

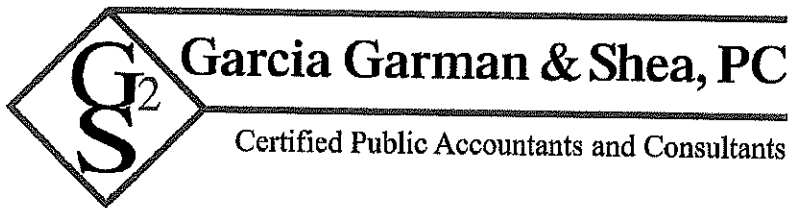
**PINE GROVE BOROUGH  
FINANCIAL STATEMENTS  
DECEMBER 31, 2022**



PINE GROVE BOROUGH  
FINANCIAL STATEMENTS  
DECEMBER 31, 2022

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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, 2022, 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, 2022, 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 28 to 35 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  
March 20, 2023

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PINE GROVE BOROUGH  
 STATEMENT OF NET POSITION – MODIFIED CASH BASIS  
 DECEMBER 31, 2022

	Governmental Activities
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,321,713
Due from recreation board	19,467
Total current assets	\$ 1,341,180
<b>LIABILITIES</b>	
Payroll liabilities	\$ 3,366
Total current liabilities	3,366
<b>NET POSITION</b>	
Unrestricted	1,337,814
Total net position	1,337,814
Total liabilities and net position	\$ 1,341,180

See accompanying notes to financial statements.

PINE GROVE BOROUGH  
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

<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	\$ 326,030	\$ -	\$ -
Public safety	355,178	74,398	10,305
Public works	1,342,139	5,131	1,101,297
Culture and recreation	12,958	-	-
Insurance	34,374	-	-
Employee benefits	410,505	-	54,548
Total primary government	<u>\$ 2,481,184</u>	<u>\$ 79,529</u>	<u>\$ 1,166,150</u>

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
\$	(326,030)	\$	(326,030)
	(270,475)		(270,475)
	(235,711)		(235,711)
	(12,958)		(12,958)
	(34,374)		(34,374)
	(355,957)		(355,957)
	(1,235,505)		(1,235,505)

	420,336		420,336
	272,499		272,499
	109,048		109,048
	42,362		42,362
	743		743
	1,898		1,898
	21,989		21,989
	119,209		119,209
	213,241		213,241
	1,201,325		1,201,325
	(34,180)		(34,180)
	1,371,994		1,371,994
\$	1,337,814	\$	1,337,814

See accompanying notes to financial statements.

PINE GROVE BOROUGH  
BALANCE SHEET – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS  
DECEMBER 31, 2022

	General	Water	Capital Projects	Highway Aid	Total Governmental Funds
<u>ASSETS</u>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 181,849	\$ 1,016,999	\$ 69,343	\$ 53,522	\$ 1,321,713
Due from recreation board	19,467	-	-	-	19,467
Due from other funds	516,154	63,369	-	-	579,523
<b>Total current assets</b>	<b>\$ 717,470</b>	<b>\$ 1,080,368</b>	<b>\$ 69,343</b>	<b>\$ 53,522</b>	<b>\$ 1,920,703</b>
<u>LIABILITIES AND FUND BALANCES</u>					
<b>CURRENT LIABILITIES</b>					
Payroll liabilities	\$ 3,366	\$ -	\$ -	\$ -	\$ 3,366
Due to other funds	-	513,340	66,183	-	579,523
<b>Total current liabilities</b>	<b>3,366</b>	<b>513,340</b>	<b>66,183</b>	<b>-</b>	<b>582,889</b>
<b>FUND BALANCES</b>					
Unassigned	714,104	567,028	3,160	53,522	1,337,814
<b>Total fund balances</b>	<b>714,104</b>	<b>567,028</b>	<b>3,160</b>	<b>53,522</b>	<b>1,337,814</b>
<b>Total liabilities and fund balances</b>	<b>\$ 717,470</b>	<b>\$ 1,080,368</b>	<b>\$ 69,343</b>	<b>\$ 53,522</b>	<b>\$ 1,920,703</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, 2022

