

**Borough of Churchill
Financial Statements
December 31, 2020**

**Borough of Churchill
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Independent Auditor's Report

Members of Council
Borough of Churchill
Pittsburgh, Pennsylvania

Dear Members:

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Borough of Churchill, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough of Churchill's basic financial statements as listed in the table of contents.

Management's Responsibility 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 described in Note 1C; 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position on a modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Borough of Churchill, as of December 31, 2020, and the respective changes in financial position on a modified cash basis for the year then ended in accordance with the basis of accounting as described in Note 1C.

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Borough of Churchill's basic financial statements. The budgetary comparison information, pension information and combining nonmajor and fiduciary fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information, pension information, other post-employment benefit information and combining fund financial statements and schedules, as listed in the table of contents, is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1C.

Basis of Accounting

We draw attention to Note 1C 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 that matter.

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
July 29, 2021

Borough of Churchill
Management's Discussion and Analysis
December 31, 2020

The discussion and analysis of the Borough of Churchill's financial performance provides an overall review of the Borough's financial activities for the fiscal year ended December 31, 2020. The intent of this discussion and analysis is to look at the Borough's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Borough's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Government Accounting Standards Board (GASB) in their statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for the State and Local Governments. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

In 2020, the Borough received total revenues of \$4,655,679 in the combined general, sewer, capital reserve and nonmajor funds, an increase of \$507,318 from 2019. Real estate tax and earned income tax continue to account for the majority of the Borough's revenues (52.6%). Total expenditures were \$4,057,807, amounting to an increase of \$269,660 from 2019. The Borough had more revenues from building permits in 2020 which also increased expenses within the year. The Borough also experienced more legal fees due to ongoing litigation and pending conditional use applications.

Borough Funds

The Borough of Churchill entered 2020 with fiscal stability and continues to re-evaluate the many services and programs offered in a continuing effort to control expenditures.

A comprehensive budget document is prepared on an annual basis that clearly outlines the results of the previous year and details the objectives of the upcoming year.

Management has chosen to present the financial position of the Borough's government-wide statement of net position and statement of activities on a modified cash basis, but has chosen not to value and depreciate capital assets of the Borough, given the limited application of presenting that information in comparison to the cost to establish it. The auditor must note that this is not in conformity with generally accepted accounting principles. However, on a modified cash basis, the auditor goes on to say that it does present fairly the financial position of each major fund in accordance with the modified cash basis of accounting rules, as well as the Commonwealth of Pennsylvania filing requirements.

Using the Annual Financial Report

The financial section of this report consists of three parts: management's discussion and analysis, the basic financial statements (including notes to the financial statements) and other financial information including required pension supplementary information, combining and individual fund statements with detailed budgetary comparison schedules and other additional information. The basic financial statements present two different views of the Borough through the use of government-wide financial statements and fund financial statements.

The first two statements are government-wide financial statements - the statement of net position and the statement of activities. These provide both long-term and short-term information about the Borough's overall financial status.

**Borough of Churchill
Management's Discussion and Analysis
December 31, 2020**

The remaining statements are fund financial statements that focus on individual parts of the Borough's operations in more detail than the government-wide statements. The governmental funds statements tell how general Borough services were financed in the short term as well as what remains for future spending. Fiduciary fund statements provide information about financial relationships where the Borough acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes to explain some of the information in the financial statements and provide more detailed data.

Figure A-1 shows how the required parts of the financial section are arranged and relate to one another:

Figure A – 1
Required Components of
Borough of Churchill's
Financial Report

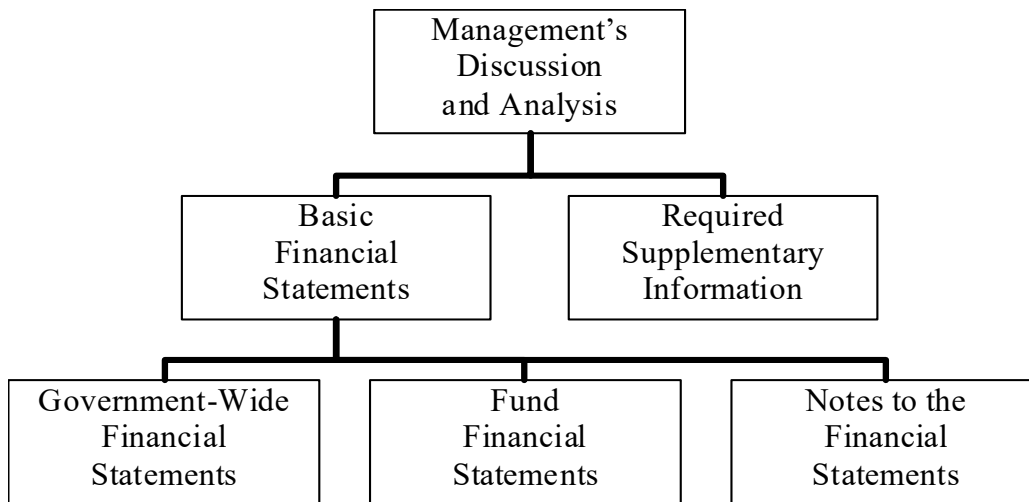


Figure A-2 summarizes the major features of the Borough's financial statements, including the portion of the Borough they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Borough of Churchill
Management's Discussion and Analysis
December 31, 2020**

Figure A – 2
Major Features of Borough of Churchill's
Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire Municipal (except fiduciary funds)	The activities of the Borough that are not proprietary or fiduciary.	Instances in which the Borough is the trustee or agent to someone else's resources
Required financial statements	Statement of net position; statement of activities	Balance sheet; statement of revenues, expenditures, and changes in fund balance	Statement of fiduciary net position; statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term
Type of in-flow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Borough of Churchill
Management's Discussion and Analysis
December 31, 2020

Overview of Financial Statements

Government-Wide Statements

The government-wide statements report information about the Borough as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Borough's net position and how they have changed. Net position, the difference between the Borough's assets and liabilities, is one way to measure the Borough's financial health or position.

Over time, increases or decreases in the Borough's net position are an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the Borough, you need to consider additional non-financial factors, such as changes in the Borough's property tax base services provided to its taxpayers.

The government-wide financial statements of the Borough consist of the following:

- Governmental activities - All of the Borough's basic services are included here, such as general government, public safety, public works and culture and recreation. Property and other local taxes finance most of these activities.

Fund Financial Statements

The Borough's fund financial statements, which begin with Exhibit 3 of the annual financial report, provide detailed information about the most significant funds - not the Borough as a whole. Some funds are required by state law and by bond requirements.

Governmental funds - Most of the Borough's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Borough's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Borough's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

Fiduciary funds - The Borough is the trustee, or fiduciary, for two single-employee pension plans for the police and non-uniformed employees. All of the Borough's fiduciary activities are reported in separate statements of fiduciary net position on Exhibit 5 and changes in net position on Exhibit 6. We exclude these activities from the Borough's other financial statement because the Borough cannot use these assets to finance its operations.

**Borough of Churchill
Management's Discussion and Analysis
December 31, 2020**

Financial Analysis of the Borough as a Whole

The Borough's total net position was \$1,581,671 at December 31, 2020 and \$1,253,459 for 2019.

Table A - 1
Years Ended December 31, 2020 and 2019
Net Position

	Governmental Activities	
	2020	2019
Current and Other Assets	<u>\$ 1,594,525</u>	<u>\$ 1,253,459</u>
Current and Other Liabilities	<u>12,854</u>	<u>-</u>
Net Position		
Restricted	190,439	190,212
Unrestricted	<u>1,391,232</u>	<u>1,063,247</u>
Total Net Position	<u><u>\$ 1,581,671</u></u>	<u><u>\$ 1,253,459</u></u>

The net position is restricted and unrestricted amounts. The restricted balances are amounts set aside to fund highways and the Yagle Center.

