

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

---

**KirkSumma & Co., LLP**

CERTIFIED PUBLIC ACCOUNTANTS

---

East Stroudsburg | Brodheadsville  
[www.kirksumma.com](http://www.kirksumma.com)

**BOROUGH OF STROUDSBURG**

**TABLE OF CONTENTS**

**DECEMBER 31, 2020**

---

	<b>Page (s)</b>
<b>Independent Auditors' Report</b> .....	4 – 5
<i>Management's Discussion and Analysis (unaudited)</i> .....	6 – 14
<b>Basic Financial Statements:</b>	
<b><u>Government-wide Financial Statements:</u></b>	
Statement of Net position .....	15 – 16
Statement of Activities .....	17 – 18
<b><u>Fund Financial Statements:</u></b>	
<b><u>Governmental Funds:</u></b>	
Combined Balance Sheets .....	19
Reconciliation of the Governmental Funds Balance Sheet-Modified Accrual Basis- to the Statement of Net Position .....	20
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of to the Statement of Activities .....	22
<b><u>Proprietary Funds:</u></b>	
Statement of Net Position .....	23 – 24
Statement of Revenues, Expenses and Changes in Net Position .....	25 – 26
Statement of Cash Flows .....	27 – 28
<b><u>Fiduciary Funds:</u></b>	
Statement of Plan Net Position .....	29
Statement of Changes in Plan Net Position .....	30
<b>Notes to Basic Financial Statements</b> .....	31 – 54

---

**BOROUGH OF STROUDSBURG**

**TABLE OF CONTENTS - continued**

**DECEMBER 31, 2020**

---

	<b>Page (s)</b>
<b><u>Required Supplementary Information:</u></b>	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual – General Fund.....	56
Schedule of Changes in Municipality's Net Pension Liability and Related Ratios .....	57
Schedule of Employer Contributions – Non Uniformed Pension .....	58
Schedule of Changes in Municipality's Total OPEB Liability and Related Ratios.....	59
Notes to Required Supplementary Information .....	60
<b><u>Supplementary Information:</u></b>	
<i><u>Combining Fund Statements-other governmental-type funds:</u></i>	
Balance Sheet .....	62 – 63
Statement of Revenues, Expenditures and Changes in Fund Balance .....	64 – 65

---

### INDEPENDENT AUDITORS' REPORT

To the Borough Council  
Borough of Stroudsburg  
Stroudsburg, Pennsylvania

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Stroudsburg as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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

**Opinions**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Stroudsburg at December 31, 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and other post-employment benefits information on pages 6-14 and 56-60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Stroudsburg's basic financial statements. The introductory section, and combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Kirk, Summa & Co. LLP*

October 11, 2021  
East Stroudsburg, Pennsylvania

**BOROUGH OF STROUDSBURG  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE 2020 YEAR**

---

The management discussion and analysis of the Borough of Stroudsburg's financial performance provides an overall review of the Borough's financial activities for the 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 basic financial statements and notes to enhance their understanding of the Borough's financial performance.

**FINANCIAL HIGHLIGHTS**

- The Borough's total net position increased by \$555,268 from the prior year ended December 31, 2019.
- Total revenues for the Borough were \$6,825,528 for the year ended December 31, 2020.
- Total expenses for the Borough were \$6,581,043 for the year ended December 31, 2020.
- As of December 31, 2020, the Borough's governmental funds reported combining ending fund balances of \$5,146,485.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Entity-Wide Statements**

The two entity-wide statements, which are on pages 15 through 18, report the Borough's net position and how they have changed. Net position, the difference between the Borough's assets and liabilities, are 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.

Descriptions of the entity-wide financial statements of the Borough are:

Government Activities – Governmental funds are used to account for essentially the same functions reported as governmental-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance and spendable resources available at fiscal year.

Borough of Stroudsburg maintains nine governmental funds. The data is combined for the funds and the information is presented in a combined presentation in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances for the governmental-type funds.

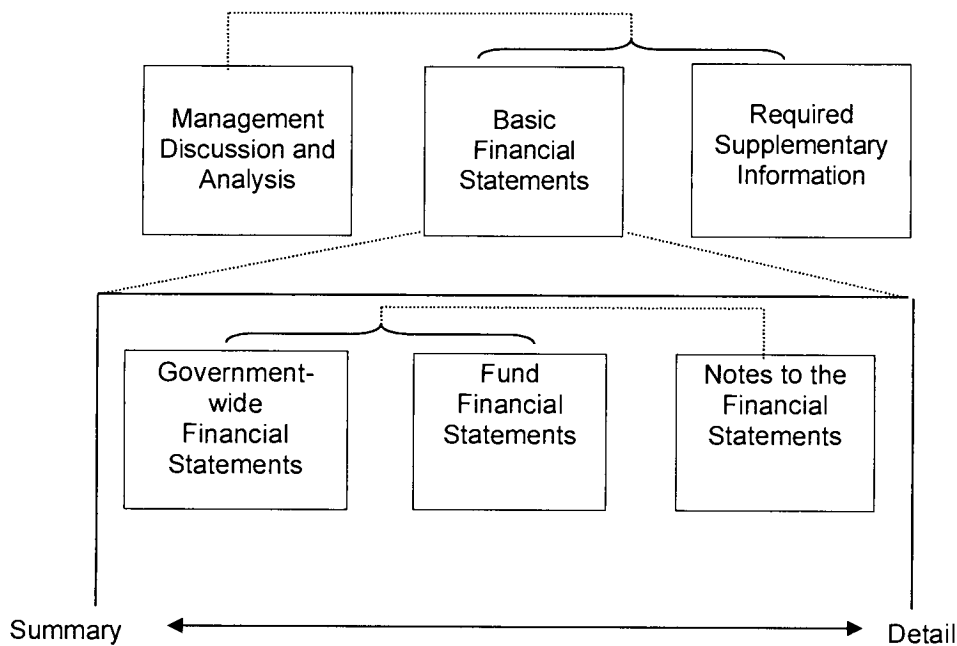
Business-type Activities – Business-type activities are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flows. All assets and liabilities are included on the Statement of Net Position. Borough of Stroudsburg maintains one business-type fund – the Sewer Operating Fund.

**BOROUGH OF STROUDSBURG  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE 2020 YEAR**

Fiduciary Activities – Fiduciary activities are accounted for using the economic resources measurement focus and the accrual basis of accounting. The Borough's only fiduciary fund is the Non-uniform Pension Fund. While these funds are reported with the Borough's financial statements, the Borough cannot use these assets to finance its operations. The Borough's responsibility is limited to ensuring the assets reported in these funds are used only for their intended purposes. Therefore, the net positions from these funds are not included in the Borough's reporting of net position.

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 Stroudsburg's  
Financial Report



**BOROUGH OF STROUDSBURG  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE 2020 YEAR**

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

**Figure A-2  
Major Features of Borough of Stroudsburg's  
Government-wide and Fund Financial Statements  
Fund Statements**

	Government- Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Borough (except fiduciary funds).	The activities of the Borough that is not proprietary or fiduciary, such as general administration, highways and parks.	Activities the Borough operates similar to private business – Sewer Fund.	Instances in which the Borough is the trustee or agent to someone else's resources – Pension Fund.
Required financial statements.	Statement of net position and Statement of activities.	Balance Sheet, Statement of revenues, expenditures, and changes in fund balance.	Statement of net position Statement of revenues, expenses and changes in net position, Statement of cash flows.	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.	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 financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.
Type of inflow-outflow information.	All revenues and expenses during year, regardless of when cash is received or paid.	Revenue 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 year, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.



**BOROUGH OF STROUDSBURG  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE 2020 YEAR**

---

Fund Financial Statements

The Borough's funds financial statements provide detailed information about the most significant funds – not the Borough's as a whole. Some funds are required by state law.

- 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.
- Proprietary funds – These funds are used to account for the Borough's activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, and changes in financial position, and a significant portion of funding through user charges. Where the Borough charges customers for services it provides – whether to outside customers or to other units in the Borough, these services are generally reported in proprietary funds.
- Fiduciary funds – The Borough is the trustee for assets that belong to others, such as Non-uniform Pension fund. The Borough is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The Borough excludes these activities from the Borough-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE BOROUGH AS A WHOLE

A portion of the Borough's net position are invested in capital assets (buildings, land and equipment), net of related debt. The remaining unrestricted net assets are a combination of designated and undesignated amounts. The designated balances are amounts set-aside to fund future equipment purchases or for capital projects as may be planned by the Borough.

The results of this year's operations as a whole are reported in the Statement of Activities. 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 revenue category is real estate tax collections.