	General	Water	Capital Projects	Highway Aid	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 801,883	\$ -	\$ -	\$ -	\$ 801,883
Fines	10,100	-	-	-	10,100
Licenses and permits	55,506	-	-	-	55,506
Interest and rents	1,551	99	-	1,536	3,186
Grants and gifts	230,846	923,807	-	68,525	1,223,178
Other revenue	210,121	1,832	-	-	211,953
<b>Total revenues</b>	<b>1,310,007</b>	<b>925,738</b>	<b>-</b>	<b>70,061</b>	<b>2,305,806</b>
<b>EXPENDITURES</b>					
Administration	129,819	199,225	4	-	329,048
Tax collection	12,358	7,265	-	-	19,623
Municipal buildings	12,144	10,633	-	-	22,777
Protection to persons and property	355,178	721	-	-	355,899
Highways and streets	425,647	21,372	-	-	447,019
Employee payroll taxes and benefits	292,697	117,808	-	-	410,505
Insurance	34,374	16,407	-	-	50,781
Water system	-	487,532	-	-	487,532
Parks and recreation	12,958	-	-	-	12,958
<b>Total expenditures</b>	<b>1,275,175</b>	<b>860,963</b>	<b>4</b>	<b>-</b>	<b>2,136,142</b>
Excess (deficiency) of revenues over expenditures	34,832	64,775	(4)	70,061	169,664
<b>OTHER FINANCING SOURCES (USES)</b>					
Refund of prior year expenditures	21,989	-	-	-	21,989
Transfers in	134,066	108,623	126,000	-	368,689
Transfers out	(108,623)	(154,863)	-	(105,203)	(368,689)
General obligation proceeds	-	119,209	-	-	119,209
General obligation interest	-	(29,942)	(25,154)	-	(55,096)
General obligation principal	-	(189,590)	(100,356)	-	(289,946)
<b>Total other financing sources (uses)</b>	<b>47,432</b>	<b>(146,563)</b>	<b>490</b>	<b>(105,203)</b>	<b>(203,844)</b>
<b>Net change in fund balances</b>	<b>82,264</b>	<b>(81,788)</b>	<b>486</b>	<b>(35,142)</b>	<b>(34,180)</b>
Fund balances, beginning	631,840	648,816	2,674	88,664	1,371,994
<b>Fund balances, ending</b>	<b>\$ 714,104</b>	<b>\$ 567,028</b>	<b>\$ 3,160</b>	<b>\$ 53,522</b>	<b>\$ 1,337,814</b>

See accompanying notes to financial statements.

PINE GROVE BOROUGH  
STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
DECEMBER 31, 2022  
(POLICE AND NON-UNIFORMED PENSION FUNDS DECEMBER 31, 2021)

	<u>Police Pension</u>	<u>Non-Uniformed Pension</u>	<u>Total Fiduciary Fund</u>
<u>ASSETS</u>			
ASSETS			
Investments with PMRS at fair value	\$ 2,468,438	\$ 1,591,609	\$ 4,060,047
Total assets	<u>\$ 2,468,438</u>	<u>\$ 1,591,609</u>	<u>\$ 4,060,047</u>
<u>NET POSITION</u>			
NET POSITION			
Total liabilities and net position	<u>\$ 2,468,438</u>	<u>\$ 1,591,609</u>	<u>\$ 4,060,047</u>

See accompanying notes to financial statements.

PINE GROVE BOROUGH  
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
DECEMBER 31, 2022  
(POLICE AND NON-UNIFORMED PENSION FUNDS DECEMBER 31, 2021)

	Police Pension	Non-Uniformed Pension	Total Fiduciary Fund
<b>ADDITIONS</b>			
Contributions			
Employer	\$ -	\$ 54,418	\$ 54,418
Commonwealth	-	340	340
Member	-	-	-
Investment income (loss), interest	256,330	200,783	457,113
Total additions	256,330	255,541	511,871
<b>DEDUCTIONS</b>			
Benefits	19,055	77,921	96,976
Administrative expenses	5,852	4,159	10,011
Total deductions	24,907	82,080	106,987
Net increase (decrease)	231,423	173,461	404,884
Net position, beginning	2,237,015	1,418,148	3,655,163
Net position, ending	\$ 2,468,438	\$ 1,591,609	\$ 4,060,047

See accompanying notes to financial statements.

