

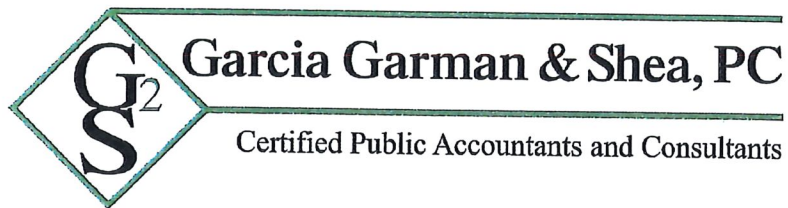
**PINE GROVE BOROUGH**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**



PINE GROVE BOROUGH  
FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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Vincent M. Garcia, CPA  
Angela K. Shea, CPA  
Kelly A. Miller, CPA  
Matthew P. Garman, CPA

## INDEPENDENT AUDITORS' REPORT

Board of Supervisors and Management  
Pine Grove Borough  
Pine Grove, Pennsylvania

### **Report on Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pine Grove Borough as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Pine Grove Borough, as of December 31, 2021, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter – Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pine Grove Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pine Grove Borough's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require the inclusion of the budgetary comparison information and historical pension information on pages 27 to 34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary

information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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 or provide any assurance.

***Other Information***

Pine Grove Borough has omitted management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Garcia Garman & Shea, PC***

Lebanon, Pennsylvania  
November 28, 2022

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PINE GROVE BOROUGH  
STATEMENT OF NET POSITION – MODIFIED CASH BASIS  
DECEMBER 31, 2021

	<u>Governmental Activities</u>
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,355,475
Due from recreation board	<u>19,467</u>
Total current assets	<u>\$ 1,374,942</u>
<b>LIABILITIES</b>	
Payroll liabilities	<u>\$ 2,948</u>
Total current liabilities	<u>2,948</u>
<b>NET POSITION</b>	
Unrestricted	<u>1,371,994</u>
Total net position	<u>1,371,994</u>
Total liabilities and net position	<u>\$ 1,374,942</u>

See accompanying notes to financial statements.

PINE GROVE BOROUGH  
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Functions/Programs</u>	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government			
Governmental activities			
General government	\$ 354,886	\$ -	\$ -
Public safety	333,678	51,543	8,893
Public works	1,146,311	9,948	1,047,756
Culture and recreation	24,570	-	-
Insurance	43,492	-	-
Employee benefits	347,246	-	51,068
	<hr/>	<hr/>	<hr/>
Total primary government	\$ 2,250,183	\$ 61,491	\$ 1,107,717

General revenues

Taxes

Property taxes, levied for general purpose

Earned income taxes, levied for general purpose

Other enabling taxes, levied for general purpose

Franchise taxes

Public service taxes

Investment earnings

Refund of prior year expenses

General obligation proceeds

Miscellaneous

Total general revenues and special items

Change in net position

Net position, beginning

Net position, ending

See accompanying notes to financial statements.

Net (Expense) Revenue and  
Changes in Net Position Primary  
Government

---

	Governmental Activities		Total
	\$ (354,886)	\$	(354,886)
	(273,242)		(273,242)
	(88,607)		(88,607)
	(24,570)		(24,570)
	(43,492)		(43,492)
	(296,178)		(296,178)
	<hr/>		<hr/>
	(1,080,975)		(1,080,975)
	<hr/>		<hr/>
	433,401		433,401
	238,393		238,393
	95,331		95,331
	42,504		42,504
	729		729
	153		153
	20,201		20,201
	333,531		333,531
	19,582		19,582
	<hr/>		<hr/>
	1,183,825		1,183,825
	<hr/>		<hr/>
	102,850		102,850
	<hr/>		<hr/>
	1,269,144		1,269,144
	<hr/>		<hr/>
	\$ 1,371,994	\$	1,371,994
	<hr/>		<hr/>

See accompanying notes to financial statements.

PINE GROVE BOROUGH  
BALANCE SHEET – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	General	Water	Capital Projects	Highway Aid	Total Governmental Funds
<u>ASSETS</u>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 99,169	\$ 1,098,783	\$ 68,858	\$ 88,665	\$ 1,355,475
Due from recreation board	19,467	-	-	-	19,467
Due from other funds	516,152	63,370	-	-	579,522
<b>Total current assets</b>	<b>\$ 634,788</b>	<b>\$ 1,162,153</b>	<b>\$ 68,858</b>	<b>\$ 88,665</b>	<b>\$ 1,954,464</b>
<u>LIABILITIES AND FUND BALANCES</u>					
<b>CURRENT LIABILITIES</b>					
Payroll liabilities	\$ 2,948	\$ -	\$ -	\$ -	\$ 2,948
Due to other funds	-	513,338	66,184	-	579,522
<b>Total current liabilities</b>	<b>2,948</b>	<b>513,338</b>	<b>66,184</b>	<b>-</b>	<b>582,470</b>
<b>FUND BALANCES</b>					
Unassigned	631,840	648,815	2,674	88,665	1,371,994
<b>Total fund balances</b>	<b>631,840</b>	<b>648,815</b>	<b>2,674</b>	<b>88,665</b>	<b>1,371,994</b>
<b>Total liabilities and fund balances</b>	<b>\$ 634,788</b>	<b>\$ 1,162,153</b>	<b>\$ 68,858</b>	<b>\$ 88,665</b>	<b>\$ 1,954,464</b>

See accompanying notes to financial statements.