**BOROUGH OF STROUDSBURG  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
COMPARATIVE STATEMENTS OF NET POSITION  
DECEMBER 31, 2020 AND 2019**

	Governmental-type Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
<b>ASSETS</b>						
Cash	\$ 5,354,354	\$ 6,022,258	\$ 2,401,144	\$ 2,527,873	\$ 7,755,498	\$ 8,550,131
Taxes receivable, net	226,825	227,237	-	-	226,825	227,237
User fees receivable, net	-	-	687,537	300,516	687,537	300,516
Other receivables	2,266	242,285	-	-	2,266	242,285
Brodhead Creek note receivable - current	172,142	181,037	-	-	172,142	181,037
Brodhead Creek note receivable - non-current	2,148,786	2,320,928	-	-	2,148,786	2,320,928
Interfund balance	-	-	30,231	30,231	30,231	30,231
Due from agency fund	-	4,488	-	-	-	4,488
<b>Capital Assets:</b>						
Land	616,562	616,562	187,711	187,711	804,273	804,273
Construction in process	-	1,889,959	-	-	-	1,889,959
Buildings and plant	1,414,689	1,414,689	1,205,279	13,572,020	2,619,968	14,986,709
Improvements	3,848,203	1,889,047	12,366,741	-	16,214,944	1,889,047
Parking deck	2,755,263	2,755,263	-	-	2,755,263	2,755,263
Vehicles	2,844,339	2,794,339	-	-	2,844,339	2,794,339
Machinery and equipment	6,044,778	5,092,488	814,256	812,227	6,859,034	5,904,715
Infrastructure	3,609,185	3,189,035	-	-	3,609,185	3,189,035
Sewer rights	-	-	6,261,753	6,261,753	6,261,753	6,261,753
Less: accumulated depreciation and amortization	(9,715,773)	(9,118,295)	(10,756,773)	(10,354,919)	(20,472,546)	(19,473,214)
<b>Total Capital Assets, net</b>	<b>11,417,246</b>	<b>10,523,087</b>	<b>10,078,967</b>	<b>10,478,792</b>	<b>21,496,213</b>	<b>21,001,879</b>
<b>TOTAL ASSETS</b>	<b>19,321,619</b>	<b>19,521,320</b>	<b>13,197,879</b>	<b>13,337,412</b>	<b>32,519,498</b>	<b>32,858,732</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows - opeb	102,369	-	-	-	102,369	-
Deferred outflows - pension	61,805	110,030	-	-	61,805	110,030
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 19,485,793</b>	<b>\$ 19,631,350</b>	<b>\$ 13,197,879</b>	<b>\$ 13,337,412</b>	<b>\$ 32,683,672</b>	<b>\$ 32,968,762</b>

**BOROUGH OF STROUDSBURG  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
COMPARATIVE STATEMENTS OF NET POSITION - CONTINUED  
DECEMBER 31, 2020 AND 2019**

	Governmental-type		Business-type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
<b>LIABILITIES</b>						
Accounts payable	\$ 241,464	\$ 480,984	\$ 45,278	\$ 8,766	\$ 286,742	\$ 489,750
Accrued wages	36,933	27,397	6,351	5,201	43,284	32,598
Accrued interest	25,719	27,843	13,237	14,481	38,956	42,324
Escrow payable	42,280	22,096	-	-	42,280	22,096
Deposits payable	1,696	2,078	-	-	1,696	2,078
Interfund balance	30,231	34,719	-	-	30,231	34,719
<b>Long-term liabilities:</b>						
Due in one year	539,367	447,401	314,047	306,626	853,414	754,027
Due in more than one year	2,038,401	2,672,016	5,830,483	6,144,563	7,868,884	8,816,579
Total OPEB liability	1,049,100	722,448	-	-	1,049,100	722,448
Accrued compensated absences	12,075	10,689	3,126	1,321	15,201	12,010
Net pension liability	292,600	790,370	-	-	292,600	790,370
<b>TOTAL LIABILITIES</b>	<b>4,309,866</b>	<b>5,238,041</b>	<b>6,212,522</b>	<b>6,480,958</b>	<b>10,522,388</b>	<b>11,718,999</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows - pension	380,695	126,439	-	-	380,695	126,439
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>380,695</b>	<b>126,439</b>	<b>-</b>	<b>-</b>	<b>380,695</b>	<b>126,439</b>
<b>NET POSITION</b>						
Invested in capital assets, net of related debt	8,839,478	7,403,670	3,934,437	4,027,603	12,773,915	11,431,273
Restricted	324,704	242,670	-	-	324,704	242,670
Unrestricted	5,631,050	6,620,530	3,050,920	2,828,851	8,681,970	9,449,381
<b>TOTAL NET POSITION</b>	<b>14,795,232</b>	<b>14,266,870</b>	<b>6,985,357</b>	<b>6,856,454</b>	<b>21,780,589</b>	<b>21,123,324</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 19,485,793</b>	<b>\$ 19,631,350</b>	<b>\$ 13,197,879</b>	<b>\$ 13,337,412</b>	<b>\$ 32,683,672</b>	<b>\$ 32,968,762</b>

**BOROUGH OF STROUDSBURG  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
COMPARATIVE STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	Governmental-type Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
<b>Program Expenses:</b>						
<b>Governmental Activities:</b>						
General government and administration	\$ 447,263	\$ 453,198	\$ -	\$ -	\$ 447,263	\$ 453,198
Public safety and protective inspection	1,989,352	1,945,096	-	-	1,989,352	1,945,096
Sanitation	138,218	375,429	-	-	138,218	375,429
Highways	379,222	386,465	-	-	379,222	386,465
Parking facilities	231,612	251,966	-	-	231,612	251,966
Culture and recreation	60,095	154,608	-	-	60,095	154,608
Flood control	5,984	8,601	-	-	5,984	8,601
Economic development	2,772	-	-	-	2,772	-
Interest expense - unallocated	71,182	276,222	160,421	167,782	231,603	444,004
Insurance	185,076	212,610	-	-	185,076	212,610
Employee benefits	228,396	273,182	-	-	228,396	273,182
Pension expense	200,828	162,088	-	-	200,828	162,088
Unemployment	5,889	9,337	-	-	5,889	9,337
Miscellaneous	109	-	-	830	109	830
Depreciation and Amortization - unallocated	597,478	491,225	125,235	125,235	722,713	616,460
<b>Total Governmental Activities</b>	<b>4,543,476</b>	<b>5,000,027</b>	<b>285,656</b>	<b>293,847</b>	<b>4,829,132</b>	<b>5,293,874</b>
<b>Sewer Fund</b>	<b>-</b>	<b>-</b>	<b>1,649,542</b>	<b>1,572,019</b>	<b>1,649,542</b>	<b>1,572,019</b>
<b>Total Governmental Expenses</b>	<b>4,543,476</b>	<b>5,000,027</b>	<b>1,935,198</b>	<b>1,865,866</b>	<b>6,478,674</b>	<b>6,865,893</b>
<b>Program Revenues:</b>						
Fees, fines and charges for services	368,789	517,239	1,734,723	1,712,653	2,103,512	2,229,892
Operating grants and contributions	306,684	585,506	-	-	306,684	585,506
<b>Total Program Revenues</b>	<b>675,473</b>	<b>1,102,745</b>	<b>1,734,723</b>	<b>1,712,653</b>	<b>2,410,196</b>	<b>2,815,398</b>
<b>General Revenues</b>						
Taxes	3,623,858	3,422,886	-	-	3,623,858	3,422,886
License and permits	124,191	125,247	-	-	124,191	125,247
Fines	311,343	368,177	-	-	311,343	368,177
Investment earnings and rents	216,874	270,384	18,967	38,730	235,841	309,114
Loan proceeds	-	198,605	-	-	-	198,605
Miscellaneous	120,099	229,054	-	-	120,099	229,054
<b>Total General Revenues</b>	<b>4,396,365</b>	<b>4,614,353</b>	<b>18,967</b>	<b>38,730</b>	<b>4,415,332</b>	<b>4,653,083</b>
<b>Change in Net Position</b>	<b>528,362</b>	<b>717,071</b>	<b>(181,508)</b>	<b>(114,483)</b>	<b>346,854</b>	<b>602,588</b>
<b>NET POSITION:</b>						
<b>Beginning of Year, as Restated</b>	<b>14,266,870</b>	<b>13,549,799</b>	<b>7,166,865</b>	<b>6,970,937</b>	<b>21,433,735</b>	<b>20,520,736</b>
<b>End of Year</b>	<b>\$ 14,795,232</b>	<b>\$ 14,266,870</b>	<b>\$ 6,985,357</b>	<b>\$ 6,856,454</b>	<b>\$ 21,780,589</b>	<b>\$ 21,123,324</b>

**BOROUGH OF STROUDSBURG  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE 2020 YEAR**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At December 31, 2020, the Borough had \$15,034,183 invested in capital assets, net of related debt, which was invested in a broad range of capital assets, including land, buildings, furniture and equipment.

