Obligation Bond Fund		
	Budget <u>Original/Final</u>	Actual <u>(Budgetary Basis)</u>	Variance with <u>Final Budget</u>	Budget <u>Original/Final</u>	Actual <u>(Budgetary Basis)</u>	Variance with <u>Final Budget</u>
Revenues						
Interest, rents, and royalties	\$ -	\$ -	\$ -	\$ 50	\$ 225	\$ 175
Miscellaneous	-	-	-	-	-	-
Insurance Reimbursement	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>225</u>	<u>175</u>
Expenditures						
Capital outlay	-	-	-	141,579	18,346	123,233
Department of Parks and Recreation	200,000	113,378	-	-	2,628	(2,628)
Total Expenditures	<u>200,000</u>	<u>113,378</u>	<u>-</u>	<u>141,579</u>	<u>20,974</u>	<u>120,605</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(200,000)</u>	<u>(113,378)</u>	<u>86,622</u>	<u>(141,529)</u>	<u>(20,749)</u>	<u>120,780</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (200,000)</u>	<u>\$ (113,378)</u>	<u>\$ 86,622</u>	<u>\$ (141,529)</u>	<u>\$ (20,749)</u>	<u>\$ 120,780</u>

See independent auditor's report.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with
Government Auditing Standards**

To: City Council,
City of Greensburg, PA

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, the aggregate remaining fund information, and fiduciary funds of the City of Greensburg (City) as of and for the year ended December 31, 2020, 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 September 13, 2021.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(continued)

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with Government Auditing Standards

(continued)

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Singer Accounting, PC

Singer Accounting, PC
Ligonier, PA
September 13, 2021