PINE GROVE BOROUGH  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
MODIFIED CASH BASIS – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	General	Water	Capital Projects	Highway Aid	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 767,125	\$ -	\$ -	\$ -	\$ 767,125
Fines	10,655	-	-	-	10,655
Licenses and permits	48,377	-	-	-	48,377
Interest and rents	1,353	98	-	17	1,468
Grants and gifts	213,933	868,116	-	71,360	1,153,409
Other revenue	9,365	8,902	-	-	18,267
<b>Total revenues</b>	<b>1,050,808</b>	<b>877,116</b>	<b>-</b>	<b>71,377</b>	<b>1,999,301</b>
<b>EXPENDITURES</b>					
Administration	157,921	178,464	24	-	336,409
Tax collection	11,192	4,115	-	-	15,307
Municipal buildings	9,973	7,603	-	-	17,576
Protection to persons and property	333,678	877	-	-	334,555
Highways and streets	343,723	18,698	-	-	362,421
Employee payroll taxes and benefits	238,899	108,347	-	-	347,246
Insurance	43,492	13,955	-	-	57,447
Water system	-	409,610	-	-	409,610
Parks and recreation	24,570	-	-	-	24,570
<b>Total expenditures</b>	<b>1,163,448</b>	<b>741,669</b>	<b>24</b>	<b>-</b>	<b>1,905,141</b>
Excess (deficiency) of revenues over expenditures	(112,640)	135,447	(24)	71,377	94,160
<b>OTHER FINANCING SOURCES (USES)</b>					
Refund of prior year expenditures	20,201	-	-	-	20,201
Transfers in	108,722	108,280	126,000	-	343,002
Transfers out	(108,280)	(160,850)	-	(73,872)	(343,002)
General obligation proceeds	-	333,531	-	-	333,531
General obligation interest	-	(29,866)	(27,675)	-	(57,541)
General obligation principal	-	(189,666)	(97,835)	-	(287,501)
<b>Total other financing sources (uses)</b>	<b>20,643</b>	<b>61,429</b>	<b>490</b>	<b>(73,872)</b>	<b>8,690</b>
<b>Net change in fund balances</b>	<b>(91,997)</b>	<b>196,876</b>	<b>466</b>	<b>(2,495)</b>	<b>102,850</b>
Fund balances, beginning	723,837	451,939	2,208	91,160	1,269,144
<b>Fund balances, ending</b>	<b>\$ 631,840</b>	<b>\$ 648,815</b>	<b>\$ 2,674</b>	<b>\$ 88,665</b>	<b>\$ 1,371,994</b>

See accompanying notes to financial statements.

PINE GROVE BOROUGH  
 STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
 DECEMBER 31, 2021  
 (POLICE AND NON-UNIFORMED PENSION FUNDS DECEMBER 31, 2020)

	<u>Police Pension</u>	<u>Non-Uniformed Pension</u>	<u>Total Fiduciary Fund</u>
<u>ASSETS</u>			
ASSETS			
Investments with PMRS at fair value	\$ 2,237,015	\$ 1,418,148	\$ 3,655,163
Total assets	<u>\$ 2,237,015</u>	<u>\$ 1,418,148</u>	<u>\$ 3,655,163</u>
<u>NET POSITION</u>			
NET POSITION			
Total liabilities and net position	<u>\$ 2,237,015</u>	<u>\$ 1,418,148</u>	<u>\$ 3,655,163</u>

See accompanying notes to financial statements.

PINE GROVE BOROUGH  
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
DECEMBER 31, 2021  
(POLICE AND NON-UNIFORMED PENSION FUNDS DECEMBER 31, 2020)

	Police Pension	Non-Uniformed Pension	Total Fiduciary Fund
<b>ADDITIONS</b>			
Contributions			
Employer	\$ -	\$ 63,555	\$ 63,555
Commonwealth	-	400	400
Member	-	-	-
Investment income (loss), interest	266,444	247,019	513,463
Total additions	266,444	310,974	577,418
<b>DEDUCTIONS</b>			
Benefits	18,886	73,879	92,765
Administrative expenses	4,309	2,547	6,856
Total deductions	23,195	76,426	99,621
Net increase (decrease)	243,249	234,548	477,797
Net position, beginning	1,993,766	1,183,600	3,177,366
Net position, ending	\$ 2,237,015	\$ 1,418,148	\$ 3,655,163

See accompanying notes to financial statements.

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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

The Borough of Pine Grove is located in Schuylkill County, Pennsylvania and provides the following services as authorized by its charter: public safety, public works, public health and welfare, culture and recreation.

The accounting policies of Pine Grove Borough conform to the modified cash basis of accounting. The following summary of significant accounting policies of Pine Grove Borough is presented to assist in understanding the Borough's financial statements. The financial statements and notes are representations of the Borough's management who is responsible for their integrity and objectivity.

Reporting Entity

The Borough defines its reporting entity based upon the criteria established by Governmental Accounting Standards Board (GASB). The Borough includes in its reporting entity organizations for which it is financially accountable and other organizations for which the nature and significance of the relationship with the Borough is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of reporting entity is based primarily on the notion of financial accountability. The Borough is financially accountable for an organization if they appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific burdens on, the Borough. The Borough would include any organization fiscally dependent upon it.

Fund Accounting

The Borough of Pine Grove uses funds to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The Borough's governmental funds are grouped as follows:

*Major Governmental Funds*

- 1) General Fund – Fund is the general operating fund of the Borough. It is utilized to account for all revenues and expenditures except those required to be accounted for in another fund.
- 2) Capital Projects – Fund is used to account for monies set aside for specific projects or equipment.
- 3) Water Fund – Fund is used to account for the assets, liabilities, income, and expenses of the sewer and stormwater programs.