A summary of the changes in governmental-type activities' fixed assets are as follows:

	Balance 01/01/20	Additions	Disposals	Balance 12/31/20
Land	\$ 616,562	\$ -	\$ -	\$ 616,562
Construction in progress	1,889,959	69,197	1,959,156	-
Buildings	1,414,689	-	-	1,414,689
Improvements	1,889,047	1,959,156	-	3,848,203
Parking deck	2,755,263	-	-	2,755,263
Vehicles	2,794,339	50,000	-	2,844,339
Machinery and equipment	5,092,488	952,290	-	6,044,778
Infrastructure	3,189,035	420,150	-	3,609,185
	19,641,382	3,450,793	1,959,156	21,133,019
Less: Accumulated Depreciation	9,118,295	597,478	-	9,715,773
Total Fixed Assets, Net	<u>\$ 10,523,087</u>	<u>\$ 2,853,315</u>	<u>\$ (1,959,156)</u>	<u>\$ 11,417,246</u>

Depreciation expense of \$597,478 in governmental-type activities was charged to general government and administration area expenses.

A summary of the changes in business-type activities capital assets are as follows:

	Balance 01/01/2001/01/20	Additions	Disposals	Balance 12/31/20
Land	\$ 187,711	\$ -	\$ -	\$ 187,711
Buildings and plant	13,572,020	-	-	13,572,020
Machinery and equipment	812,227	2,029	-	814,256
Sewer rights	6,261,753	-	-	6,261,753
	20,833,711	2,029	-	20,835,740
Less: Accumulated Depreciation	10,354,919	401,854	-	10,756,773
Total Capital Assets, Net	<u>\$ 10,478,792</u>	<u>\$ (399,825)</u>	<u>\$ -</u>	<u>\$ 10,078,967</u>

**Debt Administration**

Governmental activities long-term liability balances and activity for the year ended December 31, 2020 were:

	Balances 01/01/20	Additions	Reductions	Balances 12/31/20
Long-Term Debt:				
Bonds, notes and leases payable	\$ 3,119,417	\$ -	\$ 541,649	\$ 2,577,768
Total Long-Term Debt	3,119,417	-	541,649	2,577,768
Other post-employment benefits	722,448	326,652	-	1,049,100
Accrued compensated absences	10,689	1,386	-	12,075
Totals	<u>\$ 3,852,554</u>	<u>\$ 328,038</u>	<u>\$ 541,649</u>	<u>\$ 3,638,943</u>

**BOROUGH OF STROUDSBURG  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE 2020 YEAR**

---

Business-type activities long-term liability balances and activity for the year ended December 31, 2020 were:

	<u>Balances 01/01/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances 12/31/20</u>
Long-Term Debt:				
Bonds, notes and leases payable	\$ 6,451,189	\$ -	\$ 306,659	\$ 6,144,530
Total Long-Term Debt	<u>6,451,189</u>	<u>-</u>	<u>306,659</u>	<u>6,144,530</u>
Accrued compensated absences	<u>1,321</u>	<u>1,805</u>	<u>-</u>	<u>3,126</u>
Totals	<u>\$ 6,452,510</u>	<u>\$ 1,805</u>	<u>\$ 306,659</u>	<u>\$ 6,147,656</u>

**BUDGET HIGHLIGHTS**

Overall, the Borough's General Fund ended the year with a deficit of \$375,145 in revenue collections and expenditures over budgeted amounts.

**ANALYSIS OF CURRENT ECONOMIC STATUS**

The economy showed continued improvement throughout 2020 and the Borough of Stroudsburg took steps to improve its long-term financial position, taking advantage of a projected continued recovery. Revenues in 2020 showed unexpected resilience, with Real Estate Transfer Taxes, Earned Income Taxes and Local Services Taxes all exceeding budget projections. Parking Meter Revenue and Vehicle Code Violations fell short of budget. However, efforts to keep expenses below budget resulted in the Borough carrying over healthy fund balances to the 2021 Fiscal Year.

**BOROUGH'S FINANCIAL ADMINISTRATION CONTACT INFORMATION**

This financial report is designed to provide a general overview of Borough of Stroudsburg's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Borough of Stroudsburg, 700 Sarah Street, Stroudsburg, Pennsylvania, 18360 or by phone at (570) 421-5444.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
GOVERNMENT-WIDE STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

<b>ASSETS</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>
<b>Current Assets:</b>			
Cash - unrestricted	\$ 5,354,354	\$ 2,401,144	\$ 7,755,498
<i>Receivables, net:</i>			
Taxes	226,825	-	226,825
Users fees	-	687,537	687,537
Other	2,266	-	2,266
<i>Note receivable - Brodhead Creek Regional Authority:</i>			
Receivable within one year	172,142	-	172,142
Receivable after one year	2,148,786	-	2,148,786
Interfund balances	-	30,231	30,231
<b>Total Current Assets</b>	<b>7,904,373</b>	<b>3,118,912</b>	<b>11,023,285</b>
<b>Capital Assets:</b>			
Land	616,562	187,711	804,273
Buildings and plant	1,414,689	1,205,279	2,619,968
Improvements	3,848,203	12,366,741	16,214,944
Parking deck	2,755,263	-	2,755,263
Vehicles	2,844,339	-	2,844,339
Machinery and equipment	6,044,778	814,256	6,859,034
Infrastructure	3,609,185	-	3,609,185
Sewer rights	-	6,261,753	6,261,753
	21,133,019	20,835,740	41,968,759
Less: accumulated depreciation and amortization	9,715,773	10,756,773	20,472,546
<b>Total Capital Assets, net</b>	<b>11,417,246</b>	<b>10,078,967</b>	<b>21,496,213</b>
<b>TOTAL ASSETS</b>	<b>19,321,619</b>	<b>13,197,879</b>	<b>32,519,498</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - opeb	102,369	-	102,369
Changes in assumptions - pension	61,805	-	61,805
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>164,174</b>	<b>-</b>	<b>164,174</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 19,485,793</b>	<b>\$ 13,197,879</b>	<b>\$ 32,683,672</b>

See accompanying notes to basic financial statements.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
GOVERNMENT-WIDE STATEMENT OF NET POSITION - continued  
DECEMBER 31, 2020**

<b>LIABILITIES</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>
<b>Current Liabilities:</b>			
Accounts payable	\$ 241,464	\$ 45,278	\$ 286,742
Accrued wages	36,933	6,351	43,284
Accrued interest	25,719	13,237	38,956
Escrow payable	42,280	-	42,280
Deposits payable	1,696	-	1,696
Interfund balance	30,231	-	30,231
<b>Total Current Liabilities</b>	<b>378,323</b>	<b>64,866</b>	<b>443,189</b>
<b>Long-term debt:</b>			
Portion due within one year	486,287	314,047	800,334
Portion due after one year	2,038,401	5,830,483	7,868,884
<b>Total long-term debt</b>	<b>2,524,688</b>	<b>6,144,530</b>	<b>8,669,218</b>
<b>Long-term leases:</b>			
Portion due within one year	53,080	-	53,080
Portion due after one year	-	-	-
<b>Total long-term leases</b>	<b>53,080</b>	<b>-</b>	<b>53,080</b>
<b>Other Non-Current Liabilities</b>			
Total OPEB liability	1,049,100	-	1,049,100
Accrued compensated absences	12,075	3,126	15,201
Net pension liability	292,600	-	292,600
<b>Total Other Non-Current Liabilities</b>	<b>1,353,775</b>	<b>3,126</b>	<b>1,356,901</b>
<b>TOTAL LIABILITIES</b>	<b>4,309,866</b>	<b>6,212,522</b>	<b>10,522,388</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Differences between expected and actual experience in the measurement of total pension liability	5,492	-	5,492
Net difference between projected and actual earnings on pension plan investments	375,203	-	375,203
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>380,695</b>	<b>-</b>	<b>380,695</b>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	8,839,478	3,934,437	12,773,915
Restricted	324,704	-	324,704
Unrestricted	5,631,050	3,050,920	8,681,970
<b>TOTAL NET POSITION</b>	<b>14,795,232</b>	<b>6,985,357</b>	<b>21,780,589</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 19,485,793</b>	<b>\$ 13,197,879</b>	<b>\$ 32,683,672</b>

See accompanying notes to basic financial statements.