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**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 the 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.
- 4) 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, 2022

**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, 2022

**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, 2022 was \$15,889.

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, 2022

**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 \$1,321,713 and the bank balance was \$1,385,665, of which \$397,308 was fully insured and \$988,357 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 89%, 5%, and 6%, 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, 2022.

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**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 2022 was 14.00 mills (\$14.00 per \$1,000 assessed value). The schedule for property taxes levied for 2022 is as follows:

Tax levy date	March 1, 2022
2% discount period	Through April 30, 2022
Face payment period	Through June 30, 2022
10% penalty period	Beginning July 1, 2022
Lien filing date	January 1, 2023

**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, 2022.

*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, 2022.

*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, 2022.

*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, 2022.

*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, 2022

**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, 2022

**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	-
	3	18
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, 2022

**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 \$51,068 in state pension aid for the year ended December 31, 2021.

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, 2021, 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, 2021:

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities		
Large capitalized firms	24.5%	4.99%
Small capitalized firms	8.0	5.68
International developed markets	14.5	5.57
Emerging markets	3.0	5.71
Global equities	5.0	4.78
Real estate	10.0	4.90
Timber	5.0	3.67
Fixed income		
Core investment grade	24.0	1.82
Opportunistic credit	5.0	5.68
Cash	1.0	(1.32)
	<u>100.0%</u>	

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on both the Police and Non-Uniformed Plans' investments, net of pension plan investment expense, was 13.10%. 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.

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

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

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, 2020	\$ 522,926	\$ 2,237,015	\$ (1,714,089)
Changes for the year:			
Service cost	22,186	-	22,186
Interest on the total pension liability	28,125	-	28,125
Changes of benefits	-	-	-
Changes of assumptions	-	-	-
Differences between expect and actual	-	-	-
Contributions - employer	-	-	-
Contributions - PMRS assessment	-	-	-
Contributions - employees	-	-	-
PMRS investment income	-	101,910	(101,910)
Market value investment income	-	154,420	(154,420)
Benefit payments	(19,055)	(19,055)	-
Pension plan administrative expense	-	(5,852)	5,852
Net changes	31,256	231,423	(200,167)
Balances at December 31, 2021	\$ 554,182	\$ 2,468,438	\$ (1,914,256)

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
<b>Non-Uniformed Pension</b>			
Balances at December 31, 2020	\$ 1,328,351	\$ 1,418,148	\$ (89,797)
Changes for the year:			
Service cost	38,500	-	38,500
Interest on the total pension liability	69,740	-	69,740
Changes of benefits	-	-	-
Changes of assumptions	-	-	-
Differences between expect and actual	-	-	-
Contributions - employer	-	54,418	(54,418)
Contributions - PMRS assessment	-	340	(340)
Contributions - employees	-	-	-
PMRS investment income	-	67,429	(67,429)
Market value investment income	-	133,354	(133,354)
Benefit payments	(77,921)	(77,921)	-
Pension plan administrative expense	-	(4,159)	4,159
Net changes	<u>30,319</u>	<u>173,461</u>	<u>(143,142)</u>
Balances at December 31, 2021	<u>\$ 1,358,670</u>	<u>\$ 1,591,609</u>	<u>\$ (232,939)</u>

Pension Expense/(Benefit)

Pension expense/(benefit) calculated under GASB 68 for the Plan at December 31, 2021, was as follows:

Year Ended December 31	Police Pension	Non-Uniformed Pension
Service cost	\$ 22,186	\$ 38,500
Interest on the total pension liability	28,125	69,740
Return on assets	(101,910)	(67,429)
Changes of benefits	-	-
Changes of assumptions	313	11,070
Member contributions	-	-
Liability gains and losses	(11,381)	7,156
Investment gains and losses	(109,574)	(100,400)
Pension plan administrative expense	<u>5,852</u>	<u>4,159</u>
Pension expense/(benefit)	<u>\$ (166,389)</u>	<u>\$ (37,204)</u>

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

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

Net Pension Liability/(Asset)

The components of the net pension liability/(asset) of the Plans at December 31, 2021, were as follows:

Description	Police Pension	Non-Uniformed Pension
Total Pension Liability	\$ 554,182	\$ 1,358,670
Plan Fiduciary Net Position	2,468,438	1,591,609
Net Pension Liability/(Asset)	<u>\$ (1,914,256)</u>	<u>\$ (232,939)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>445.4%</u>	<u>117.1%</u>