*Non-Major Governmental Fund*

- 1) Highway Aid Fund – Fund is used to account for revenues and expenditures related to street repair and maintenance.

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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

*Other Fund Types*

Fiduciary Funds are used to account for assets held by the Borough as a trustee or agent for other funds or governmental entities. This includes the Police Pension and Non-Uniform Pension Funds, which account for resources including both principal and earnings, which must be expended according to the provisions of the trust agreements, and are accounted for in essentially the same manner as the governmental funds.

Basis of Presentation

*Government-wide Financial Statements*

The statement of net position and the statement of activities display information about the Borough as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each identifiable activity for each function or program of the governmental activities of the Borough. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes and revenues not classified as program revenues are presented as general revenues of the Borough.

*Fund Financial Statements*

Fund financial statements report detailed information about the Borough. Their focus is on major funds rather than reporting by fund type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column.

Basis of Accounting

The Borough's policy is to prepare its financial statements using a modified cash basis for its governmental funds; consequently, certain revenue is recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred. Modifications in such method from the cash basis follow:

- Amounts due from outside boards are accrued.
- Payroll taxes payable are accrued.

Government-wide Net Position

Government-wide net position is divided into two components:

- Restricted net position – consist of assets that are restricted by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net position is reported in this category.

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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

Restricted Resources

The Borough utilizes restricted resources first on those occasions where both restricted and unrestricted resources are available for the same purpose.

Budgets

Under GASB No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. Prior to the beginning of each fiscal year, an annual budget is adopted for the governmental funds with the exception of the capital projects fund. No budget revisions were made between the original and final budget during the year. Appropriations lapse at the end of the year.

Cash Equivalents

The Borough considers cash equivalents as short term, highly liquid investments that are readily convertible to known amounts of cash that mature within three months or less.

Capital Assets

Capital assets purchased are reported as expenditures in the respective fund at the time of purchase. The Borough has not maintained a record of its capital assets.

Infrastructure

The cost of constructing or acquiring assets is reported as expenditures in the respective fund at the time of purchase. The Borough has not maintained a record of its assets.

Compensated Absences

Full time employees of the Borough are entitled to paid time off benefits based upon years of service. Terminated employees are paid all accumulated vacation time hours at the current rate of pay and may use vacation time from the prior year by March 31 of the current year. A maximum of 50 days (400 hours) of sick time may be carried to the following year. Total liability for these compensated absences as of December 31, 2021 was \$28,892.

Tax Revenue

Per capita tax and real estate tax are recorded at gross amounts collected with expenses and commissions paid recorded as an expenditure under tax collection. Earned income and local services taxes are recorded at the net amount received from the collecting agency after deduction for fees and expenses.

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting periods. Actual results could differ from those estimates.

Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, and errors and omissions for which it carries commercial insurance.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

The Borough is permitted to invest funds consistent with sound business practices in the following types of investments:

- 1) Obligations of (a) the United States of America, (b) the Commonwealth of Pennsylvania, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of their agencies or instrumentalities backed respectively by their full faith and credit.
- 2) Deposits in savings, time deposit or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

The deposit and investment policy of the Borough adheres to state statutes and prudent business practice. There were no deposit or investment transactions during the year that were in violation of either the state statutes or Borough policy.

At year end, the carrying amount of the Borough's cash and deposits in all primary government fund types was \$1,355,475 and the bank balance was \$1,421,832, of which \$423,391 was fully insured and \$998,441 was collateralized by securities held by the pledging financial institutions' trust department or agent but not in the Borough's name. When collateral is required in excess of insurance limits, the requirements of Act 72 of 1971 are followed with respect to pooling, custody and type of collateral.

The Borough places no limit on the amounts deposited in any one issuer. The Borough's deposits with Fulton Bank, Mid Penn/Riverview Bank, and PFM Asset Management represented 88%, 5%, and 7%, respectively, of the Borough's total deposits.

The Borough does not have a formal investment policy that limits investment maturities as a means of managing changing interest rates, addresses custodial credit risk, concentration of credit risk, or foreign currency risk. However, the Borough held no investments that were exposed to these risks at December 31, 2021.

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 3 – PROPERTY TAXES**

Based upon assessed valuations provided by the county, the tax collector bills and collects taxes on behalf of the Borough. The Borough's tax rate in 2021 was 14.00 mills (\$14.00 per \$1,000 assessed value). The schedule for property taxes levied for 2021 is as follows:

Tax levy date	March 1, 2021
2% discount period	Through April 30, 2021
Face payment period	Through June 30, 2021
10% penalty period	Beginning July 1, 2021
Lien filing date	January 1, 2022

**NOTE 4 – FUND BALANCE**

The Borough reports fund balance under GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the Borough's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund* balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact. The Borough has no nonspendable amounts at December 31, 2021.

*Restricted Fund* balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. The Borough has no restricted amounts at December 31, 2021.

*Committed Fund* balance – amounts constrained to specific purposes by the Borough itself, using its highest level of decision-making authority (the Board of Supervisors). To be reported as committed, amounts cannot be used for any other purpose unless the Borough takes the same highest level action to remove or change the constraint. The Borough has no assigned amounts at December 31, 2021.

*Assigned Fund* balance – amounts the Borough intends to use for a specific purpose. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board of Supervisors delegates the authority. The Borough has no assigned amounts at December 31, 2021.

*Unassigned Fund* balance – amounts available for any purpose. Positive amounts are reported only in the General Fund.

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund.

The Borough will typically use Restricted fund balances first, but reserves the right to selectively spend Unassigned resources first to defer the use of these classified funds.