BOROUGH OF STROUDSBURG  
 MONROE COUNTY, PENNSYLVANIA  
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Program Activities	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		Totals
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>						
General government administration	\$ 648,091	\$ 5,448	\$ 11,090	\$ (631,553)	\$ -	\$ (631,553)
Public safety and protective inspection	1,989,352	55,365	155,842	(1,778,145)	-	(1,778,145)
Sanitation	138,218	-	18,707	(119,511)	-	(119,511)
Highways	379,222	-	121,045	(258,177)	-	(258,177)
Parking facilities	231,612	307,977	-	76,365	-	76,365
Culture and recreation	60,095	-	-	(60,095)	-	(60,095)
Economic development	2,772	-	-	(2,772)	-	(2,772)
Flood control	5,984	-	-	(5,984)	-	(5,984)
Interest expense - unallocated	71,182	-	-	(71,182)	-	(71,182)
Insurance	185,076	-	-	(185,076)	-	(185,076)
Employee benefits	228,396	-	-	(228,396)	-	(228,396)
Miscellaneous	110	-	-	(110)	-	(110)
Unemployment	5,889	-	-	(5,889)	-	(5,889)
Depreciation - unallocated	597,478	-	-	(597,478)	-	(597,478)
<b>Total governmental activities</b>	<b>4,543,477</b>	<b>368,790</b>	<b>306,684</b>	<b>(3,868,003)</b>	<b>-</b>	<b>(3,868,003)</b>
<b>Business-type activities:</b>						
Sewer	1,935,198	1,734,723	-	-	(200,475)	(200,475)
<b>Total Government</b>	<b>\$ 6,478,675</b>	<b>\$ 2,103,513</b>	<b>\$ 306,684</b>	<b>(3,868,003)</b>	<b>(200,475)</b>	<b>(4,068,478)</b>

See accompanying notes to basic financial statements.

BOROUGH OF STROUDSBURG  
 MONROE COUNTY, PENNSYLVANIA  
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - continued  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Net (Expenses) Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Totals
<b>General revenues:</b>			
Taxes	3,623,858	-	3,623,858
License and permits	124,191	-	124,191
Fines	311,343	-	311,343
Investment earnings and rents	216,874	18,967	235,841
Miscellaneous	120,099	-	120,099
<b>Total general revenues and transfers</b>	<b>4,396,365</b>	<b>18,967</b>	<b>4,415,332</b>
<b>Change in Net Position</b>	<b>528,362</b>	<b>(181,508)</b>	<b>346,854</b>
<b>Net position at beginning of year, as restated</b>	<b>14,266,870</b>	<b>7,166,865</b>	<b>21,433,735</b>
<b>Net Position at End of Year</b>	<b>\$ 14,795,232</b>	<b>\$ 6,985,357</b>	<b>\$ 21,780,589</b>

See accompanying notes to basic financial statements.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
COMBINED BALANCE SHEETS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	General Fund	Capital Equipment Fund	Street Fund	Fire Fund	Other Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>						
Cash	\$ 1,630,842	\$ 2,275,126	\$ 289,245	\$ 194,233	\$ 964,908	\$ 5,354,354
<i>Taxes receivable:</i>						
Real estate tax assessment	75,826	-	9,383	1,254	34,144	120,607
Real estate transfer	21,065	-	-	-	-	21,065
Other tax receivables	797	-	-	-	-	797
Accounts receivable, net	2,266	-	-	-	-	2,266
<i>Interfund receivables:</i>						
Governmental-type-funds	156,477	1,353,007	-	-	-	1,509,484
Business-type-funds	-	-	-	-	15,770	15,770
<b>TOTAL ASSETS</b>	<b>\$ 1,887,273</b>	<b>\$ 3,628,133</b>	<b>\$ 298,628</b>	<b>\$ 195,487</b>	<b>\$ 1,014,822</b>	<b>\$ 7,024,343</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
<b><u>LIABILITIES</u></b>						
Accounts payable	\$ 183,312	\$ -	\$ 44,909	\$ -	\$ 13,244	\$ 241,465
Payroll tax liabilities	856	-	-	-	-	856
Accrued wages	34,078	-	-	-	2,854	36,932
<i>Interfund payables:</i>						
Governmental-type-funds	9,572	-	-	1,150,591	349,321	1,509,484
Business-type-funds	46,001	-	-	-	-	46,001
Escrow payable	42,280	-	-	-	-	42,280
Deposits payable	840	-	-	-	-	840
<b>TOTAL LIABILITIES</b>	<b>316,939</b>	<b>-</b>	<b>44,909</b>	<b>1,150,591</b>	<b>365,419</b>	<b>1,877,858</b>
<b><u>FUND BALANCES</u></b>						
Restricted	-	-	253,719	(955,104)	324,704	(376,681)
Assigned	-	3,628,133	-	-	324,699	3,952,832
Unassigned	1,570,334	-	-	-	-	1,570,334
<b>TOTAL FUND BALANCES</b>	<b>1,570,334</b>	<b>3,628,133</b>	<b>253,719</b>	<b>(955,104)</b>	<b>649,403</b>	<b>5,146,485</b>
<b>LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,887,273</b>	<b>\$ 3,628,133</b>	<b>\$ 298,628</b>	<b>\$ 195,487</b>	<b>\$ 1,014,822</b>	<b>\$ 7,024,343</b>

See accompanying notes to basic financial statements.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET-MODIFIED ACCRUAL BASIS -  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

---

<b>Total fund balance - governmental funds</b>	<b>\$ 5,146,485</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Taxes receivable are not accrued because they are not available within sixty days of the end of the year to pay current liabilities in the current year.	84,356
Long-term receivables are not receivable within the current period and, therefore, they are not reported in the governmental fund's balance sheet.	
Receivable within one year	172,142
Receivable in more than one year	2,148,786
Capital assets used in governmental activities are not current financial resources and therefore are not reported on the governmental funds balance sheet.	21,133,019
Accumulated depreciation of capital assets used in governmental activities is not a current financial resource and therefore is not reported on the governmental funds balance sheet.	(9,715,773)
Accrued other postemployment benefits are not accrued in governmental-type funds	(1,049,100)
Accrued compensated absences are not accrued in governmental-type funds.	(12,075)
Accrued interest is not accrued in governmental-type funds.	(25,719)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental-type fund statements.	(292,600)
Deferred outflows and inflows of resources related to pensions and opeb are applicable to future periods and, therefore, are not reported in the governmental-type fund:	
Deferred outflows - opeb	102,369
Deferred outflow of changes in assumptions - pension	61,805
Deferred inflow of difference between expected and actual experience - pension	(5,492)
Deferred inflow of the net difference between projected and actual earnings on investments - pension	(375,203)
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	
Portion due within one year	(539,367)
Portion due in more than one year	(2,038,401)
<b>Net position of governmental activities</b>	<b>\$ 14,795,232</b>

See accompanying notes to basic financial statements.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	General Fund	Capital Equipment Fund	Street Fund	Fire Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 2,682,845	\$ -	\$ 213,554	\$ 31,087	\$ 773,504	\$ 3,700,990
Licenses and permits	124,191	-	-	-	-	124,191
Fines	311,343	-	-	-	-	311,343
Interest and rents	23,900	16,414	2,965	5,648	6,344	55,271
Intergovernmental	144,635	6,207	-	-	155,842	306,684
Charges for services	368,789	-	-	-	-	368,789
Miscellaneous	20,311	-	-	-	99,788	120,099
<b>Total Revenues</b>	<b>3,676,014</b>	<b>22,621</b>	<b>216,519</b>	<b>36,735</b>	<b>1,035,478</b>	<b>4,987,367</b>
<b>Other Financing Sources:</b>						
Interfund transfers	-	-	-	-	116,701	116,701
Proceeds from sale of Authority rights	-	342,640	-	-	-	342,640
<b>Total Revenues and Other Financing Sources</b>	<b>3,676,014</b>	<b>365,261</b>	<b>216,519</b>	<b>36,735</b>	<b>1,152,179</b>	<b>5,446,708</b>
<b>Expenditures:</b>						
General government	429,325	70,409	4,459	5,542	18,169	527,904
Public safety and protective inspection	1,958,315	-	-	812,533	-	2,770,848
Health and human services	14,384	-	-	-	-	14,384
Highways and streets	357,887	154,258	291,564	-	138,010	941,719
Storm water & flood control	127,326	-	-	-	-	127,326
Parking facilities	225,882	13,049	-	-	-	238,931
Culture and recreation	22,967	-	-	-	37,128	60,095
Economic development	3,874	-	-	-	-	3,874
Debt service - principal	-	-	-	54,125	487,525	541,650
Debt service - interest	-	-	-	9,542	63,764	73,306
Insurance	154,319	-	-	-	61,453	215,772
Employee benefits	228,485	-	-	-	-	228,485
Pension	200,828	-	-	-	-	200,828
Unemployment	5,295	-	-	-	505	5,800
Miscellaneous	108	-	-	-	-	108
<b>Total Expenditures</b>	<b>3,728,995</b>	<b>237,716</b>	<b>296,023</b>	<b>881,742</b>	<b>806,554</b>	<b>5,951,030</b>
<b>Other Financing Uses:</b>						
Interfund transfers	48,821	67,880	-	-	-	116,701
<b>Total Expenditures and Other Financing Uses</b>	<b>3,777,816</b>	<b>305,596</b>	<b>296,023</b>	<b>881,742</b>	<b>806,554</b>	<b>6,067,731</b>
<b>Net changes in fund balances</b>	<b>(101,802)</b>	<b>59,665</b>	<b>(79,504)</b>	<b>(845,007)</b>	<b>345,625</b>	<b>(621,023)</b>
<b>Fund balances at beginning of year</b>	<b>1,672,136</b>	<b>3,568,468</b>	<b>333,223</b>	<b>(110,097)</b>	<b>303,778</b>	<b>5,767,508</b>
<b>Fund balances at end of year</b>	<b>\$ 1,570,334</b>	<b>\$ 3,628,133</b>	<b>\$ 253,719</b>	<b>\$ (955,104)</b>	<b>\$ 649,403</b>	<b>\$ 5,146,485</b>