The results of this year's operations as a whole are reported in the statement of activities on Exhibit 2. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the Borough's activities that are supported by other general revenues. The largest general revenues are the local taxes assessed to community taxpayers.

Table A-2 takes the information from that statement, rearranges it slightly, so you can see our total revenues for the year.

Borough of Churchill
Management's Discussion and Analysis
December 31, 2020

Table A - 2
Years Ended December 31, 2020 and 2019
Change in Net Position

	Governmental Activities	
	2020	2019
Receipts		
Program Receipts		
Charges for Services	\$ 1,565,076	\$ 1,316,816
Operating Grants and Contributions	310,064	237,149
General Receipts		
Property Taxes	1,838,270	1,598,807
Earned Income Taxes	612,451	619,629
Other Taxes	207,263	244,696
Grants, Subsidies and Contributions not Restricted	5,716	13,731
Investment Earnings	27,114	14,048
Miscellaneous Income	89,726	98,849
Total Receipts	4,655,680	4,143,725
Disbursements		
General Government	1,093,959	811,078
Public Safety	1,328,774	1,403,067
Health and Human Safety	4,729	4,960
Public Works - Sanitation	1,114,294	1,064,272
Public Works - Highways	783,359	737,391
Culture - Recreation	2,353	32,403
Total Disbursements	4,327,468	4,053,171
Increase (Decrease) in Net Position	328,212	90,554
Beginning Net Position	1,253,459	1,162,905
Ending Net Position	\$ 1,581,671	\$ 1,253,459

Borough of Churchill
Management's Discussion and Analysis
December 31, 2020

Borough Finances

The Borough of Churchill entered 2020 with fiscal stability and continues to re-evaluate the many services and programs offered in a continuing effort to control expenditures and plan long term. The general fund revenues came in above budget by \$445,548. The majority of the variance was due to collection of real estate transfer tax and building permits. Expenses came in over budget by \$161,262 due to significantly less expenditures in the areas of insurance, patrolmen salaries, and snow and ice control.

Significant Issues

The Borough continued their expanded road resurfacing program in 2020, spending \$511,860.

The Borough continues to comply with the requirements of the Allegheny County consent order, which outlines specific repairs and reviews of the Borough's sanitary sewer system. The Borough spent \$127,560 on maintenance and repair projects to the sanitary sewer system, with one contract outstanding to be paid in the 2021 fiscal year. The Borough is very near to completing the replacement of the Collins Road Pump Station with a gravity sewer line that will allow residents that currently utilize the pump station to tap into the Penn Hills sanitary sewer lines. The project is slated to be completed in Fall 2021. This project is to be wholly funded by a combination of grants, including an ALCOSAN GROW Grant and a PA Small Water and Sewer Grant. A sewer surcharge based on a per thousand gallons of water usage funds ongoing O&M work that allows the Borough to continue to comply with the current consent order. In 2021, the sewer surcharge was raised from \$6.00/1,000 gallons to \$8.50/1,000 gallons to maintain current levels of service.

The Borough is also complying with MS4 mandates required by the EPA and PADEP. The Borough spent \$62,978 on storm sewer projects and their MS4 program in 2020.

Contacting the Borough's Financial Management

This report provides a snapshot to our citizens, taxpayers, customers and creditors with a general overview of the Borough's finances and demonstrates the Borough's accountability for the money it received.

If you have any questions about this report or need additional financial information, please contact: Alex Graziani, Borough Manager, Borough of Churchill, 2300 William Penn Highway, Pittsburgh, PA 15235.

**Borough of Churchill
Statement of Net Position
Modified Cash Basis
December 31, 2020**

Exhibit 1

	Governmental Activities
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,593,925
Other Receivables	<u>600</u>
Total Current Assets	<u>1,594,525</u>
LIABILITIES	
Other Current Liabilities	<u>12,854</u>
NET POSITION	
Restricted for:	
Highways and Roads	143,070
Yagle Center	47,369
Unrestricted	<u>1,391,232</u>
TOTAL NET POSITION	<u>\$ 1,581,671</u>

See Accompanying Notes

**Borough of Churchill
Statement of Activities
Modified Cash Basis
Year Ended December 31, 2020**

Exhibit 2

Functions/Programs	Expenses	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	\$ 1,093,959	\$ 410,068	\$ 24,909	\$ (658,982)
Public Safety	1,328,774	41,807	181,895	(1,105,072)
Health & Human Safety	4,729	-	-	(4,729)
Public Works - Sanitation	1,114,294	1,110,315	-	(3,979)
Public Works - Highways	783,359	2,886	103,260	(677,213)
Culture & Recreation	2,353	-	-	(2,353)
Total Governmental Activities	\$ 4,327,468	\$ 1,565,076	\$ 310,064	(2,452,328)
General Receipts				
Taxes				
Property Taxes Levied for General Purposes, Net				1,838,270
Earned Income Taxes				612,451
Local Service Tax				28,567
Other Taxes Levied for General Purposes, Net				178,696
Grants, Subsidies and Contributions not Restricted				5,716
Investment Earnings				27,114
Miscellaneous Income				89,726
Total General Receipts				2,780,540
Change in Net Position				328,212
Net Position - January 1, 2020				1,253,459
Net Position - December 31, 2020				\$ 1,581,671

See Accompanying Notes

**Borough of Churchill
Balance Sheet
Modified Cash Basis
Governmental Funds
December 31, 2020**

Exhibit 3

	General Fund	Special Revenue Fund Sewer Fund	Capital Projects Funds	Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,003,352	\$ 219,443	\$ 180,691	\$ 190,439	\$ 1,593,925
Due from Other Funds	24,166	-	-	-	24,166
Other Receivables	600	-	-	-	600
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 1,028,118</u>	<u>\$ 219,443</u>	<u>\$ 180,691</u>	<u>\$ 190,439</u>	<u>\$ 1,618,691</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to Other Funds	\$ -	\$ 24,166	\$ -	\$ -	\$ 24,166
Other Current Liabilities	12,854	-	-	-	12,854
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>12,854</u>	<u>24,166</u>	<u>-</u>	<u>-</u>	<u>37,020</u>
Fund Balances					
Restricted	-	-	-	190,439	190,439
Committed	-	195,277	180,691	-	375,968
Unassigned	1,015,264	-	-	-	1,015,264
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>1,015,264</u>	<u>195,277</u>	<u>180,691</u>	<u>190,439</u>	<u>1,581,671</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,028,118</u>	<u>\$ 219,443</u>	<u>\$ 180,691</u>	<u>\$ 190,439</u>	<u>\$ 1,618,691</u>

See Accompanying Notes

Borough of Churchill
Statement of Revenues, Expenditures and
Changes in Fund Balances – Modified Cash Basis
Governmental Funds
Year Ended December 31, 2020

Exhibit 4

	General Fund	<u>Special Revenue Fund</u> Sewer Fund	Capital Projects Fund	Non-Major Funds	Total Governmental Funds
Revenues					
Taxes	\$ 2,657,984	\$ -	\$ -	\$ -	\$ 2,657,984
Licenses and Permits	70,819	-	-	-	70,819
Fines and Forfeits	12,445	-	-	-	12,445
Interest, Rents and Royalties	26,235	-	439	440	27,114
Intergovernmental	212,520	-	-	103,260	315,780
Charges for Services	446,616	1,110,315	-	-	1,556,931
Miscellaneous	14,606	-	-	-	14,606
Total Revenues	<u>3,441,225</u>	<u>1,110,315</u>	<u>439</u>	<u>103,700</u>	<u>4,655,679</u>
Expenditures					
Current:					
General Government	967,298	-	-	213	967,511
Public Safety	907,580	-	28,916	-	936,496
Health and Welfare	4,712	-	-	-	4,712
Public Works - Sanitation	46,507	1,063,871	-	-	1,110,378
Public Works - Highway	677,346	-	-	103,260	780,606
Culture - Recreation	2,345	-	-	-	2,345
Miscellaneous	525,419	-	-	-	525,419
Total Expenditures	<u>3,131,207</u>	<u>1,063,871</u>	<u>28,916</u>	<u>103,473</u>	<u>4,327,467</u>
Net Change in Fund Balances	310,018	46,444	(28,477)	227	328,212
Fund Balances - January 1, 2020	<u>705,246</u>	<u>148,833</u>	<u>209,168</u>	<u>190,212</u>	<u>1,253,459</u>
Fund Balances - December 31, 2020	<u>\$ 1,015,264</u>	<u>\$ 195,277</u>	<u>\$ 180,691</u>	<u>\$ 190,439</u>	<u>\$ 1,581,671</u>