For the year ended December 31, 2021, the Borough would recognize pension benefits of \$166,389 for the Police Plan and \$37,204 for the Non-Uniformed Plan under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. At December 31, 2021, 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	\$ 25,281	\$ 110,101
Changes in assumptions	4,383	7,226
Net difference between projected and actual investment earnings	-	283,782
	<u>\$ 29,664</u>	<u>\$ 401,109</u>

At December 31, 2021, 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	\$ 67,660	\$ -
Changes in assumptions	33,212	-
Net difference between projected and actual investment earnings	-	270,040
	<u>\$ 100,872</u>	<u>\$ 270,040</u>

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**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	\$ (85,105)	\$ (46,270)
2022	(125,256)	(63,635)
2023	(78,575)	(32,593)
2024	(44,795)	(26,670)
2025	(19,580)	-
Thereafter	(18,134)	-
	<u>\$ (371,445)</u>	<u>\$ (169,168)</u>

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

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

Actuarial Assumptions

	<u>Police Pension</u>	<u>Non Uniform 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.
<b>Actuarial Assumptions</b>		
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)	\$ (1,833,790)	\$ (1,914,256)	\$ (1,979,962)

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**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)	\$ (79,811)	\$ (232,939)	\$ (361,910)

**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 2022 and 2021, an additional \$119,209 and \$333,531, respectively, were 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 12/31/2021	Additions	Reductions	Balance 12/31/2022	Amount Due in One Year
PennVest Loan #83125	\$ 1,033,374	\$ -	\$ (100,356)	\$ 933,018	\$ 102,943
PennVest Loan #85162	3,031,441	119,209	(189,590)	2,961,060	192,008
Total	\$4,064,815	\$ 119,209	\$ (289,946)	\$3,894,078	\$ 294,951

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**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
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	113,971	11,539	125,510
2028-2032	391,085	16,823	407,908
2033-2037	-	-	-
<b>Total</b>	<b>\$ 933,018</b>	<b>\$ 102,442</b>	<b>\$ 1,035,460</b>

PennVest Loan #85162

Fiscal Year Ending December 31,	Principal	Interest	Total Debt Service
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	199,841	19,691	219,532
2028-2032	1,029,725	67,934	1,097,659
2033-2037	951,810	16,489	968,299
<b>Total</b>	<b>\$2,961,060</b>	<b>\$ 202,558</b>	<b>\$ 3,163,618</b>

PINE GROVE BOROUGH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**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.

**NOTE 8 – SUBSEQUENT EVENTS**

The Borough's management has evaluated subsequent events through March 20, 2023, the date of this report, which is the date the financial statements were available to be issued.

**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, 2022

	General Fund			
	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>				
Taxes	\$ 743,685	\$ 743,685	\$ 801,883	\$ 58,198
Licenses and permits	51,450	51,450	55,506	4,056
Fines	12,525	12,525	10,100	(2,425)
Interest and rents	1,730	1,730	1,551	(179)
Grants and gifts	220,580	220,580	230,846	10,266
Other revenue	95,500	95,500	210,121	114,621
<b>Total revenues</b>	<b>1,125,470</b>	<b>1,125,470</b>	<b>1,310,007</b>	<b>184,537</b>
<b>EXPENDITURES</b>				
Administration	134,751	134,751	129,819	(4,932)
Tax collection	11,000	11,000	12,358	1,358
Municipal buildings	9,900	9,900	12,144	2,244
Protection to persons and property	338,533	338,533	355,178	16,645
Highways and streets	356,665	356,665	425,647	68,982
Employee payroll taxes and benefits	248,568	248,568	292,697	44,129
Insurance	47,550	47,550	34,374	(13,176)
Water system	-	-	-	-
Parks and recreation	13,900	13,900	12,958	(942)
<b>Total expenditures</b>	<b>1,160,867</b>	<b>1,160,867</b>	<b>1,275,175</b>	<b>114,308</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refund of prior year expenditures	-	-	21,989	21,989
Transfers in	43,800	43,800	134,066	90,266
Transfers out	-	-	(108,623)	(108,623)
General obligation proceeds	-	-	-	-
General obligation interest	-	-	-	-
General obligation principal	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>43,800</b>	<b>43,800</b>	<b>47,432</b>	<b>3,632</b>
<b>Excess revenues (under) over expenditures</b>	<b>\$ 8,403</b>	<b>\$ 8,403</b>	<b>82,264</b>	<b>\$ 73,861</b>
Fund balance, beginning			631,840	
Fund balance, ending			<u>\$ 714,104</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, 2022