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 5 – PENSION PLANS**

Plan Description

The Pine Grove Borough pension plans are single-employer defined benefit pension plans controlled by the provisions of Ordinance No. 71 adopted pursuant to Act 15 of 1974. The Police Plan covers all full-time members of the police force. The Non-Uniformed Pension Plan covers all full-time general employees of the Borough. The Borough has delegated the authority to manage plan assets to the Pennsylvania Municipal Retirement System (PMRS). The assets of the Plans are not commingled. Plan provisions are established by municipal ordinance with the authority for municipal contributions required by Act 205 of the Commonwealth (the Act).

Basis of Accounting

The plans' financial statements are prepared on the accrual basis of accounting. Contributions to the plans are recognized when due as required by the Act. Benefits are recognized when due and payable in accordance with the terms of the individual plans.

Method used to Value Investments

Investments are reported at fair value. All of the Plans' assets are held in trust with PMRS and are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by Governmental Accounting Standards Board for aggregate PMRS investments are included in PMRS' separately issued ACFR.

Funding Standards and State Aid

The Borough is required to make annual contributions to the plan pursuant to Act 205, which specifies minimum funding standards for municipal pension plans in the Commonwealth. Act 205 requires the Borough to budget and contribute to the plan the minimum municipal obligation, which includes both the normal cost of the plan and an amortization contribution sufficient to amortize unfunded liabilities by target dates established under the Act.

Act 205 also establishes a general municipal pension system state aid program, financed by a tax on the premiums of casualty and fire insurance policies sold in the Commonwealth. The Borough is eligible for this aid for each of its pension plans; however, the ultimate obligation to contribute the minimum municipal obligation to the plan is the Borough's.

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 5 – PENSION PLANS** *(continued)*

Plan Membership

Membership of each plan consisted of the following at January 1, 2021, the date of the latest actuarial valuations:

	Police Pension	Non-Uniformed Pension
Active plan participants	2	7
Retired and beneficiaries currently receiving benefits	-	11
Terminated employees entitled to benefits but not yet receiving them	1	-
Total	3	18

Plan Administration

The plans are governed by the Board of Supervisors which may amend plan provisions, subject to Act 205, *the Municipal Pension Plan Funding Standard and Recovery Act*. The Plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Annual Comprehensive Financial Report (ACFR). A copy of the ACFR can be obtained by contacting the PMRS accounting office; P.O. Box 1165, Harrisburg, PA 17108-1165.

Benefits Provided

The Police Plan covers all full-time members of the police force upon employment, and provides retirement, disability, and death benefits to plan members and their beneficiaries.

Members are eligible for normal retirement upon attaining age 55 and 12 years of service. The normal retirement benefit is equal to 50% of average final salary or 2.00% of the member's final salary multiplied by the years of service. Upon death, a survivor monthly annuity death benefit will be paid to the member's surviving spouse equal to the amount that would have been paid had the member terminated employment on the date of death and was eligible for retirement with a qualified joint and 50% survivor annuity in effect. A single sum death benefit equal to the member's transfer value will be paid if the participant does not meet requirements of the survivor annuity death benefit. Active members who become disabled in the line of duty are eligible for disability pension benefits equal to 50% of the member's monthly salary at the time of disability.

The Non-Uniformed Plan covers all of the Borough's general full-time employees, and provides retirement, disability, and death benefits to plan members and their beneficiaries.

Members are eligible for normal retirement upon attaining age 60. Retirement benefits are determined as 1.75% of the member's final salary multiplied by the years of credited service. Upon death, a survivor monthly annuity death benefit will be paid to the member's surviving spouse equal to the amount that would have been paid had the member terminated employment on the date of death and was eligible for retirement with a qualified joint and 50% survivor annuity in effect. A single sum death benefit equal to the member's transfer value will be paid if the participant does not meet requirements of the survivor annuity death benefit. Active members who become

PINE GROVE BOROUGH  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

**NOTE 5 – PENSION PLANS** *(continued)*

disabled in the line of duty are eligible for disability pension benefits equal to 50% of the member’s monthly salary at the time of disability.

The plan administrator will only take into account the first \$265,000 of compensation, as adjusted for cost-of-living increases in accordance with IRC Section 402(a)(17) of any participant’s annual compensation for determining all benefits provided under the plan for the applicable 12 month period.

Vesting

Police Plan member’s benefits vest upon completion of 8 years of vesting service effective April 1, 2020. Non-Uniformed Plan member’s benefits vest upon completion of 10 years of vesting service.

Contributions

Police Plan members are required to contribute 5.00% of their total compensation monthly. Effective April 1, 2020, required Police Plan member contributions are waived for 2020 and 2021. Non-Uniformed Plan members may contribute a portion of their compensation. If sufficient funds exist, the Borough may annually elect to lower or waive the required member contribution rates by adopting a resolution and filing it with the Board. Contributions include \$57,023 in state pension aid for the year ended December 31, 2020.

Concentrations

Concentrations are defined as investments held by the Plan, other than those issued or explicitly guaranteed by the U.S. Government, in any one organization that represent 5% or more of the plans’ fiduciary net position. At December 31, 2020, there were no concentrations of investments in the Plans.