See Accompanying Notes

**Borough of Churchill
Statement of Net Position
Modified Cash Basis
Fiduciary Funds
December 31, 2020**

Exhibit 5

	Pension Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 143,704
Investments	
Common Stock	1,661,585
Mutual Funds	4,314,072
ETFs	2,389,733
Accrued Interest	<u>3,413</u>
TOTAL ASSETS	<u>8,512,507</u>
NET POSITION	
Net Position Restricted for Pensions	<u>\$ 8,512,507</u>

See Accompanying Notes

**Borough of Churchill
Statement of Changes in Net Position
Modified Cash Basis
Fiduciary Funds
Year Ended December 31, 2020**

Exhibit 6

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 254,743
Plan Members	<u>46,641</u>
Total Contributions	<u>301,384</u>
Investment Income	
Net Appreciation in Fair Value of Investments	746,034
Interest and Dividends	182,408
Less: Investment Expense	<u>(33,289)</u>
Net Investment Income	<u>895,153</u>
Total Additions	<u>1,196,537</u>
Deductions	
Benefits	402,150
Administrative Expenses	<u>9,230</u>
Total Deductions	<u>411,380</u>
Change in Net Position	785,157
Net Position - January 1, 2020	<u>7,727,350</u>
Net Position - December 31, 2020	<u>\$ 8,512,507</u>

See Accompanying Notes

Borough of Churchill
Notes to Financial Statements
December 31, 2020

Note 1 - Summary of Significant Accounting Policies

The Borough of Churchill (the “Borough”) was incorporated in 1934 under the provisions of Article 9, Section I of the Constitution of the Commonwealth of Pennsylvania, as amended. The Borough operates under a Mayor/Council form of government.

As discussed further in Note 1C, these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The more significant accounting policies used by the Borough are discussed below.

A. Basic Financial Statements - Government-Wide Statements

The Borough’s basic financial statements include both government-wide (reporting the Borough as a whole) and fund financial statements (reporting the Borough’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Borough’s police, highway, sanitation, parks and general administrative services are all classified as governmental activities. The Borough reports no business-type activities.

In the government-wide statement of net position, governmental activities are presented on a consolidated basis by column.

The government-wide statement of activities reports both the gross and net cost of each of the Borough’s functions. The functions are also supported by general government receipts (certain intergovernmental revenues, charges for services, etc.). The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, public works - sanitation, public works - highways, culture and recreation, etc.). Operating grants include operating-specific and discretionary (either operating or capital).

The net costs by function are normally covered by general receipts including real estate taxes, earned income taxes, intergovernmental receipts, interest income and rents.

The government-wide focus is more on the Borough as an entity and the change in the Borough’s net position resulting from the current year’s activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payment-in-lieu of taxes and other charges between various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

B. Basic Financial Statements - Fund Financial Statements

Fund financial statements of the Borough are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues and expenditures. Funds are organized into three categories: governmental, proprietary and fiduciary. The Borough reports no proprietary-type funds.

Borough of Churchill
Notes to Financial Statements
December 31, 2020

The emphasis in fund financial statements is on the major funds in the governmental category. Nonmajor funds are summarized into a single column. GASBS No. 34 sets forth the minimum criteria (percentage of the assets, liabilities, revenues or expenditures) for the determination of major funds.

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Borough reports these major governmental funds and fund types:

The *general fund* is the Borough's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *sewer fund*, a special revenue fund, accounts for revenues and expenditures related to sanitation services provided to Borough residents.

The *capital projects fund* accounts for revenues and expenditures related to capital purchases and capital improvements within the Borough.

The Borough also reports as a nonmajor governmental fund the following:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes. The Highway Aid and the Yagle Trust Funds are considered special revenue funds.

The activities reported in this fund are reported as governmental activities in the government-wide financial statements.

2. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and are therefore not available to support Borough programs. The reporting focus is on net position and changes in net position. The Borough's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose, or agency). The Borough reports the following fund type:

The *pension trust funds* account for the activities of the police and municipal employees' pension plans, which accumulate resources for pension benefit payments to covered employees.

Fiduciary funds are not incorporated into the government-wide financial statements.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe how transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Borough of Churchill
Notes to Financial Statements
December 31, 2020

Measurement Focus

In the government-wide statement of net position and the statement of activities, the governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in the basis of accounting note below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate.

All governmental funds utilize a current financial resources measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The fiduciary funds utilize an economic resources measurement focus within the limitations of the modified cash basis of accounting. All assets and liabilities associated with these activities are generally reported within the limitations of the modified cash basis of accounting.

Basis of Accounting

In the government-wide statement of net position, the statement of activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

The Borough has not recorded capital assets and infrastructure arising from cash transactions or the provision for accumulated depreciation and depreciation expense in the government-wide statements.

Outside debt and other long-term liabilities have not been recognized in the government-wide statement of net position and the fund financial statements.

If the Borough utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental and fiduciary funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

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D. Financial Statement Amounts

1. Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments for the government are reported at fair value.

3. Government-wide Net Position

Government-wide net position is divided into two components:

Restricted - consist of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Unrestricted - all other net position is reported in this category.

4. Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - the part of fund balance that is restricted to be spent for a specific purpose. The constraints on these amounts must be externally imposed by creditors, grantors, contributors or laws or regulations of other governments, or by enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payments and includes a legally enforceable requirement on the use of these funds.

Committed - the portion of fund balance that can only be used for specific purposes as a result of formal action by the Borough's highest level of authority, Borough Council. Once the item is committed, it cannot be used for any other purpose unless changed by the same procedures used to initially constrain the money, which is the passage of a motion.

Assigned - reflects the Borough's intent to use the money for a specific purpose, but is not considered restricted or committed. Fund balance may be assigned by the Borough Manager.

Unassigned - represents the part of spendable fund balance that has not been categorized as restricted, committed or assigned. The general fund is the only fund permitted to have a positive unassigned fund balance.

5. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Borough's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Borough's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications - committed and then assigned fund balances before using unassigned fund balances.

Borough of Churchill
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6. Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Note 2 - Fund Balance Classifications

The purposes of the fund balance classifications as of December 31, 2020, are as follows:

1. Restricted fund balances are restricted for the following purposes:
 - a. Highway maintenance, rebuilding and construction \$143,070
 - b. Yagle Community Center 47,369
2. The committed fund balances in the sewer and capital project funds, respectively, are for the following purposes:
 - a. Sanitary sewer \$195,277
 - b. Future capital expenditures 180,691

Note 3 - Budgets and Budgetary Accounting

Budgets are adopted on a cash basis for the general fund, highway aid and the sewer agency fund. Expenditures may not legally exceed the budgeted appropriation at the fund level. As a matter of policy, supplemental appropriations are requested whenever expenditures exceed appropriations at the fund level.

The budgetary procedures utilized by the Borough are prescribed in the Borough Code. These procedures are as follows:

- 1) On or before the fifteenth (15th) day of November each year, the Borough Manager is required to submit to Council a proposed budget.
- 2) Upon submission to Council, the proposed budget is considered public record and, as such, is available to the public for their review.
- 3) Final adoption of the budget shall occur prior to the commencement of the year for which it is prepared, but only after it has been available for public inspection, after due notice, for at least ten days.
- 4) Budgets are adopted on an on-line item basis by department. Appropriations authorized by the budget cannot exceed anticipated income. At any time during the year, the Borough Manager may request Council approval to transfer monies among programs within a department. All appropriations lapse at the end of each fiscal year (December 31).