See accompanying notes to basic financial statements.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENTS OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES-MODIFIED ACCRUAL BASIS- TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Net change in fund balances - governmental funds</b>	<b>\$ (621,023)</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Some taxes will not be collected for several months after the Borough's fiscal year end, they are not considered "available" revenues in the governmental funds.	(77,130)
Amounts received on long-term receivables are not accrued for on the governmental-type statement of revenues, expenditures and changes in fund balances.	(181,037)
Government funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	1,491,637
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.	(597,478)
Changes in other postemployment benefits that are not accrued for the modified basis accrual basis of accounting.	(224,283)
Interest that is accrued on the government-wide financial statements that is not accrued for the modified accrual basis of accounting.	2,124
Change in accrued compensated absences that are not accrued for the modified accrual basis of accounting.	(1,386)
Pension expense in relation to net pension liability is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources. Therefore, pension expense is not reported as an expenditure in governmental funds	195,289
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net positions. The amount is the net effect of these differences for the treatment of long-term debt and related items:	
Repayment of principal portion of long-term debt:	541,649
<b>Change in net position of governmental activities</b>	<b>\$ 528,362</b>

See accompanying notes to basic financial statements.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
STATEMENT OF NET POSITION  
BUSINESS-TYPE FUNDS  
DECEMBER 31, 2020**

---

	<u>Sewer Fund</u>
<b><u>ASSETS</u></b>	
<b>Current Assets;</b>	
Cash - unrestricted	\$ 2,401,144
User fees receivable, net	687,537
Interfund receivables - governmental-type funds	30,231
<b>Total Current Assets</b>	<u>3,118,912</u>
<b>Capital Assets:</b>	
Land	187,711
Buildings and plant	13,572,020
Machinery and equipment	814,256
Sewer rights	6,261,753
	<u>20,835,740</u>
Less: accumulated depreciation and amortization	10,756,773
<b>Total Capital Assets</b>	<u>10,078,967</u>
<b>TOTAL ASSETS</b>	<u>\$ 13,197,879</u>

See accompanying notes to basic financial statements.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
STATEMENT OF NET POSITION - continued  
BUSINESS-TYPE FUNDS  
DECEMBER 31, 2020**

	<u>Sewer Fund</u>
<b><u>LIABILITIES AND NET POSITION</u></b>	
<b><u>LIABILITIES</u></b>	
<b>Current Liabilities:</b>	
Accounts payable	\$ 45,278
Accrued wages	6,351
Accrued interest	13,237
Current portion long-term debt	314,047
<b>Total Current Liabilities</b>	<u>378,913</u>
<b>Non-Current Liabilities:</b>	
Non-current portion long-term debt	5,830,483
Accrued compensated absences	3,126
<b>Total Non-Current Liabilities</b>	<u>5,833,609</u>
<b>TOTAL LIABILITIES</b>	<u>6,212,522</u>
<b><u>NET POSITION</u></b>	
Invested in capital assets, net of related debt	3,934,437
Unrestricted	3,050,920
<b>TOTAL NET POSITION</b>	<u>6,985,357</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 13,197,879</u>

See accompanying notes to basic financial statements.



**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
BUSINESS-TYPE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Sewer Fund</u>
<b>Operating Revenues:</b>	
User charges and penalties	\$ 1,734,723
<b>Total Operating Revenues</b>	<u>1,734,723</u>
<b>Operating Expenses:</b>	
<b>General Government Expenses:</b>	
Salaries & benefits	34,092
Travel & training	570
Computer & office	4,566
Billing, postage & printing	6,794
Dues	259
Audit	2,425
Engineer	59,336
Legal	7,655
Occupancy	4,616
<b>Total General Government Expenses</b>	<u>120,313</u>
<b>Recycling and Sewage Expenses:</b>	
Supplies	10,528
Electric	968
<b>Total Recycling and Sewage Expenses</b>	<u>11,496</u>
<b>Highway Expenses:</b>	
Salaries & benefits	137,557
Computer & office	1,207
Vehicle	6,975
Occupancy	3,828
Equipment maintenance & repair	20,265
Small tools & supplies	591
<b>Total Highway Expenses</b>	<u>170,423</u>

See accompanying notes to basic financial statements.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION-continued  
BUSINESS-TYPE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

---

	<u>Sewer Fund</u>
<b>Other Operating Expenses:</b>	
General insurance	26,887
Depreciation and amortization	401,854
Employee benefits	190,189
<b>Total Other Operating Expenses</b>	<u>618,930</u>
<b>Total Expenditures</b>	<u>921,162</u>
<b>Operating Income</b>	813,561
<b>Non-Operating Revenues (Expenses):</b>	
Regional costs	(853,615)
Interest expense	(160,421)
Interest income	18,967
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(995,069)</u>
<b>Change in Net Position</b>	(181,508)
<b>Net Position at Beginning of Year, as Restated</b>	<u>7,166,865</u>
<b>Net Position at End of Year</b>	<u><u>\$ 6,985,357</u></u>

See accompanying notes to basic financial statements.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
STATEMENT OF CASH FLOWS  
BUSINESS-TYPE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Sewer Fund</u>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 1,667,365
Cash payments for materials and services	(305,334)
Cash payments for wages	(168,695)
Cash payments for administrative expenses	<u>(16,309)</u>
<b>Net Cash provided by operating activities</b>	<u>1,177,027</u>
<b>Cash flows from non-capital financing activities:</b>	
Payment of regional costs	<u>(853,615)</u>
<b>Net cash (used) by non-capital financing activities</b>	<u>(853,615)</u>
<b>Cash flows from capital and related financing activities:</b>	
Acquisition of capital assets	2,028
Interest paid on capital debt	(164,477)
Principal paid on capital debt	<u>(306,659)</u>
<b>Net cash (used) by capital and related financing activities</b>	<u>(469,108)</u>
<b>Cash flows from investing activities:</b>	
Interest earned on cash and investments	<u>18,967</u>
<b>Net cash provided by investing activities</b>	<u>18,967</u>
<b>Net (decrease) in cash and cash equivalents</b>	(126,729)
<b>Cash at beginning of year</b>	<u>2,527,873</u>
<b>Cash at end of year</b>	<u>\$ 2,401,144</u>

See accompanying notes to basic financial statements.

**BOROUGH OF STROUDSBURG  
 MONROE COUNTY, PENNSYLVANIA  
 STATEMENT OF CASH FLOWS-continued  
 BUSINESS-TYPE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020**

---

	<u>Sewer Fund</u>
<b>Reconciliation of income from operations to net cash provided by operating activities:</b>	
Income from operations:	\$ 813,561
<b>Adjustments to reconcile operating income to cash provided (used) by operating activities:</b>	
Depreciation and amortization	401,854
<b>(Increase) in current assets</b>	
Accounts receivable	(76,610)
<b>Increase (decrease) in current liabilities</b>	
Accounts payable	36,512
Accrued wages	1,149
Compensated absences	1,805
Accrued interest	(1,244)
<b>Total Adjustments</b>	<u>363,466</u>
<b>Net cash provided by operating activities</b>	<u>\$ 1,177,027</u>

See accompanying notes to basic financial statements.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
STATEMENT OF PLAN NET POSITION  
NON-UNIFORM PENSION FUND  
DECEMBER 31, 2020**

---

**ASSETS**

**Current Assets:**

Prepaid pension benefits

	\$ 21,439
<b>Total Current Assets</b>	<u>21,439</u>

**Pension Receivables:**

Municipal contribution receivable

88,629

Interest and dividends

7,838

<b>Total Receivables</b>	<u>96,467</u>
--------------------------	---------------

**Investments:**

Domestic equity

3,144,940

Fixed income

1,570,366

<b>Total Investments</b>	<u>4,715,306</u>
--------------------------	------------------

<b>Total Assets</b>	<u>\$ 4,833,212</u>
---------------------	---------------------

**NET POSITION**

<b>Held in Trust for Pension Benefits</b>	<u>\$ 4,833,212</u>
---	---------------------

See accompanying notes to basic financial statements.