Investment Policy

The Plans’ policy in regard to the allocation of invested assets is established and may be amended by PMRS’s Board. The following was the PMRS’s adopted asset allocation policy for both Plans as of December 31, 2020:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities		
Large capitalized firms	25.0%	5.3%
Small capitalized firms	15.0	6.1%
International developed markets	15.0	5.5%
Emerging markets	10.0	6.0%
Real estate	15.0	5.3%
Timber	5.0	3.8%
Fixed income	15.0	1.9%
	<u>100.0%</u>	

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 5 - PENSION PLANS** *(continued)*

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on both the Police and Non-Uniformed Plans' investments, net of pension plan investment expense, was 14.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total net pension liability was 5.25%. The projection of cash flow to determine the discount rate assumed the contributions will be made at contractually required rates specified under Act 205. Act 205 requires full funding of the entry age normal cost plus Plan expenses in addition to amortization of the unfunded liability to ultimately achieve a 100% funded status. Based on those assumptions, the pension plan's fiduciary net position were projected to be sufficient to make all projected future benefit payments of current plan members of both plans. Therefore, the long-term expected rate of return on pension plan investment was applied to all periods of projected benefit payments to determine the total pension liability for each plan.

Changes in Net Pension Liability/(Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Police Pension			
Balances at December 31, 2019	\$ 626,647	\$ 1,993,766	\$ (1,367,119)
Changes for the year:			
Service cost	18,518	-	18,518
Interest on the total pension liability	33,382	-	33,382
Changes of benefits	8,337	-	8,337
Changes of assumptions	1,729	-	1,729
Differences between expect and actual	(146,801)	-	(146,801)
Contributions - employer	-	-	-
Contributions - PMRS assessment	-	-	-
Contributions - employees	-	-	-
PMRS investment income	-	97,524	(97,524)
Market value investment income	-	168,920	(168,920)
Benefit payments	(18,886)	(18,886)	-
Pension plan administrative expense	-	(4,309)	4,309
Net changes	(103,721)	243,249	(346,970)
Balances at December 31, 2020	\$ 522,926	\$ 2,237,015	\$ (1,714,089)

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 5 - PENSION PLANS** *(continued)*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Non-Uniformed Pension			
Balances at December 31, 2019	\$ 1,135,394	\$ 1,183,600	\$ (48,206)
Changes for the year:			
Service cost	38,932	-	38,932
Interest on the total pension liability	59,738	-	59,738
Changes of benefits	48	-	48
Changes of assumptions	55,352	-	55,352
Differences between expect and actual	112,766	-	112,766
Contributions - employer	-	63,555	(63,555)
Contributions - PMRS assessment	-	400	(400)
Contributions - employees	-	-	-
PMRS investment income	-	49,283	(49,283)
Market value investment income	-	197,736	(197,736)
Benefit payments	(73,879)	(73,879)	-
Pension plan administrative expense	-	(2,547)	2,547
Net changes	<u>192,957</u>	<u>234,548</u>	<u>(41,591)</u>
Balances at December 31, 2020	<u>\$ 1,328,351</u>	<u>\$ 1,418,148</u>	<u>\$ (89,797)</u>

Pension Expense/(Benefit)

Pension expense/(benefit) calculated under GASB 68 for the Plan at December 31, 2020, was as follows:

Year Ended December 31	Police Pension	Non-Uniformed Pension
Service cost	\$ 18,518	\$ 38,932
Interest on the total pension liability	33,382	59,738
Return on assets	(97,524)	(49,283)
Change of benefits	8,337	48
Changes of assumptions	313	11,070
Member contributions	-	-
Liability gains and losses	(11,381)	7,154
Investment gains and losses	(85,070)	(78,938)
Pension plan administrative expense	4,309	2,547
Pension expense/(benefit)	<u>\$ (129,116)</u>	<u>\$ (8,732)</u>

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 5 - PENSION PLANS** *(continued)*

Net Pension Liability/(Asset)

The components of the net pension liability/(asset) of the Plans at December 31, 2020, were as follows:

Description	Police Pension	Non-Uniformed Pension
Total Pension Liability	\$ 522,926	\$ 1,328,351
Plan Fiduciary Net Position	2,237,015	1,418,148
Net Pension Liability/(Asset)	<u>\$ (1,714,089)</u>	<u>\$ (89,797)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>427.8%</u>	<u>106.8%</u>

For the year ended December 31, 2020, the Borough would recognized pension benefits of \$129,116 for the Police Plan and \$8,732 for the Non-Uniformed Plan under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. At December 31, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to the Police Plan from the following sources:

Police Pension	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 32,250	\$ 128,451
Changes in assumptions	6,141	8,671
Net difference between projected and actual investment earnings	-	238,936
	<u>\$ 38,391</u>	<u>\$ 376,058</u>

At December 31, 2020, the Borough reported deferred inflows of resources related to the Non-Uniform Pension Plan from the following sources:

Non-Uniformed Pension	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 90,213	\$ 15,397
Changes in assumptions	44,282	-
Net difference between projected and actual investment earnings	-	237,086
	<u>\$ 134,495</u>	<u>\$ 252,483</u>

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 5 - PENSION PLANS** *(continued)*

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

Year Ended December 31	Police Pension	Non-Uniformed Pension
2021	\$ (89,758)	\$ (55,503)
2022	(54,221)	(19,599)
2023	(94,372)	(36,964)
2024	(47,691)	(5,922)
2025	(13,911)	-
Thereafter	(37,714)	-
	<u>\$ (337,667)</u>	<u>\$ (117,988)</u>

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 5 - PENSION PLANS** *(continued)*