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- 5) Formal budgeting integration is utilized as a managerial control device for the general fund, highway aid fund and the sewer fund.

Note 4 - Deposits and Investments

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U. S. Treasury bills, other short-term U. S. and Pennsylvania government obligations, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes. In addition to the investment, authorized for governmental funds, fiduciary fund investments may also be made in corporate stocks and bonds, real estate and other investments consistent with sound business practice.

The deposit and investment policy of the Borough adheres to state statutes and prudent business practice. Deposits of the governmental funds are either maintained in demand deposits or highly liquid money market funds and are captioned as cash in the combined balance sheet. The deposits and investments of the fiduciary funds are administered by trustees and are held separately from those of other municipal funds. Investments are reported at fair value. Fair value is based on quoted market prices. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. There were no deposit or investment transactions during the year that were in violation of either their state statutes or the policy of the Borough.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution's name. As of December 31, 2020, \$1,402,657 of the Borough's bank balance of \$1,652,657 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging

Bank's Agent not in the Borough's Name	<u>\$1,402,657</u>
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As of December 31, 2020, the Borough had the following investments:

Investment Type	Credit Rating	Fair Value
Money Market Funds	AAAm	\$ 143,704
Common Stock	N/A	1,661,585
Equity Mutual Funds	N/A	4,314,072
ETFs	N/A	<u>2,389,733</u>
		<u>\$ 8,509,094</u>

Borough of Churchill
Notes to Financial Statements
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Of the above investments, all are reported in the Borough's fiduciary funds.

Interest Rate Risk - The Borough does not have a policy related to investment rate risk.

Credit Risks - Pennsylvania statutes authorize the type of investments allowed and are described above. The Borough has no investment policy that would further limit its investments choices. The Borough's money market funds are in Federated Government Obligation Funds and are rated AAAM by S & P.

Custodial Credit Risk Investments - This is the risk that in the event of failure of the counterparty, the Borough will not be able to recover the value of its investments. The Borough does not have an investment policy for custodial credit risk. None of the Borough's investments are subject to custodial risk.

Concentration of Credit Risk - At December 31, 2020, the Borough did not have a policy for concentration of credit risk.

The Borough categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Borough has the following recurring fair value measurements as of December 31, 2020:

Investments by Fair Value Level	Totals	Fair Value Measurements		
		Level 1	Level 2	Level 3
Common Stock	\$ 1,661,585	\$ 1,661,585	\$ -	\$ -
Mutual Funds	4,314,072	4,314,072	-	-
ETFs	<u>2,389,733</u>	<u>2,389,733</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 8,365,390</u>	<u>\$ 8,365,390</u>	<u>\$ -</u>	<u>\$ -</u>

Note 5 - Real Estate Taxes

The tax collector bills and collects real estate taxes on behalf of the Borough based upon assessed values provided by the County. The Borough's tax rate for all purposes in 2020 was 7.48 mills (\$7.48 per \$1,000 assessed valuation). The tax calendar for real estate taxes levied for 2020 is as follows:

Tax Levy Date	March 1, 2020
2% Discount Period	March 1 - April 30, 2020
Face Payment Period	May 1, 2020 - June 30, 2020
10% Penalty Period	Beginning July 1, 2020

Borough of Churchill
Notes to Financial Statements
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Note 6 - Long-Term Debt

The following is a summary of general long-term debt transactions for the year ended December 31, 2020:

	Balance 01/01/20	Additions	Retirements	Balance 12/31/20	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 13,471	\$ 676	\$ 2,000	\$ 12,147	\$ -

The Borough's policies regarding vacation time under various contracts, provide for employees to accumulate sick days which they are paid for upon retirement or termination of service. The amount the employee is compensated and the number of days varies based on their contract and their years of service. If generally accepted accounting principles were followed, the liability for these compensated absences would be recorded as long-term debt in the government-wide statements. In the fund financial statements, governmental funds report a compensated absence liability only if they have matured; for example, as a result of employee resignations and retirements.

Note 7 - Defined Benefit Pension Plans

A. Plan Descriptions, Contribution Information, and Funding Policies

The Borough of Churchill contributes to two Defined Benefit Pension Plans. Assets are held separately and may be used only for the payment of benefits to the members of the respective Plans.

Borough of Churchill Police Pension Plan (PPP) - The Police Pension Plan is a single-employer defined benefit pension trust fund. Any person employed on a full-time basis by the Borough as a member of the police force is eligible to participate in the Plan.

Municipal Employee Pension Plan (MEPP) - The Municipal Employee Pension Plan is a single-employer defined benefit Trust Fund Plan. Any municipal employee person employed on a full-time salaried basis by the Borough is eligible to participate in the Plan.

Actuarial valuations are performed biannually. For additional information related to basis of accounting and reported investment values, see notes 1C and 4. The Plans do not issue stand-alone financial reports.

The following is a summary of funding policies, contribution methods, and benefit provisions:

	<u>PPP</u>	<u>MEPP</u>
Date Established	February 8, 1966	March 8, 1960
Governing Authority and Administrator	Borough Council and Ordinances	Borough Council and Ordinances
Determination of Contribution Requirements	Actuarially determined	Actuarially determined
Employer	\$196,165	\$58,578
Plan Members	5.0% of compensation	5.0% of compensation

**Borough of Churchill
Notes to Financial Statements
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	<u>PPP</u>	<u>MEPP</u>
Funding of Administrative Costs	Investment earnings	Employer contribution
Eligibility Requirements		
Normal Retirement	Age 55 with 25 years of aggregate service	Participants hired prior to December 12, 2000 and after July 14, 2006, the date participant attains age 65, for all others, age 65 and completion of 20 years of aggregate service
Early Retirement	None	If hired prior to December 12, 2000, age 62
Vesting	12 years of service	100% after completion of 7 years of aggregate service
Retirement Benefit	50% of final 36 months average salary, plus service increment, if any	Participant in plan prior to July 15, 2006, 50% of final monthly average compensation, and for participants after July 15, 2006, monthly amount equal to 1.67% of final monthly average compensation multiplied by years of service to a maximum of 50%
Service Increment	Additional monthly benefit of \$100 for completion of 26 or more years. Participants retiring by February 15, 2017 will receive \$70 for each year in excess of 25 up to a maximum of \$350	None
Post-Retirement Benefit Increases	For participants retiring after January 1, 2006, an amount equal to the percentage increase in the CPI-W subject to certain limits	Participants employed prior to July 15, 2006 not to exceed 3% of CPI-W, not to exceed 60% of final monthly average compensation

Borough of Churchill
Notes to Financial Statements
December 31, 2020

	<u>PPP</u>	<u>MEPP</u>
Provisions for Disability Benefits	Yes	Yes
Provisions for Death Benefits	Yes	Yes

Memberships of the Plans are as follows, based on the latest actuarial valuation reports dated January 1, 2019:

Active Employees	9	4
Entitled to But Not Yet Receiving Benefits or Beneficiaries Currently Receiving Benefits	<u>7</u>	<u>7</u>
Total	<u><u>16</u></u>	<u><u>11</u></u>

B. Net Pension Liability

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

Inflation: 2.75% police; 2.75% municipal employee

Salary Increases: 4.75% police; 4.5% municipal employee

Mortality: RP-2014 healthy mortality table with 50% blue collar adjustment, with rates set forward 5 years for disabled lives

Expected Long-Term Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of December 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	6.3%
Fixed Income	2.0%
Cash Equivalents	0.0%

Borough of Churchill
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Discount Rate: The discount rate used to measure the total pension liability was 7% for the police plan and 6.75% for the municipal employee plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

C. Changes in the Net Pension Liability

Changes in the Borough's net pension liability for the year ended December 31, 2020 were as follows:

Police Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at January 1, 2020	\$ 6,345,504	\$6,423,749	\$ (78,245)
Changes for the Year:			
Service Cost	146,445	-	146,445
Interest	442,833	-	442,833
Contributions - Employer	-	196,165	(196,165)
Contributions - Employee	-	37,358	(37,358)
Net Investment Income	-	775,730	(775,730)
Benefit Payments and Refunds of Employee Contributions	(337,224)	(337,224)	-
Administrative Expense	-	(33,714)	33,714
Net Changes	<u>252,054</u>	<u>638,315</u>	<u>(386,261)</u>
Balances at December 31, 2020	<u>\$ 6,597,558</u>	<u>\$7,062,064</u>	<u>\$ (464,506)</u>

Borough of Churchill
Notes to Financial Statements
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Municipal Employee Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at January 1, 2020	\$ 1,376,076	\$ 1,303,601	\$ 72,475
Changes for the Year:			
Service Cost	27,801	-	27,801
Interest	92,606	-	92,606
Contributions - Employer	-	58,578	(58,578)
Contributions - Employee	-	9,283	(9,283)
Net Investment Income	-	152,664	(152,664)
Benefit Payments and Refunds of Employee Contributions	(64,928)	(64,928)	-
Administrative Expense	-	(8,755)	8,755
	<u>55,479</u>	<u>146,842</u>	<u>(91,363)</u>
Net Changes			
Balances at December 31, 2020	<u>\$ 1,431,555</u>	<u>\$ 1,450,443</u>	<u>\$ (18,888)</u>

Sensitivity of the net pension liability to changes in the discount rate: The following shows effect of a 1% change in the discount rate on the net pension liability:

	1.00% Decrease	Current Discount Rate	1.00% Increase
Net Pension Liability			
PPP	\$ 295,511	\$ (464,506)	\$ (1,104,917)
MEPP	\$ 107,111	\$ (18,888)	\$ (127,713)

D. Pension Expense

For the year ended December 31, 2020, the Borough recognized pension expense of \$196,165 and \$58,578 for the Police Pension and Municipal Employee Pension Plans, respectively, on the modified cash basis. The Borough does not report any deferred inflows or outflows related to pensions under GASBS No. 68 due to the statements being reported on the modified cash basis of accounting.

Borough of Churchill
Notes to Financial Statements
December 31, 2020

Note 8 - Other Post-Employment Benefit Plan

A. Plan Description

The Borough of Churchill administers a single-employer defined benefit post-employment benefit plan. The Plan provides medical premium reimbursement and life insurance benefits to police and non-uniformed retirees. Benefit provisions are mostly established through negotiations between the Borough and union or group representing the employees. The Plan does not issue a publicly available financial report.

1. Police Employees

Eligibility: Retiring from Borough employment after attaining age 55 and after completing 25 years of service.

Benefits: On a voluntary basis, each officer may receive OPEB benefits by contributing \$2,000 into the plan prior to retirement. The plan will then pay each officer \$250 per month toward medical insurance until the officer attains the earlier of age 65 or Medicare eligibility. Currently all active officers have elected to participate.

Plans Available: Retiring participants are not permitted to remain on the Borough's health insurance plans after retirement.

Life Insurance: At retirement, the Borough shall provide each officer with a paid-up life insurance policy in the amount of \$10,000. The Borough pays the premiums for this benefit prior to retirement for all but one retiree (for whom they continue to pay premiums at this time).

2. Non-Uniformed Employees

Eligibility: Age 65 and completion of 20 years of Aggregate Service. For participants hired before December 12, 2000 and after July 14, 2006: Age 65.

Life Insurance: If hired before July 14, 2006, the Borough shall provide each retiree with a paid-up life insurance policy in the amount of \$10,000. The Borough pre-pays the premiums for this benefit prior to retirement. If hired on or after July 14, 2006, no benefits are payable.

B. Funding Policy

Memberships of the Plan are as follows, based on the latest actuarial evaluation reports dated January 1, 2020:

Active Members	11
Retired Participants	<u>2</u>
Total	<u>13</u>

Borough of Churchill
Notes to Financial Statements
December 31, 2020

C. Total OPEB Liability

The Borough's total OPEB liability of \$85,586 was measured as of January 1, 2020 and was determined by an actuarial valuation as of January 1, 2020 and rolled forward to the measurement date.

D. Actuarial Methods and Assumptions

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Discount Rate	3.00%
Healthcare Cost Trend Rates	N/A

The discount rate was based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the RP-2014 Mortality Table with 50% of the Blue Collar Adjustment.

The actuarial assumptions used in the January 1, 2020 valuation were selected using input from the Borough based upon actual experience.

E. Change in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2020	\$ 90,786
Changes for the year:	
Service Cost	3,159
Interest	2,582
Changes of assumptions or other inputs	2,330
Difference Between Expected and Actual Experience	(7,184)
Benefit Payments	<u>(6,087)</u>
Net Changes	<u>(5,200)</u>
Balance at December 31, 2020	<u>\$ 85,586</u>

F. Changes of Assumptions and Other Inputs

- Changed the discount rate from 3.25% to 3.00%.
- Assumptions for mortality and retirement assumption were updated.

Borough of Churchill
Notes to Financial Statements
December 31, 2020

G. Sensitivity of the Total Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.00%) or one percentage point higher (4.00%) than the current discount rate:

	1.00% Decrease	Current Discount Rate	1.00% Increase
	2.00%	3.00%	4.00%
Total OPEB Liability	\$ 96,504	\$ 85,586	\$ 76,731

H. Sensitivity of the Total Liability to Changes in the Healthcare Cost Trend Rates

The disclosure related to healthcare cost trend rates is not applicable as the Borough is paying a fixed cost and retirees cannot stay on the Borough plan.

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the Borough recognized OPEB Expense of (\$5,200). At December 31, 2020, the Borough reported no deferred outflows and deferred inflows of resources related to OPEB.

Note 9 - Risk Management

The Borough of Churchill is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The Borough also purchases commercial insurance for its employee health and accident insurance coverage. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

Note 10 - Lease Agreement

The Borough as lessor entered into a lease agreement, whereby the Borough leases a parcel of land for communication facilities. The lease term is through October 31, 2038, with monthly rentals at \$2,000 per month, increasing by 3.0% annually.

The total rent received in 2020 was \$25,643 under this lease.

Borough of Churchill
Notes to Financial Statements
December 31, 2020

Total future rentals to be received are as follows:

Year Ended December 31,	
2021	\$ 28,801
2022	29,665
2023	30,554
2024	31,471
2025	32,415
2026-2030	177,260
2031-2035	205,493
2036-2038	130,558
	<u>\$ 666,217</u>

Note 11 - Operating Leases

The Borough of Churchill is committed under lease agreements for copiers and a postage machine. These leases are considered for accounting purposes to be operating leases. The following is a schedule by years of future minimum payments required under these operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2020:

Year Ended December 31,	
2021	\$ 2,783
2022	2,598
2023	2,428
2024	960
	<u>\$ 8,769</u>

For the year ended December 31, 2020, the rental expense for the operating leases was \$4,814.

Note 12 - Risks and Uncertainties

The COVID-19 outbreak in the United States caused economic uncertainties and business disruption through mandated and voluntary closings. The disruption impacted various aspects of the Borough's operations. However, the ultimate outcome of the pandemic and its effects on the financial position and activities of the Borough cannot be determined at this time. The Borough's staff will continue to monitor operating results to mitigate any financial impact that may occur.