**BOROUGH OF STROUDSBURG  
 MONROE COUNTY, PENNSYLVANIA  
 STATEMENT OF CHANGES IN PLAN NET POSITION  
 NON-UNIFORM PENSION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020**

---

<b>Additions:</b>	
Minimum municipal obligation	\$ 259,932
Member contributions	46,268
<b>Total Additions</b>	<u>306,200</u>
<b>Investment Gain:</b>	
Change in market value	708,298
<b>Total Investment Gain</b>	<u>708,298</u>
<b>Total Additions and Investment Gain</b>	1,014,498
<b>Deductions:</b>	
Payments to retirees	254,221
Investment expense	30,653
<b>Total Deductions</b>	<u>284,874</u>
<b>Increase in Net Position</b>	729,624
<b>Held in Trust for Pension Benefits:</b>	
<b>Beginning of year</b>	<u>4,103,588</u>
<b>End of year</b>	<u><u>\$ 4,833,212</u></u>

See accompanying notes to basic financial statements.

---

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

---

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

The Borough of Stroudsburg (the Municipality) was organized in 1815 and operates as a borough in Monroe County, Pennsylvania. It operates using a Council as its governing body.

The Borough has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement is effective for periods beginning after December 15, 2011.

**A. Financial Reporting Entity**

The report includes all of the services provided by the Borough to residents and businesses within its boundaries. Borough services provided include general administrative services, public safety (police and fire), highways and streets, planning and zoning, recreation and community services, sewer, water and sanitation services. The criteria for including organizations as component units within the Borough's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Borough holds the corporate powers of the organization
- The Borough appoints a voting majority of the organization's board
- The Borough is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Borough
- There is fiscal dependency by the organization on the Borough

Based on the aforementioned criteria, the Borough of Stroudsburg does not have any component units.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the Borough. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

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

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the business-type funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the Borough considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Real estate, transfer and occupation taxes associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

- The General Fund is the main operating fund of the Borough. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid through the General Fund.
- The Capital Equipment fund accounts for amounts received for the sale of Authority rights as well as for the purpose of future major equipment purchases.
- The Street Fund is used to account for tax monies received and expended that are restricted for street repairs and maintenance.
- The Fire Fund is used to account for tax monies received and expended that are restricted to pay loans on fire apparatus and other general expenditures related to the general administration of the fire company.

The government reports the following major proprietary fund:

- The general sewer fund accounts for the collection of amounts due from the activities of the Borough's sewer service.

Additionally, the Borough reports the following fund types:

- The highway fund accounts for the receipt and expenditures of the annual allocation received from the Pennsylvania Department of Transportation for road improvements and maintenance.
- The debt service fund is used to account for tax monies received and expended that are restricted to pay down the Borough's debt.



**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

**C. Measurement focus, basis of accounting, and financial statement presentation-continued**

- The Borough maintains three (3) other governmental funds for the allocation of revenues and expenditures of specific governmental programs, which include: recreation fund, street light fund and insurance dividends fund.
- The pension trust funds account for the activities of the Non-Uniformed Pension Plan, which accumulates resources for pension benefit payments to qualified employees.

The Proprietary Fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Sewer Funds are charges to customers for sales and services. Operating expense for the Sewer Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Budgets and Budgetary Accounting**

The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results, except for the effect of encumbrances and unrealized investment gains and losses, which are adjusted to the actual results for this comparison.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. At least 30 days prior to budget adoption, the Borough prepares a proposed budget for the ensuing year.
2. Notification of the proposed budget and hearings on it are held by the Borough prior to adoption.
3. Prior to December 31<sup>st</sup>, the budget is legally enacted by the Borough and the tax levy ordinance is adopted.
4. The Borough, during the budget year, is authorized to modify the budget through either budget transfers or supplemental appropriations.
5. The budget lapses at the end of the year.

Prior to December 31<sup>st</sup>, the budget is legally enacted by the Borough and the tax levy ordinance is adopted.

**E. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

**F. Capital Assets**

Capital assets, which include property, plant, and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings, plant and improvements	10-40 years
Vehicles and transportation equipment	5-10 years
Machinery and equipment	5-10 years
Infrastructure	25-50 years

**G. Compensated Absences**

The Borough's policy for accrual of compensated absences is to allow full-time employees to accrue time for compensated time, vacation and sick leave. The value of compensated absences at the end of the year is calculated by multiplying the number of accumulated hours by each employees pay rate as of the end of the year.

**H. Reservations of Net position**

The net position reserves for its pension plans because those funds are for the specific payment of the Borough's retirees benefit payments.

**I. Pension**

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Non-Uniform Pension Plan and additions to/deductions from the Non-Uniform Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**J. Statement of Cash Flows**

The Borough adopted GASB Statement 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". For purposes of reporting cash flows all highly liquid investments (including restricted assets) with maturity of three months or less are considered to be cash equivalents.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

**K. Fund Equity**

Beginning with fiscal year 2011, the Borough implemented 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 a government'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.
- 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.
- Committed fund balance – amounts constrained to specific purposes by the Borough itself, using its highest level of decision-making authority (i.e. Borough Council). To be reported as committed, amounts cannot be used for any other purpose unless the Borough makes the highest level action to remove or change the constraint.
- Assigned fund balance – amounts the Borough intends to use for a specific purpose. Intent can be expressed by the Borough Council or by an official or body to which the Borough Council delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Restricted or unrestricted amounts are considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The Borough's Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or 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 (such as for special incentives). Assigned fund balance is established by the business manager through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or other purposes).

**L. Impact of Recently Issued Accounting Principles**

*Recently Issued and Adopted Accounting Pronouncements*

The GASB has issued the following Statements which became effective in the current year as shown below:

GASB Statement No. 91, Conduit Debt Obligations – The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice with (1) commitments extended by issues, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this statement are effective for periods beginning after December 15, 2020 and were early implemented by the Borough as of January 1, 2020 with no effect on financial statements presentation or disclosure.

**BOROUGH OF STROUDSBURG  
 MONROE COUNTY, PENNSYLVANIA  
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
 DECEMBER 31, 2020**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

L. Impact of Recently Issued Accounting Principles

GASB Statement No. 92, Omnibus 2020 – The objective of this statement is to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The provisions of this statement are predominately effective for periods beginning after June 15, 2020 and were early implemented by the Borough as of January 1, 2020 with minimal effect on financial statement presentation or disclosure.

GASB Statement No. 93, Replacement of Interbank Offered Rates –The objective of this statement is to address accounting, presentation, and disclosure implications that result from the replacement of an interbank offered rate (IBOR), most notably, the London Interbank Offered Rate (LIBOR). The provisions of this statement are predominately effective for periods beginning after June 15, 2020 and were early implemented by the Borough as of January 1, 2020 with no effect on financial statement presentation or disclosure.

GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance – The objective of this statement is to provide temporary relief to government and other stakeholders in light of the COVID-19 pandemic, postponing the implementation date for several recent statements. The provisions of this statement were effective immediately and were implemented by the Borough as of January 1, 2020 with no effect on financial statement presentation or disclosure.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits may not be recovered. The Borough's policy for minimizing credit risk for bank balances exceeding the Federal Deposit Insurance Corporation's insured limits relies upon the Pennsylvania Pledge Act 72 (72 P.S. section 3836-1 et seq.). The act requires the financial institution to pool collateral for all of its government deposits in addition to having the collateral held by an approved custodian in the institution's name. At December 31, 2020 the carrying amount and bank deposit balance of the Borough's deposits were \$7,755,498 and \$7,895,687, respectively. Of the bank balance \$500,000 was covered by federal depository insurance.

Balances held in each category as of December 31, 2020 are as follows:

	<b>Carrying Balance</b>	<b>Bank Balance</b>
Total governmental funds	\$ 5,354,354	\$ 5,475,014
Business-type funds	2,401,144	2,420,673
Totals	<u>\$ 7,755,498</u>	<u>\$ 7,895,687</u>

Custodial Credit Risks

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Borough's custodial relates to investments in its Non-Uniform Pension Fund.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 3 – PROPERTY TAXES**

Based upon assessed valuation provided by the County (approximately \$432,393,030 in 2020), the Borough bills and collects its own property taxes through an elected tax collector. The schedule for property taxes levied for 2020 is as follows:

March 1	Levy Date
March 1 through April 30	2% Discount Period
May 1 through June 30	Face Payment Period
July 1 through December 31	10% Penalty Period
January 1 (following year)	Lien Date

The Borough's tax rate for all purposes for 2020 was 6.658 mills (\$6.658 per \$1,000 of assessed taxable valuations).