Actuarial Assumptions

	<u>Police Pension</u>	<u>Police Pension</u>
Actuarial Valuation Date	January 1, 2021	January 1, 2021
Actuarial Cost Method	Entry age	Entry age
Amortization Method	Level Dollar, based upon the amortization periods in Act 205	Level Dollar, based upon the amortization periods in Act 205
Asset Valuation Method	Based upon the municipal reserves	Based upon the municipal reserves
Pre-Retirement Mortality	RP 2000, Males Non-Annuitant table projected 15 years with Scale AA, Females Non-Annuitant table projected 15 years with Scale AA and then setback 5 years.	RP 2000, Males Non-Annuitant table projected 15 years with Scale AA, Females Non-Annuitant table projected 15 years with Scale AA and then setback 5 years.
Post-Retirement Mortality	RP-2000, Males Annuitant table projected 5 years with Scale AA, Females Annuitant table projected 10 years with Scale AA.	RP-2000, Males Annuitant table projected 5 years with Scale AA, Females Annuitant table projected 10 years with Scale AA.
Actuarial Assumptions		
Discount Rate	5.25%	5.25%
Inflation	2.80%	2.80%
Projected Salary Increases	Age-related scale for merit and inflation component	Age-related scale for merit and inflation component
COLA Increases	2.8% for those eligible for a COLA	2.8% for those eligible for a COLA

Sensitivity of the Borough's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate

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

	1% Decrease 4.25%	Current Discount Rate 5.25%	1% Increase 6.25%
Net pension liability/(asset)	\$ (1,638,161)	\$ (1,714,089)	\$ (1,776,089)

PINE GROVE BOROUGH  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

**NOTE 5 - PENSION PLANS** *(continued)*

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

	1% Decrease 4.25%	Current Discount Rate 5.25%	1% Increase 6.25%
Net pension liability/(asset)	\$ 59,914	\$ (89,797)	\$ (215,890)

**NOTE 6 – LONG-TERM DEBT AND NOTES PAYABLE**

*Capital Projects Fund*

During 2010, the Borough Council enacted Ordinance No. 396 authorizing issuance of a guaranteed revenue note with a maximum amount of \$2,700,000 with the purpose of designing, acquiring, constructing, renovating, and improving the municipal water system of the Borough. The final amount borrowed was \$2,026,440 (PennVest Loan #83125). The loan is repayable in monthly installments of \$10,459 beginning March 1, 2012 and matures on March 1, 2031. The note bears interest at a rate of 1.274% during the interest only period and the first five years of principal amortization and 2.547% for the remainder of the 20-year term.

*Water Fund*

During 2018, the Borough Council enacted Ordinance No. 452 authorizing issuance of a guaranteed revenue note with a maximum amount of \$3,977,942 (PennVest Loan #85162) for purposes of construction, and installation of additional water storage and distribution including automated chlorine and corrosion control, rehabilitation of leaking concrete storage tank and installation of a new 1,000,000 gallon storage tank, and paying off a previous \$2,000,000 loan utilized to begin the project. During 2021, an additional \$333,531 was issued. The loan is repayable in monthly installments of \$18,294 beginning December 31, 2019 and matures on December 1, 2039. The note bears interest at a rate of 1.000% during the interest only period and the first five years of principal amortization and 1.743% for the remainder of the 20-year term.

	Balance 12/31/2020	Additions	Reductions	Balance 12/31/2021	Amount Due in One Year
PennVest Loan #83125	\$ 1,131,209	\$ -	\$ (97,835)	\$ 1,033,374	\$ 100,356
PennVest Loan #85162	2,887,576	333,531	(189,666)	3,031,441	190,099
Total	\$ 4,018,785	\$ 333,531	\$ (287,501)	\$ 4,064,815	\$ 290,455

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 6 – LONG-TERM DEBT AND NOTES PAYABLE** *(continued)*

The combined interest and principal debt service requirements for the following years ending December 31, amount to:

PennVest Loan #83125

Fiscal Year Ending December 31,	Principal	Interest	Total Debt Service
2022	\$ 100,356	\$ 25,154	\$ 125,510
2023	102,943	22,568	125,511
2024	105,595	19,915	125,510
2025	108,316	17,194	125,510
2026	111,108	14,403	125,511
2027-2031	505,056	28,362	533,418
2032-2036	-	-	-
<b>Total</b>	<b>\$1,033,374</b>	<b>\$ 127,596</b>	<b>\$ 1,160,970</b>

PennVest Loan #85162

Fiscal Year Ending December 31,	Principal	Interest	Total Debt Service
2022	\$ 190,099	\$ 29,433	\$ 219,532
2023	192,008	27,524	219,532
2024	193,937	25,595	219,532
2025	195,886	23,646	219,532
2026	197,853	21,679	219,532
2027-2031	1,019,484	78,176	1,097,660
2032-2036	1,042,174	25,938	1,068,112
<b>Total</b>	<b>\$3,031,441</b>	<b>\$ 231,991</b>	<b>\$ 3,263,432</b>

**NOTE 7 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Compliance with Finance Related Legal and Contractual Provisions

The Borough has no material violations of finance related legal and contractual provisions.

Deficit Net Position

The Borough does not have any deficit in net position.

Excess of Expenditures over Appropriations

Under budgeted engineering services, police salaries, highway projects and water system repairs and maintenance attributed to the Borough's expenditures exceeding appropriations.

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 8 – COVID-19**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on the Borough's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the Borough's customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Borough's financial position and changes in net position and cashflows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**NOTE 9 – SUBSEQUENT EVENTS**

The Borough's management has evaluated subsequent events through November 28, 2022, the date of this report, which is the date the financial statements were available to be issued.