**OTHER INFORMATION
SECTION**

Borough of Churchill
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Modified Cash Basis
General Fund – Budget and Actual
Year Ended December 31, 2020

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Real Estate Taxes				
Current	\$ 1,799,347	\$ 1,799,347	\$ 1,790,448	\$ (8,899)
Delinquent	2,500	2,500	8,636	6,136
Liened	32,500	32,500	39,186	6,686
Regional Asset District Sales Tax	75,000	75,000	83,293	8,293
Real Estate Transfer Taxes	40,000	40,000	95,403	55,403
Earned Income Taxes/Wage Taxes	585,000	585,000	612,451	27,451
Local Service Taxes	25,000	25,000	28,567	3,567
Total Taxes	<u>2,559,347</u>	<u>2,559,347</u>	<u>2,657,984</u>	<u>98,637</u>
Licenses and Permits				
Cable Television Franchise	65,000	65,000	68,337	3,337
All Other Licenses and Permits	3,000	3,000	2,482	(518)
Total Licenses and Permits	<u>68,000</u>	<u>68,000</u>	<u>70,819</u>	<u>2,819</u>
Fines and Forfeits	<u>11,000</u>	<u>11,000</u>	<u>12,445</u>	<u>1,445</u>
Interest, Rents and Royalties				
Interest Earnings	9,500	9,500	592	(8,908)
Rents and Royalties	24,000	24,000	25,643	1,643
Total Interest, Rents and Royalties	<u>33,500</u>	<u>33,500</u>	<u>26,235</u>	<u>(7,265)</u>
Intergovernmental				
Federal				
All Other Fed Shared Revenue & Entitlements	-	-	80,000	80,000
State				
Marcellus Shale Impact Fee	-	-	584	584
Public Utility Realty Tax	2,500	2,500	2,331	(169)
General Municipal Pension System State Aid	110,000	110,000	108,324	(1,676)
Alcoholic Beverage Taxes	200	200	200	-
Foreign Fire Insurance	-	-	18,480	18,480
All Other State Shared Revenues & Entitlements	118,000	118,000	2,601	(115,399)
Total Intergovernmental	<u>230,700</u>	<u>230,700</u>	<u>212,520</u>	<u>(18,180)</u>

Borough of Churchill
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Modified Cash Basis
General Fund – Budget and Actual
Year Ended December 31, 2020

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges for Services				
General Government	4,530	4,530	11,130	6,600
Public Safety	76,000	76,000	425,818	349,818
All Other Charges for Highways & Street Svcs.	9,600	9,600	2,886	(6,714)
Other Charges for Sanitation Services	1,000	1,000	6,782	5,782
Total Charges for Services	91,130	91,130	446,616	355,486
Miscellaneous Revenue				
Other Miscellaneous Revenue	2,000	2,000	4,106	2,106
Refunds of Prior Year's Expenditures	-	-	10,500	10,500
Total Miscellaneous Revenue	2,000	2,000	14,606	12,606
Total Revenues	2,995,677	2,995,677	3,441,225	445,548
Expenditures				
General Government				
Executive				
Personal Services	177,937	177,937	139,337	38,600
Supplies	18,000	18,000	21,550	(3,550)
Other Services & Charges	142,300	142,300	22,549	119,751
Capital Purchase	5,000	5,000	19,900	(14,900)
Financial Administration				
Personal Services	1,092	1,092	-	1,092
Other Services & Charges	9,200	9,200	9,102	98
Tax Collection				
Personal Services	9,848	9,848	23,161	(13,313)
Supplies	2,000	2,000	2,713	(713)
Other Services & Charges	2,214	2,214	2,594	(380)
Law				
Other Services & Charges	57,000	57,000	72,070	(15,070)
Engineer				
Other Services & Charges	150,000	150,000	429,064	(279,064)
General Gov't Building & Plant				
Personal Services	57,369	57,369	60,120	(2,751)
Supplies	4,800	4,800	2,086	2,714
Other Services & Charges	77,800	77,800	78,711	(911)
Capital Construction	100,000	100,000	84,341	15,659
Total General Government	814,560	814,560	967,298	(152,738)

Borough of Churchill
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Modified Cash Basis
General Fund – Budget and Actual
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety				
Police				
Personal Services	806,753	806,753	717,638	89,115
Supplies	35,700	35,700	28,459	7,241
Other Services & Charges	31,000	31,000	41,076	(10,076)
Capital Purchase	45,000	45,000	47,228	(2,228)
Fire				
Other Services & Charges	12,800	12,800	12,949	(149)
Contributions, Grants & Subs.	6,000	6,000	24,480	(18,480)
Capital Purchase	32,000	32,000	32,000	-
Ambulance/Rescue				
Contributions, Grants & Subs.	<u>3,750</u>	<u>3,750</u>	<u>3,750</u>	<u>-</u>
Total Public Safety	<u>973,003</u>	<u>973,003</u>	<u>907,580</u>	<u>65,423</u>
Health and Welfare				
Health				
Other Services & Charges	<u>4,000</u>	<u>4,000</u>	<u>4,712</u>	<u>(712)</u>
Public Works - Sanitation				
Solid Waste Collection and Disposal				
Other Services & Charges	<u>41,000</u>	<u>41,000</u>	<u>46,507</u>	<u>(5,507)</u>
Public Works - Highways				
Winter Maintenance-Snow Removal				
Other Services & Charges	130,000	130,000	51,227	78,773
Traffic Control Devices				
Other Services & Charges	14,000	14,000	11,106	2,894
Street Lighting				
Other Services & Charges	11,000	11,000	10,939	61
Repairs of Tools and Machinery				
Other Services & Charges	2,000	2,000	934	1,066
Maintenance and Repairs to Roads & Bridges				
Other Services & Charges	185,000	185,000	127,459	57,541
Highway Construction & Rebuilding Projects				
Other Services & Charges	50,000	50,000	67,081	(17,081)
Capital Construction	<u>400,000</u>	<u>400,000</u>	<u>408,600</u>	<u>(8,600)</u>
Total Public Works - Highway	<u>792,000</u>	<u>792,000</u>	<u>677,346</u>	<u>114,654</u>
Total Public Works	<u>833,000</u>	<u>833,000</u>	<u>723,853</u>	<u>109,147</u>

Borough of Churchill
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Modified Cash Basis
General Fund – Budget and Actual
Year Ended December 31, 2020

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Culture - Recreation				
Parks				
Supplies	5,000	5,000	194	4,806
Other Services & Charges	3,500	3,500	2,151	1,349
Total Culture - Recreation	<u>8,500</u>	<u>8,500</u>	<u>2,345</u>	<u>6,155</u>
Miscellaneous				
Retirement Fund Contributions	254,743	254,743	254,743	-
Workers Comp. Contributions	56,344	56,344	26,939	29,405
Other Group Insurance Benefits	201,430	201,430	160,146	41,284
Social Security Taxes	79,789	79,789	65,562	14,227
Insurance, Casualty & Surety	50,500	50,500	5,382	45,118
Other Misc. Expenditures	8,100	8,100	8,008	92
Refunds of Prior Year's Receipts	2,500	2,500	4,639	(2,139)
Total Miscellaneous	<u>653,406</u>	<u>653,406</u>	<u>525,419</u>	<u>127,987</u>
Debt Service				
Tax Anticipation Loan - Interest	6,000	6,000	-	6,000
Total Expenditures	<u>3,292,469</u>	<u>3,292,469</u>	<u>3,131,207</u>	<u>161,262</u>
Net Change in Fund Balance	(296,792)	(296,792)	310,018	606,810
Fund Balance - January 1, 2020	<u>452,715</u>	<u>452,715</u>	<u>705,246</u>	<u>252,531</u>
Fund Balance - December 31, 2020	<u>\$ 155,923</u>	<u>\$ 155,923</u>	<u>\$ 1,015,264</u>	<u>\$ 859,341</u>

Borough of Churchill
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Modified Cash Basis
Special Revenue Fund
Sewer Fund – Budget and Actual
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	<u>\$ 1,140,039</u>	<u>\$ 1,140,039</u>	<u>\$ 1,110,315</u>	<u>\$ (29,724)</u>
Expenditures				
Current				
Public Works - Sanitation	<u>1,208,239</u>	<u>1,208,239</u>	<u>1,063,871</u>	<u>(144,368)</u>
Net Change in Fund Balance	(68,200)	(68,200)	46,444	114,644
Fund Balance - January 1, 2020	<u>148,833</u>	<u>148,833</u>	<u>148,833</u>	<u>-</u>
Fund Balance - December 31, 2020	<u><u>\$ 80,633</u></u>	<u><u>\$ 80,633</u></u>	<u><u>\$ 195,277</u></u>	<u><u>\$ 114,644</u></u>