	Water Fund			Variance Over (Under)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines	-	-	-	-
Interest and rents	250	250	99	(151)
Grants and gifts	1,002,380	1,002,380	923,807	(78,573)
Other revenue	-	-	1,832	1,832
<b>Total revenues</b>	<b>1,002,630</b>	<b>1,002,630</b>	<b>925,738</b>	<b>(76,892)</b>
<b>EXPENDITURES</b>				
Administration	197,576	197,576	199,225	1,649
Tax collection	9,100	9,100	7,265	(1,835)
Municipal buildings	7,975	7,975	10,633	2,658
Protection to persons and property	1,100	1,100	721	(379)
Highways and streets	17,650	17,650	21,372	3,722
Employee payroll taxes and benefits	114,350	114,350	117,808	3,458
Insurance	17,650	17,650	16,407	(1,243)
Water system	265,750	265,750	487,532	221,782
Parks and recreation	-	-	-	-
<b>Total expenditures</b>	<b>631,151</b>	<b>631,151</b>	<b>860,963</b>	<b>229,812</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refund of prior year expenditures	-	-	-	-
Transfers in	-	-	108,623	108,623
Transfers out	(38,800)	(38,800)	(154,863)	(116,063)
General obligation proceeds	-	-	119,209	119,209
General obligation interest	-	-	(29,942)	(29,942)
General obligation principal	(313,000)	(313,000)	(189,590)	123,410
<b>Total other financing sources (uses)</b>	<b>(351,800)</b>	<b>(351,800)</b>	<b>(146,563)</b>	<b>205,237</b>
<b>Excess revenues (under) over expenditures</b>	<b>\$ 19,679</b>	<b>\$ 19,679</b>	<b>(81,788)</b>	<b>\$ (101,467)</b>
Fund balance, beginning			648,816	
Fund balance, ending			<u>\$ 567,028</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	-
December 31, 2021	-	-	-	114,506	-

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
December 31, 2021	54,758	54,758	-	349,261	15.68

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

Police Pension Plan

	12/31/2021	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	13.10%	13.80%	20.90%	-4.57%	17.84%	8.23%	0.20%	5.20%

Non-Uniform Pension Plan

	12/31/2021	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	13.10%	13.80%	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	12/31/2021	12/31/2020	12/31/2019
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 22,186	\$ 18,518	\$ 15,881
Interest	28,125	33,382	31,621
Changes of benefits	-	8,337	-
Differences between expected and actual experience	-	(146,801)	-
Changes of assumptions	-	1,729	-
Transfers	-	-	-
Benefit payments, including refunds of employee contributions	(19,055)	(18,886)	(14,367)
Net change in total pension liability	31,256	(103,721)	33,135
Total pension liability, beginning	522,926	626,647	593,512
Total pension liability, ending	\$ 554,182	\$ 522,926	\$ 626,647
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions, employer	\$ -	\$ -	\$ 20
Contributions, employee	-	-	-
Net investment income (loss)	256,330	266,444	336,800
Transfers	-	-	-
Benefit payments, including refunds of employee contributions	(19,055)	(18,886)	(14,367)
Administrative expense	(5,852)	(4,309)	(3,143)
Net change in plan fiduciary net position	231,423	243,249	319,310
Plan fiduciary net position, beginning	2,237,015	1,993,766	1,674,456
Plan fiduciary net position, ending	\$ 2,468,438	\$ 2,237,015	\$ 1,993,766
Township's net pension liability, ending	\$ (1,914,256)	\$ (1,714,089)	\$ (1,367,119)
Plan fiduciary net position as a percentage of the total pension liability	445.42%	427.79%	318.16%
Covered employee payroll	\$ 114,506	\$ 108,566	\$ 93,105
Township's net pension liability as a percentage of covered employee payroll	-1671.75%	-1578.85%	-1468.36%