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**REQUIRED SUPPLEMENTAL INFORMATION**

PINE GROVE BOROUGH  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL – MAJOR FUNDS – MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>				
Taxes	\$ 728,788	\$ 728,788	\$ 767,125	\$ 38,337
Licenses and permits	44,000	44,000	42,504	(1,496)
Fines	13,325	13,325	10,655	(2,670)
Interest and rents	2,530	2,530	1,353	(1,177)
Grants and gifts	127,200	127,200	213,933	86,733
Other revenue	69,050	69,050	15,238	(53,812)
<b>Total revenues</b>	<b>984,893</b>	<b>984,893</b>	<b>1,050,808</b>	<b>65,915</b>
<b>EXPENDITURES</b>				
Administration	128,364	128,364	157,921	29,557
Tax collection	11,700	11,700	11,192	(508)
Municipal buildings	8,600	8,600	9,973	1,373
Protection to persons and property	316,048	316,048	333,678	17,630
Highways and streets	240,380	240,380	343,723	103,343
Employee payroll taxes and benefits	252,981	252,981	238,899	(14,082)
Insurance	46,150	46,150	43,492	(2,658)
Water system	-	-	-	-
Parks and recreation	14,500	14,500	24,570	10,070
<b>Total expenditures</b>	<b>1,018,723</b>	<b>1,018,723</b>	<b>1,163,448</b>	<b>144,725</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refund of prior year expenditures	-	-	20,201	20,201
Transfers in	43,800	43,800	108,722	64,922
Transfers out	-	-	(108,280)	(108,280)
General obligation proceeds	-	-	-	-
General obligation interest	(7,310)	(7,310)	-	7,310
General obligation principal	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>36,490</b>	<b>36,490</b>	<b>20,643</b>	<b>(15,847)</b>
<b>Excess revenues (under) over expenditures</b>	<b>\$ 2,660</b>	<b>\$ 2,660</b>	<b>(91,997)</b>	<b>\$ (94,657)</b>
Fund balance, beginning			<u>723,837</u>	
Fund balance, ending			<u>\$ 631,840</u>	

PINE GROVE BOROUGH  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL – MAJOR FUNDS – MODIFIED CASH BASIS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Water Fund			Variance Over (Under)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines	-	-	-	-
Interest and rents	504	504	98	(406)
Grants and gifts	941,625	941,625	868,116	(73,509)
Other revenue	-	-	8,902	8,902
<b>Total revenues</b>	<b>942,129</b>	<b>942,129</b>	<b>877,116</b>	<b>(65,013)</b>
<b>EXPENDITURES</b>				
Administration	185,954	185,954	178,464	(7,490)
Tax collection	9,100	9,100	4,115	(4,985)
Municipal buildings	6,450	6,450	7,603	1,153
Protection to persons and property	450	450	877	427
Highways and streets	19,850	19,850	18,698	(1,152)
Employee payroll taxes and benefits	106,378	106,378	108,347	1,969
Insurance	19,250	19,250	13,955	(5,295)
Water system	343,200	343,200	409,610	66,410
Parks and recreation	-	-	-	-
<b>Total expenditures</b>	<b>690,632</b>	<b>690,632</b>	<b>741,669</b>	<b>51,037</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refund of prior year expenditures	-	-	-	-
Transfers in	-	-	108,280	108,280
Transfers out	(38,800)	(38,800)	(160,850)	(122,050)
General obligation proceeds	100,000	100,000	333,531	233,531
General obligation interest	-	-	(29,866)	(29,866)
General obligation principal	(275,000)	(275,000)	(189,666)	85,334
<b>Total other financing sources (uses)</b>	<b>(213,800)</b>	<b>(213,800)</b>	<b>61,429</b>	<b>275,229</b>
<b>Excess revenues (under) over expenditures</b>	<b>\$ 37,697</b>	<b>\$ 37,697</b>	<b>196,876</b>	<b>\$ 159,179</b>
Fund balance, beginning			<u>451,939</u>	
Fund balance, ending			<u><u>\$ 648,815</u></u>	

PINE GROVE BOROUGH  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE AND NON-UNIFORMED PENSION PLANS

POLICE PENSION PLAN

Year	Actuarially Determined Contribution	Contributions From Employer	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Payroll
December 31, 2014	-	461	(461)	\$ 94,628	0.49%
December 31, 2015	-	-	-	89,891	-
December 31, 2016	-	-	-	92,707	-
December 31, 2017	-	-	-	92,347	-
December 31, 2018	-	20	(20)	121,652	0.02
December 31, 2019	-	20	(20)	93,105	0.02
December 31, 2020	-	-	-	108,566	-

NON-UNIFORMED PENSION PLAN

Year	Actuarially Determined Contribution	Contributions From Employer	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Payroll
December 31, 2014	40,528	40,568	(40)	\$ 331,828	12.23%
December 31, 2015	56,478	56,478	-	342,664	16.48
December 31, 2016	59,620	59,620	-	343,782	17.34
December 31, 2017	63,635	63,655	(20)	316,604	20.11
December 31, 2018	61,563	69,107	(7,544)	336,351	20.55
December 31, 2019	61,960	62,000	(40)	380,503	16.29
December 31, 2020	63,935	63,955	(20)	342,423	18.68

PINE GROVE TOWNSHIP  
 SCHEDULE OF INVESTMENT RETURNS  
 POLICE AND NON-UNIFORMED PENSION PLANS

Police Pension Plan

	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Actual Money Weighted Rate of Return, Net of Investment Expenses	14.50%	20.90%	-4.57%	17.84%	8.23%	0.20%	5.20%

Non-Uniform Pension Plan

	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Actual Money Weighted Rate of Return, Net of Investment Expenses	14.50%	20.90%	-4.57%	17.84%	8.23%	0.20%	5.20%

PINE GROVE BOROUGH  
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS -  
POLICE PENSION PLAN