<b>Fund</b>	<b>Mills</b>
General Fund	4.188
Fire Fund	0.069
Street Lighting Fund	0.281
Recreation Fund	0.405
Street Fund	0.517
Debt Service Fund	1.198
<b>Total Mills</b>	<b>6.658</b>

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020, was as follows:

	<b>Balance 01/01/201/1/20</b>	<b>Additions</b>	<b>Retirements/ Adjustments</b>	<b>Balance 12/31/20</b>
<b>Governmental Activities:</b>				
Land	\$ 616,562	\$ -	\$ -	\$ 616,562
Construction in process	1,889,959	69,197	1,959,156	-
<b>Capital assets, being depreciated:</b>				
Buildings	1,414,689	-	-	1,414,689
Improvements	1,889,047	1,959,156	-	3,848,203
Parking deck	2,755,263	-	-	2,755,263
Vehicles	2,794,339	50,000	-	2,844,339
Machinery and equipment	5,092,488	952,290	-	6,044,778
Infrastructure	3,189,035	420,150	-	3,609,185
	19,641,382	3,450,793	1,959,156	21,133,019
Less: accumulated depreciation	9,118,295	597,478	-	9,715,773
<b>Governmental activities capital assets, net</b>	<b>\$ 10,523,087</b>	<b>\$ 2,853,315</b>	<b>\$ 1,959,156</b>	<b>\$ 11,417,246</b>
<b>Business-type activities:</b>				
Land	\$ 187,711	\$ -	\$ -	\$ 187,711
<b>Capital assets, being depreciated:</b>				
Buildings, plant and improvements	13,572,020	-	-	13,572,020
Machinery and operating equipment	812,227	2,029	-	814,256
Sewer rights	6,261,753	-	-	6,261,753
	20,833,711	2,029	-	20,835,740
Less: accumulated depreciation/amortization	10,354,919	401,854	-	10,756,773
<b>Business activities capital assets, net</b>	<b>\$ 10,478,792</b>	<b>\$ (399,826)</b>	<b>\$ -</b>	<b>\$ 10,078,967</b>

**BOROUGH OF STROUDSBURG  
 MONROE COUNTY, PENNSYLVANIA  
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
 DECEMBER 31, 2020**

---

**NOTE 5 –LONG-TERM DEBT AND LIABILITIES**

**General Obligation Bonds**

General obligation bonds provide funds for the acquisition and construction of major capital equipment and facilities. General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the Borough. General obligation bonds require the Borough to compute, at the time property taxes are levied, the rate of tax required to provide (in each year bonds re outstanding) a fund to pay interest and principal at maturity. The Borough is in compliance with this requirement.

As of December 31, 2020, general obligation bonds currently outstanding are as follows:

<b>DESCRIPTION</b>	<b>Interest Rate %</b>	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Outstanding</b>
<b><u>Governmental-type Entities:</u></b>				
GOB Series of 2013 26 year semi-annual payments	2.70%	9/10/2013	10/15/2031	\$ 379,200
<b>Total General Obligation Bonds</b>				<b>\$ 379,200</b>

The maturities of the general obligation bonds are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 30,400	\$ 9,068	\$ 39,468
2022	31,200	8,321	39,521
2023	32,000	7,555	39,555
2024	32,800	6,769	39,569
2025	33,600	5,964	39,564
2026-2030	180,400	17,052	197,452
2031	38,800	710	39,510
<b>Totals</b>	<b>\$ 379,200</b>	<b>\$ 55,439</b>	<b>\$ 434,639</b>

**Direct Borrowings and Direct Placements**

**Governmental-Type**

GON Series A of 2013 – Issued November 6, 2013, in the amount of \$2,030,000 with an annual interest rate of 2.65%, for the acquisition and construction of improvement, including fixtures and equipment, to the Borough’s Municipal Building and Fire House. The final draw down was received November 22, 2019. Payments are semi-annual through August 1, 2033. Collateral is the full faith, credit and taxing power of the Borough. There is no prepayment penalty.

GON Series A of 2015 – Issued March 26, 2015, this Note is allocated between Stroudsburg Borough, East Stroudsburg Borough, and Stroud Township. The Borough’s portion was allocated to a police headquarters for the Stroud Regional Police Department in the amount of \$609,620 and parking deck improvements in the amount of \$1,436,500 for a total issuance of \$2,046,120 with an annual interest rate of 1.55%. Principal payments are annual and interest payments are semi-annual. The Note matures December 1, 2021. Collateral is the full faith, credit and taxing power of the Borough. There is no prepayment penalty.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

---

**NOTE 5 –LONG-TERM DEBT AND LIABILITIES – continued**

**Direct Borrowings and Direct Placements - continued**

GON Series of 2016 – Issued March 30, 2016 in the amount of \$490,379 with an annual interest rate of 2.6%, to finance 85% of the purchase of a pumper truck for the fire department. Payments are due annually, maturing March 30, 2026. Collateral is the full faith, credit and taxing power of the Borough. There is no prepayment penalty.

PEMA Note – Issued May 24, 2007 in the amount of \$87,779 with an annual interest rate of 2.0%, to finance the remaining 15% of the purchase of a pumper truck for the fire department, which is used as collateral. Payments are due monthly, maturing June 1, 2022. There is no prepayment penalty.

**Business-Type**

GON Series AA of 2015 – Refunded GOB of 2011 on March 26, 2015 in the amount of \$5,876,000 with an annual interest rate of 2.7%, to be reset in December 1, 2022 at 60% of National Prime, floating daily, but shall never exceed 4.5%. Principal payments are annual and interest payments are semi-annual, maturing on December 1, 2040. Collateral is the full faith, credit and taxing power of the Borough. There is no prepayment penalty.

PENNVEST loan – Issued May 1, 2013 to Brodhead Creek Regional Authority, with \$1,370,000 of the total allocated to Borough of Stroudsburg with an annual interest rate of 1.0%, to finance the construction of major capital improvements for the sewer system, collateralized by the revenue of the sewer system. Payments are due monthly, maturing August 1, 2032.

Wayne Bank loan – Issued March 6, 2017 in the amount of \$199,680 with an annual interest rate of 2.64%, to finance the purchase of a 2017 CCTV Ford E-450 Truck Mount, which is used as collateral for the loan. Payments are annual, maturing March 6, 2022. In the event of default, the interest rate will increase to 12.0%. There is no prepayment penalty.

The following are the general obligation notes and loans currently outstanding:

DESCRIPTION	Interest Rate %	Issue Date	Maturity Date	Outstanding
<b><u>Governmental-type Entities:</u></b>				
GON Series of 2016 10 year annual payments	2.60%	3/30/2016	3/30/2026	\$ 309,183
PEMA Note – monthly payments	2.00%	5/24/2007	6/1/2022	8,905
GON Series A of 2015 7 year annual payments	1.55%	3/26/2015	12/1/2021	304,806
GON Series A of 2013 20 year semi-annual payments	2.65%	11/16/2013	8/1/2033	1,522,594
<b><u>Business-type Entities:</u></b>				
GON Series AA of 2015 26 year semi-annual payments	2.70%	3/26/2015	12/1/2040	\$ 5,127,010
PENNVEST Loan 19 year monthly payments	1.00%	5/1/2013	8/1/2032	935,687
Wayne Bank Loan – 5 annual payments	2.64%	3/6/2017	3/6/2022	81,833
<b>Total Direct Borrowings and Direct Placements</b>				<b><u>\$ 8,290,018</u></b>

**BOROUGH OF STROUDSBURG  
 MONROE COUNTY, PENNSYLVANIA  
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
 DECEMBER 31, 2020**

---

**NOTE 5 –LONG-TERM DEBT AND LIABILITIES – continued**

**Direct Borrowings and Direct Placements - continued**

The maturities of the governmental-type activities direct borrowings and placements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 455,887	\$ 60,239	\$ 516,126
2022	151,942	46,906	198,848
2023	153,325	42,689	196,014
2024	157,646	38,374	196,020
2025	162,102	33,936	196,038
2026-2030	647,493	107,538	755,031
2031-2033	417,093	20,483	437,576
Totals	<u>\$ 2,145,488</u>	<u>\$ 350,165</u>	<u>\$ 2,495,653</u>

The maturities of the business-type activities direct borrowings and placements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 314,047	\$ 154,268	\$ 468,315
2022	320,024	146,675	466,699
2023	285,026	138,901	423,927
2024	290,661	132,109	422,770
2025	296,003	125,178	421,181
2026-2030	1,595,207	516,070	2,111,277
2031-2035	1,497,112	322,592	1,819,704
2036-2040	1,546,450	127,666	1,674,116
Totals	<u>\$ 6,144,530</u>	<u>\$ 1,663,459</u>	<u>\$ 7,807,989</u>

**Net Pension Liability**

The net pension liability represents the actuarially-determined liability for employees' projected pension benefit payments to be provided to current active and inactive employees; that is attributed to those employees' past periods of service, less the pension plan's fiduciary net position.