	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
\$	21,182	\$ 16,079	\$ 15,335	\$ 18,882	\$ 19,774
	27,156	23,416	21,230	20,228	15,433
	11,803	-	-	-	-
	9,974	-	10,379	-	53,098
	-	-	12,338	(17,341)	-
	53,959	-	-	-	-
	-	-	-	-	(461)
	124,074	39,495	59,282	21,769	87,844
	469,438	429,943	370,661	348,892	261,048
\$	593,512	\$ 469,438	\$ 429,943	\$ 370,661	\$ 348,892
\$	20	\$ -	\$ -	\$ -	\$ 461
	-	-	-	-	-
	(113,201)	259,541	113,233	(6,223)	69,019
	53,959	-	-	-	-
	-	-	-	-	(461)
	(3,968)	(3,825)	(4,044)	(3,274)	(2,863)
	(63,190)	255,716	109,189	(9,497)	66,156
	1,737,646	1,481,930	1,372,741	1,382,238	1,316,082
\$	1,674,456	\$ 1,737,646	\$ 1,481,930	\$ 1,372,741	\$ 1,382,238
\$	(1,080,944)	\$ (1,268,208)	\$ (1,051,987)	\$ (1,002,080)	\$ (1,033,346)
	282.13%	370.15%	344.68%	370.35%	396.18%
\$	121,652	\$ 92,347	\$ 92,707	\$ 89,891	\$ 94,628
	-888.55%	-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	12/31/2021	12/31/2020	12/31/2019
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 38,500	\$ 38,932	\$ 43,262
Interest	69,740	59,738	57,889
Changes of benefits	-	48	-
Differences between expected and actual experience	-	112,766	-
Changes of assumptions	-	55,352	-
Benefit payments, including refunds of employee contributions	(77,921)	(73,879)	(49,653)
Net change in total pension liability	30,319	192,957	51,498
Total pension liability, beginning	1,328,351	1,135,394	1,083,896
Total pension liability, ending	\$ 1,358,670	\$ 1,328,351	\$ 1,135,394
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions, employer	\$ 54,758	\$ 63,955	\$ 62,000
Contributions, employee	-	-	-
Net investment income (loss)	200,783	247,019	209,082
Benefit payments, including refunds of employee contributions	(77,921)	(73,879)	(49,653)
Administrative expense	(4,159)	(2,547)	(2,222)
Net change in plan fiduciary net position	173,461	234,548	219,207
Plan fiduciary net position, beginning	1,418,148	1,183,600	964,393
Plan fiduciary net position, ending	\$ 1,591,609	\$ 1,418,148	\$ 1,183,600
Township's net pension liability, ending	\$ (232,939)	\$ (89,797)	\$ (48,206)
Plan fiduciary net position as a percentage of the total pension liability	117.14%	106.76%	104.25%
Covered employee payroll	\$ 349,261	\$ 342,423	\$ 380,503
Township's net pension liability as a percentage of covered employee payroll	-66.69%	-26.22%	-12.67%

	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
\$	38,781	\$ 36,504	\$ 38,161	\$ 38,623	\$ 36,889
	58,393	56,022	58,020	60,713	62,645
	-	-	-	-	-
	(61,594)	-	(58,718)	-	19,155
	-	-	26,044	1,472	-
	(49,653)	(49,653)	(49,653)	(246,348)	(67,127)
	(14,073)	42,873	13,854	(145,540)	51,562
	1,097,969	1,055,096	1,041,242	1,186,782	1,135,220
\$	1,083,896	\$ 1,097,969	\$ 1,055,096	\$ 1,041,242	\$ 1,186,782
\$	69,107	\$ 63,655	\$ 59,620	\$ 56,478	\$ 40,568
	-	-	-	-	-
	(38,588)	147,602	69,753	(37,366)	5,948
	(49,653)	(49,653)	(49,653)	(246,348)	(67,127)
	(2,453)	(2,392)	(2,501)	(2,378)	(2,481)
	(21,587)	159,212	77,219	(229,614)	(23,092)
	985,980	826,768	749,549	979,163	1,002,255
\$	964,393	\$ 985,980	\$ 826,768	\$ 749,549	\$ 979,163
\$	119,503	\$ 111,989	\$ 228,328	\$ 291,693	\$ 207,619
	88.97%	89.80%	78.36%	71.99%	82.51%
\$	336,351	\$ 316,604	\$ 343,782	\$ 342,664	\$ 331,828
	35.53%	35.37%	66.42%	85.13%	62.57%