Police	12/31/2020	12/31/2019	12/31/2018
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 18,518	\$ 15,881	\$ 21,182
Interest	33,382	31,621	27,156
Changes of benefits	8,337	-	11,803
Differences between expected and actual experience	(146,801)	-	9,974
Changes of assumptions	1,729	-	-
Transfers			
Benefit payments, including refunds of employee contributions	(18,886)	(14,367)	-
Net change in total pension liability	(103,721)	33,135	124,074
Total pension liability, beginning	626,647	593,512	469,438
Total pension liability, ending	\$ 522,926	\$ 626,647	\$ 593,512
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions, employer	\$ -	\$ 20	\$ 20
Contributions, employee	-	-	-
Net investment income (loss)	266,444	336,800	(113,201)
Transfers	-	-	53,959
Benefit payments, including refunds of employee contributions	(18,886)	(14,367)	-
Administrative expense	(4,309)	(3,143)	(3,968)
Net change in plan fiduciary net position	243,249	319,310	(63,190)
Plan fiduciary net position, beginning	1,993,766	1,674,456	1,737,646
Plan fiduciary net position, ending	\$ 2,237,015	\$ 1,993,766	\$ 1,674,456
Township's net pension liability, ending	\$ (1,714,089)	\$ (1,367,119)	\$ (1,080,944)
Plan fiduciary net position as a percentage of the total pension liability	427.79%	318.16%	282.13%
Covered employee payroll	\$ 108,566	\$ 93,105	\$ 121,652
Township's net pension liability as a percentage of covered employee payroll	-1578.85%	-1468.36%	-888.55%

	12/31/2017	12/31/2016	12/31/2015	12/31/2014
\$	16,079	\$ 15,335	\$ 18,882	\$ 19,774
	23,416	21,230	20,228	15,433
	-	-	-	-
	-	10,379	-	53,098
	-	12,338	(17,341)	-
	-	-	-	-
	-	-	-	(461)
	39,495	59,282	21,769	87,844
	429,943	370,661	348,892	261,048
\$	469,438	\$ 429,943	\$ 370,661	\$ 348,892
\$	-	\$ -	\$ -	\$ 461
	-	-	-	-
	259,541	113,233	(6,223)	69,019
	-	-	-	-
	-	-	-	(461)
	(3,825)	(4,044)	(3,274)	(2,863)
	255,716	109,189	(9,497)	66,156
	1,481,930	1,372,741	1,382,238	1,316,082
\$	1,737,646	\$ 1,481,930	\$ 1,372,741	\$ 1,382,238
\$	(1,268,208)	\$ (1,051,987)	\$ (1,002,080)	\$ (1,033,346)
	370.15%	344.68%	370.35%	396.18%
\$	92,347	\$ 92,707	\$ 89,891	\$ 94,628
	-1373.31%	-1134.74%	-1114.77%	-1092.01%

PINE GROVE BOROUGH  
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS -  
NON-UNIFORMED PENSION PLAN

Non-Uniformed	12/31/2020	12/31/2019	12/31/2018
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 38,932	\$ 43,262	\$ 38,781
Interest	59,738	57,889	58,393
Changes of benefits	48	-	-
Differences between expected and actual experience	112,766	-	(61,594)
Changes of assumptions	55,352	-	-
Benefit payments, including refunds of employee contributions	(73,879)	(49,653)	(49,653)
Net change in total pension liability	192,957	51,498	(14,073)
Total pension liability, beginning	1,135,394	1,083,896	1,097,969
Total pension liability, ending	\$ 1,328,351	\$ 1,135,394	\$ 1,083,896
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions, employer	\$ 63,955	\$ 62,000	\$ 69,107
Contributions, employee	-	-	-
Net investment income (loss)	247,019	209,082	(38,588)
Benefit payments, including refunds of employee contributions	(73,879)	(49,653)	(49,653)
Administrative expense	(2,547)	(2,222)	(2,453)
Net change in plan fiduciary net position	234,548	219,207	(21,587)
Plan fiduciary net position, beginning	1,183,600	964,393	985,980
Plan fiduciary net position, ending	\$ 1,418,148	\$ 1,183,600	\$ 964,393
Township's net pension liability, ending	\$ (89,797)	\$ (48,206)	\$ 119,503
Plan fiduciary net position as a percentage of the total pension liability	106.76%	104.25%	88.97%
Covered employee payroll	\$ 342,423	\$ 380,503	\$ 336,351
Township's net pension liability as a percentage of covered employee payroll	-26.22%	-12.67%	35.53%

	12/31/2017	12/31/2016	12/31/2015	12/31/2014
\$	36,504	\$ 38,161	\$ 38,623	\$ 36,889
	56,022	58,020	60,713	62,645
	-	-	-	-
	-	(58,718)	-	19,155
	-	26,044	1,472	-
	(49,653)	(49,653)	(246,348)	(67,127)
	42,873	13,854	(145,540)	51,562
	1,055,096	1,041,242	1,186,782	1,135,220
\$	1,097,969	\$ 1,055,096	\$ 1,041,242	\$ 1,186,782
\$	63,655	\$ 59,620	\$ 56,478	\$ 40,568
	-	-	-	-
	147,602	69,753	(37,366)	5,948
	(49,653)	(49,653)	(246,348)	(67,127)
	(2,392)	(2,501)	(2,378)	(2,481)
	159,212	77,219	(229,614)	(23,092)
	826,768	749,549	979,163	1,002,255
\$	985,980	\$ 826,768	\$ 749,549	\$ 979,163
\$	111,989	\$ 228,328	\$ 291,693	\$ 207,619
	89.80%	78.36%	71.99%	82.51%
\$	316,604	\$ 343,782	\$ 342,664	\$ 331,828
	35.37%	66.42%	85.13%	62.57%