Borough of Churchill
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2020

1. Schedule of Changes in the Borough's Net Pension Liability and Related Ratios

Police Pension Plan

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	\$ 146,445	\$ 139,804	\$ 123,338	\$ 135,934	\$ 111,637	\$ 100,079	\$ 97,749
Interest	442,833	425,216	416,648	398,987	382,399	366,176	368,544
Change of Benefit Terms	-	-	-	2,160	33,889	5,170	-
Change in Assumptions	-	-	-	(124,813)	(63,131)	(313,316)	-
Difference Between Expected and Actual Experience	-	(142,328)	-	79,212	-	-	-
Benefit Payments	<u>(337,224)</u>	<u>(303,328)</u>	<u>(280,527)</u>	<u>(259,835)</u>	<u>(216,758)</u>	<u>(216,794)</u>	<u>(172,589)</u>
Net Change in Total Pension Liability	252,054	119,364	259,459	231,645	248,036	(58,685)	293,704
Total Pension Liability - Beginning (1)	<u>6,345,504</u>	<u>6,226,170</u>	<u>5,966,711</u>	<u>5,735,066</u>	<u>5,487,030</u>	<u>5,545,715</u>	<u>5,252,011</u>
Total Pension Liability - Ending (a)	<u>6,597,558</u>	<u>6,345,534</u>	<u>6,226,170</u>	<u>5,966,711</u>	<u>5,735,066</u>	<u>5,487,030</u>	<u>5,545,715</u>
Plan Fiduciary Net Position							
Contributions - Employer, including State Aid	196,165	172,419	190,674	180,216	172,658	213,857	211,679
Contributions - Member	37,358	40,415	41,599	41,179	42,632	40,114	41,753
Net Investment Income	775,730	1,067,068	(316,472)	834,496	279,881	18,512	255,825
Benefit Payments	(337,224)	(303,328)	(280,527)	(259,835)	(216,758)	(216,794)	(172,589)
Administrative Expenses	<u>(33,714)</u>	<u>(35,667)</u>	<u>(36,722)</u>	<u>(28,520)</u>	<u>(26,376)</u>	<u>(14,609)</u>	<u>(12,065)</u>
Net Change in Plan Fiduciary Net Position	638,315	940,907	(401,448)	767,536	252,037	41,080	324,603
Plan Fiduciary Net Position - Beginning	<u>6,423,749</u>	<u>5,482,842</u>	<u>5,884,290</u>	<u>5,116,754</u>	<u>4,864,717</u>	<u>4,823,637</u>	<u>4,499,034</u>
Plan Fiduciary Net Position - Ending (b)	<u>7,062,064</u>	<u>6,423,749</u>	<u>5,482,842</u>	<u>5,884,290</u>	<u>5,116,754</u>	<u>4,864,717</u>	<u>4,823,637</u>
Borough's Net Pension Liability (a-b)	<u>\$ (464,506)</u>	<u>\$ (78,215)</u>	<u>\$ 743,328</u>	<u>\$ 82,421</u>	<u>\$ 618,312</u>	<u>\$ 622,313</u>	<u>\$ 722,078</u>

Borough of Churchill
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2020

	Police Pension Plan						
	2020	2019	2018	2017	2016	2015	2014
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	107.0%	101.2%	88.1%	98.6%	89.2%	88.7%	87.0%
Covered Payroll	<u>\$ 747,154</u>	<u>\$ 808,300</u>	<u>\$ 836,192</u>	<u>\$ 823,585</u>	<u>\$ 851,922</u>	<u>\$ 802,288</u>	<u>\$ 835,065</u>
Borough's Net Pension Liability as a Percentage of Covered Payroll	(62.2%)	(9.7%)	88.9%	10.0%	72.6%	77.6%	86.5%

The information reported above is the information which was available upon implementation of the new reporting standard, 10 years of information will be reported when available.

(1)- The beginning balance was adjusted from prior year amount.

Borough of Churchill
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2020

2. Schedule of Changes in the Borough's Net Pension Liability and Related Ratios

	Municipal Employee Pension Plan						
	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	\$ 27,801	\$ 26,604	\$ 24,049	\$ 36,188	\$ 37,435	\$ 35,652	\$ 36,401
Interest	92,606	88,312	82,565	78,585	70,790	66,671	64,123
Change in Assumptions	-	22,984	-	(31,518)	-	(18,113)	-
Difference Between Expected and Actual Experience	-	39,603	-	81,667	-	-	-
Benefit Payments	<u>(64,928)</u>	<u>(40,473)</u>	<u>(45,268)</u>	<u>(46,279)</u>	<u>(45,268)</u>	<u>(45,268)</u>	<u>(45,268)</u>
Net Change in Total Pension Liability	55,479	137,030	61,346	118,643	62,957	38,942	55,256
Total Pension Liability - Beginning	<u>1,376,076</u>	<u>1,239,046</u>	<u>1,177,700</u>	<u>1,059,057</u>	<u>996,100</u>	<u>957,158</u>	<u>901,902</u>
Total Pension Liability - Ending (a)	<u>1,431,555</u>	<u>1,376,076</u>	<u>1,239,046</u>	<u>1,177,700</u>	<u>1,059,057</u>	<u>996,100</u>	<u>957,158</u>
Plan Fiduciary Net Position							
Contributions - Employer, including State Aid	58,578	38,961	35,636	23,950	30,914	37,265	36,502
Contributions - Member	9,283	11,016	10,914	10,209	10,956	11,230	10,544
Net Investment Income	152,664	199,476	(54,081)	149,306	50,621	10,196	53,150
Benefit Payments	(64,928)	(40,473)	(45,268)	(46,279)	(45,268)	(45,268)	(45,268)
Administrative Expenses	<u>(8,755)</u>	<u>(11,569)</u>	<u>(11,934)</u>	<u>(7,122)</u>	<u>(7,252)</u>	<u>(7,166)</u>	<u>(4,752)</u>
Net Change in Plan Fiduciary Net Position	146,842	197,411	(64,733)	130,064	39,971	6,257	50,176
Plan Fiduciary Net Position - Beginning	<u>1,303,601</u>	<u>1,106,190</u>	<u>1,170,923</u>	<u>1,040,859</u>	<u>1,000,888</u>	<u>994,631</u>	<u>944,455</u>
Plan Fiduciary Net Position - Ending (b)	<u>1,450,443</u>	<u>1,303,601</u>	<u>1,106,190</u>	<u>1,170,923</u>	<u>1,040,859</u>	<u>1,000,888</u>	<u>994,631</u>
Borough's Net Pension Liability (a-b)	<u>\$ (18,888)</u>	<u>\$ 72,475</u>	<u>\$ 132,856</u>	<u>\$ 6,777</u>	<u>\$ 18,198</u>	<u>\$ (4,788)</u>	<u>\$ (37,473)</u>

**Borough of Churchill
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2020**

	Municipal Employee Pension Plan						
	2020	2019	2018	2017	2016	2015	2014
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.32%	94.73%	89.28%	99.42%	98.28%	100.48%	103.92%
Covered Payroll	<u>\$ 199,456</u>	<u>\$ 221,389</u>	<u>\$ 218,288</u>	<u>\$ 204,182</u>	<u>\$ 219,130</u>	<u>\$ 224,601</u>	<u>\$ 210,876</u>
Borough's Net Pension Liability as a Percentage of Covered Payroll	(9.47%)	32.74%	60.86%	3.32%	8.30%	(2.13%)	(17.77%)

The information reported above is the information which was available upon implementation of the new reporting standard, 10 years of information will be reported when available.

**Borough of Churchill
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2020**

2. Schedule of Contributions

	Police Pension Plan						
	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 196,165	\$ 172,419	\$ 190,674	\$ 180,216	\$ 172,658	\$ 213,857	\$ 211,679
Contributions in Relation to the Actuarially Determined Contribution	<u>196,165</u>	<u>172,419</u>	<u>190,674</u>	<u>180,216</u>	<u>172,658</u>	<u>213,857</u>	<u>211,679</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 747,154</u>	<u>\$ 808,300</u>	<u>\$ 836,192</u>	<u>\$ 823,585</u>	<u>\$ 851,922</u>	<u>\$ 802,288</u>	<u>\$ 835,065</u>
Contributions as a Percentage of Covered Payroll	26.25%	21.33%	22.80%	21.88%	20.27%	26.66%	25.35%
	Municipal Employee Pension Plan						
	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 58,578	\$ 38,961	\$ 35,636	\$ 23,950	\$ 30,914	\$ 37,265	\$ 36,502
Contributions in Relation to the Actuarially Determined Contribution	<u>58,578</u>	<u>38,961</u>	<u>35,636</u>	<u>23,950</u>	<u>30,914</u>	<u>37,265</u>	<u>36,502</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 199,456</u>	<u>\$ 221,389</u>	<u>\$ 218,288</u>	<u>\$ 204,182</u>	<u>\$ 219,130</u>	<u>\$ 224,601</u>	<u>\$ 210,876</u>
Contributions as a Percentage of Covered Payroll	29.37%	17.60%	16.33%	11.73%	14.11%	16.59%	17.31%

**Borough of Churchill
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2020**

3. Investment Returns

		Police Pension Plan						
		2020	2019	2018	2017	2016	2015	2014
Annual Money Weighted Rate of Return Net of Investment Expenses		11.0%	18.4%	(6.1)%	14.4%	5.6%	0.4%	5.5%
		Municipal Employee Pension Plan						
		2020	2019	2018	2017	2016	2015	2014
Annual Money Weighted Rate of Return Net of Investment Expenses		10.9%	17.1%	(5.3)%	13.0%	5.0%	1.0%	5.5%

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

Borough of Churchill
Note to Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2020

Assumptions and methods used to determine the contribution rates for both Police and Municipal Employee Pension Plans:

- Actuarial Valuation Date: 01/01/19
- Actuarial Cost Method: entry age
- Amortization Period: level dollar based upon the amortization periods in Act 205
- Asset valuation method: 4-year smoothing
- Discount Rate: 7.0% police; 6.75% municipal employee
- Inflation: 2.75% police; 2.75% municipal employee
- Salary increases: 4.75% per year - police; 4.50% per year - municipal employee
- Mortality Table - RP-2014 Mortality Table with 50% of the blue collar adjustment; rates set forward 5 years for disabled members

Borough of Churchill
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability
and Related Ratios
Last Four Years

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Total OPEB Liability				
Service Cost	\$ 3,159	\$ 3,520	\$ 3,426	\$ -
Interest	2,582	2,914	2,792	-
Change in Assumptions	2,330	-	-	-
Difference Between Expected and Actual Experience	(7,184)	-	-	-
Benefit Payments	<u>(6,087)</u>	<u>(3,560)</u>	<u>(1,554)</u>	<u>-</u>
Net Change in Total OPEB Liability	(5,200)	2,874	4,664	-
Total OPEB Liability - Beginning	<u>90,786</u>	<u>87,912</u>	<u>83,248</u>	<u>N/A</u>
Total OPEB Liability - Ending	<u>\$ 85,586</u>	<u>\$ 90,786</u>	<u>\$ 87,912</u>	<u>\$ 83,248</u>
Covered-Employee Payroll	918,271	975,718	975,718	N/A
Total OPEB Liability as a Percentage of Covered-Employee Payroll	9.32%	9.30%	9.01%	N/A

Notes to Schedule:

GASB 75 was implemented beginning with fiscal year ended December 31, 2018.

Assumption Changes:

Discount rate used for fiscal year ending December 31, 2020 was changed from 3.25% to 3.00%.

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

**COMBINING FUND
SCHEDULES**

**Borough of Churchill
Combining Balance Sheet
Modified Cash Basis
Nonmajor Governmental Funds
December 31, 2020**

Exhibit A

	Yagle Trust Fund	Highway Aid Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	<u>\$ 47,369</u>	<u>\$ 143,070</u>	<u>\$ 190,439</u>
LIABILITIES AND FUND BALANCES			
Liabilities	<u>\$ -</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	<u>47,369</u>	<u>143,070</u>	<u>190,439</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 47,369</u></u>	<u><u>\$ 143,070</u></u>	<u><u>\$ 190,439</u></u>

Borough of Churchill
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances – Modified Cash Basis
Nonmajor Governmental Funds
December 31, 2020

Exhibit B

	Yagle Trust Fund	Highway Aid Fund	Total Nonmajor Governmental Funds
Revenues			
Interest, Rents, and Royalties	\$ 95	\$ 345	\$ 440
Intergovernmental	-	103,260	103,260
	<hr/>	<hr/>	<hr/>
Total Revenues	95	103,605	103,700
Expenditures			
Current:			
General Government	213	-	213
Public Works - Highways	-	103,260	103,260
	<hr/>	<hr/>	<hr/>
Total Expenditures	213	103,260	103,473
Net Changes in Fund Balances	(118)	345	227
Fund Balances - January 1, 2020	<hr/> 47,487	<hr/> 142,725	<hr/> 190,212
Fund Balances - December 31, 2020	<hr/> <u>\$ 47,369</u>	<hr/> <u>\$ 143,070</u>	<hr/> <u>\$ 190,439</u>

Borough of Churchill
Combining Schedule of Net Position
Modified Cash Basis
Fiduciary Funds
Pension Trust Funds
December 31, 2020

Exhibit C

	Police Pension Fund	Municipal Employee Pension Fund	Totals
ASSETS			
Cash and Cash Equivalents	\$ 105,869	\$ 37,835	\$ 143,704
Investments			
Common Stock	1,408,531	253,054	1,661,585
Mutual Funds	3,574,910	739,162	4,314,072
ETFs	1,969,883	419,850	2,389,733
Accrued Interest	2,871	542	3,413
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	7,062,064	1,450,443	8,512,507
	<hr/>	<hr/>	<hr/>
NET POSITION			
Net Position Restricted for Pensions	\$ 7,062,064	\$ 1,450,443	\$ 8,512,507
	<hr/>	<hr/>	<hr/>

Borough of Churchill
Combining Schedule of Changes in Net Position
Modified Cash Basis
Fiduciary Funds
Pension Trust Funds
Year Ended December 31, 2020

Exhibit D

	Police Pension Fund	Municipal Employee Pension Fund	Totals
Additions			
Contributions			
Employer	\$ 196,165	\$ 58,578	\$ 254,743
Plan Members	<u>37,358</u>	<u>9,283</u>	<u>46,641</u>
Total Contributions	<u>233,523</u>	<u>67,861</u>	<u>301,384</u>
Investment Income			
Net Appreciation (Depreciation) in Fair Value of Investments	624,430	121,604	746,034
Interest and Dividends	151,325	31,083	182,408
Less: Investment Expense	<u>(31,364)</u>	<u>(1,925)</u>	<u>(33,289)</u>
Net Investment Income	<u>744,391</u>	<u>150,762</u>	<u>895,153</u>
Total Additions	<u>977,914</u>	<u>218,623</u>	<u>1,196,537</u>
Deductions			
Benefits	337,224	64,926	402,150
Administrative Expenses	<u>2,375</u>	<u>6,855</u>	<u>9,230</u>
Total Deductions	<u>339,599</u>	<u>71,781</u>	<u>411,380</u>
Change in Net Position	638,315	146,842	785,157
Net Position Restricted for Pensions			
Beginning of Year	<u>6,423,749</u>	<u>1,303,601</u>	<u>7,727,350</u>
End of Year	<u>\$ 7,062,064</u>	<u>\$ 1,450,443</u>	<u>\$ 8,512,507</u>