**Compensated Absences**

Compensated Absences represent the estimated liability for employees' accrued sick leave for which employees are entitled to be paid. The retirement of this liability is paid from the General Fund. If an employee is terminated or resigns, however, they only receive 75% of this benefit.

**Total OPEB Liability**

The total OPEB liability represents an actuarially determined present value liability of retiree health benefits earned to date for active and retiree members of the closed defined benefit retiree health plan.



**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 – LONG-TERM DEBT AND LIABILITIES – continued**

Transactions for the year ended December 31, 2020 are summarized as follows:

	<u>Balance 01/01/20</u>	<u>Issues/ Additions</u>	<u>Reductions</u>	<u>Balance 12/31/20</u>	<u>Due within one year</u>
<b><u>Governmental Activities</u></b>					
<i>Bonds Payable</i>					
GOB Series A of 2013	\$ 408,900	\$ -	\$ 29,700	\$ 379,200	\$ 30,400
<b>Total Bonds Payable</b>	<b>408,900</b>	<b>-</b>	<b>29,700</b>	<b>379,200</b>	<b>30,400</b>
<i>Notes from Direct Borrowings</i>					
GON Series A of 2013	1,616,294	-	93,700	1,522,594	96,700
GON Series A of 2015	617,322	-	312,516	304,806	304,806
GON Series of 2016	356,241	-	47,058	309,183	48,281
PEMA Note	15,972	-	7,067	8,905	6,100
<b>Total Direct Borrowings</b>	<b>2,605,829</b>	<b>-</b>	<b>460,341</b>	<b>2,145,488</b>	<b>455,887</b>
Net Pension Liability	790,370	-	497,770	292,600	-
Compensated Absences	10,689	1,386	-	12,075	-
Other Post-Employment Benefits	722,448	326,652	-	1,049,100	-
<b>Total Government Activities</b>	<b>\$ 4,538,236</b>	<b>\$ 328,038</b>	<b>\$ 987,811</b>	<b>\$ 3,878,463</b>	<b>\$ 486,287</b>
<b><u>Business-Type Activities</u></b>					
<i>Notes from Direct Borrowings</i>					
GON Series AA of 2015	\$ 5,320,540	\$ -	\$ 193,530	\$ 5,127,010	\$ 198,760
PENNVEST Loan	1,008,883	-	73,196	935,687	74,309
Wayne Bank Loan	121,766	-	39,933	81,833	40,978
<b>Total Proprietary Activities</b>	<b>6,451,189</b>	<b>-</b>	<b>306,659</b>	<b>6,144,530</b>	<b>314,047</b>
<b>Total Long-Term Debt</b>	<b>\$ 10,989,425</b>	<b>\$ 328,038</b>	<b>\$ 1,294,470</b>	<b>\$ 10,022,993</b>	<b>\$ 800,334</b>

**NOTE 6 – CAPITAL LEASES**

The Borough uses capital leases to acquire vehicles and equipment. The following is the future minimum lease requirements for the Borough's capital leases:

	<u>Balance 01/01/20</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance 12/31/20</u>
<b><u>Governmental-type funds:</u></b>				
2016 Street sweeper	\$ 104,688	\$ -	\$ 51,608	\$ 53,080
<b>Governmental total</b>	<b>\$ 104,688</b>	<b>\$ -</b>	<b>\$ 51,608</b>	<b>\$ 53,080</b>

The maturities of the Borough's governmental type capital leases are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 53,080	\$ 1,512	\$ 54,592
Totals	\$ 53,080	\$ 1,512	\$ 54,592

Assets capitalized currently from the outstanding lease payable total \$305,593 and accumulated amortization totaled \$149,119.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

---

**NOTE 7 – FUND BALANCES**

Governmental-type funds reports restricted fund balances of \$(376,681) at December 31, 2020. The State Liquid Fuels Fund reports restricted fund balance of \$315,685, which is restricted by the Commonwealth of Pennsylvania for construction, reconstruction, maintenance and repair of public roads or streets. The Fire Fund reported a negative restricted fund balance of \$(955,104), which is restricted by the ordinance of the 0.069 mill tax levy to provide funding to the Borough's fire company. The Recreation Fund reported restricted fund balance of \$89,405, which is restricted by the ordinance of the 0.405 mill tax levy to provide funding for the Borough's parks. The Street Light Fund reported restricted fund balance of \$150,151, which is restricted by the ordinance of the 0.281 mill tax levy to provide funding for the utility payments of the streetlights. The Street Fund reported restricted fund balance of \$253,719, which is restricted by the ordinance of the 0.517 mill tax levy to provide funding for the maintenance and repairs of the Borough's streets. The Debt Service Fund reported a negative restricted fund balance of \$(230,537), which is restricted by the ordinance of the 1.198 mill tax levy to provide funding to pay for certain portions of the Borough's debts.

**NOTE 8 – JOINT VENTURE – TWIN BOROUGHS RECYCLING**

The Borough has a joint venture with the Borough of East Stroudsburg for curb-side recycling collection, processing and marketing of recyclable materials. All revenues and expenses are shared equally by each Borough. All revenues earned are deposited into a joint recycling account to pay the expenses of the program. All expenses must be approved by each Borough. Annual audited financial statements are available for review at each of the Borough offices.

**NOTE 9 – SALE OF STROUDSBURG MUNICIPAL AUTHORITY**

The Borough sold its equity interest in the Stroudsburg Municipal Authority on July 1, 2006 to the Brodhead Creek Regional Authority for the purpose of regionalizing the County's sewer collection and treatment services. The Borough signed an agreement to sell their equity interest for \$5,735,378. The agreement states that the Brodhead Creek Regional Authority will pay the Borough in quarterly installments of \$85,660, plus interest ranging from 4.75 to 5.45 percent. The loan receivable will mature on October 15, 2044.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

---

**NOTE 9 – SALE OF STROUDSBURG MUNICIPAL AUTHORITY-continued**

The following is a schedule of payments for the loan receivable from the Brodhead Creek Regional Authority:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 172,142	\$ 170,498	\$ 342,640
2022	163,526	179,114	342,640
2023	155,190	187,450	342,640
2024	147,135	195,505	342,640
2025	139,361	203,279	342,640
2026	131,870	210,770	342,640
2027	124,660	217,980	342,640
2028	117,729	224,911	342,640
2029	111,074	231,566	342,640
2030	105,980	236,660	342,640
2031	99,845	242,795	342,640
2032	93,973	248,667	342,640
2033	88,360	254,280	342,640
2034	83,002	259,638	342,640
2035	77,893	264,747	342,640
2036	73,027	269,613	342,640
2037	68,399	274,241	342,640
2038	64,002	278,638	342,640
2039	59,829	282,811	342,640
2040	55,873	286,767	342,640
2041	52,129	290,511	342,640
2042	48,589	294,051	342,640
2043	45,246	297,394	342,640
2044	42,094	300,548	342,642
Totals	<u>\$ 2,320,928</u>	<u>\$ 5,902,434</u>	<u>\$ 8,223,362</u>

**BOROUGH OF STROUDSBURG  
 MONROE COUNTY, PENNSYLVANIA  
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
 DECEMBER 31, 2020**

---

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

In addition to providing pension benefits, the Borough provides coverage for medical benefits to Borough employees based on eligibility requirements set for each group of employees pursuant to Governmental Accounting Standards Board Statement No. 75. The benefits are based on negotiated memorandums of understanding with employee contracts. The costs of retiree health care benefits are recognized as expenditures and a total other post-employment benefit payable based on an actuarial valuation. For the year ended December 31, 2020, the accrued expense and liability for these benefits totaled \$1,049,100.

**General Information about the Plan**

Plan Description

Stroudsburg Borough's Other Post-Employment Benefits offered to employees and retirees is a single-employer defined benefit plan for benefits other than pension which is controlled by the provisions of a collectively bargained agreement between Stroudsburg Borough and Teamster Local 773 most recently revised by Ordinance #1079 signed June 18, 2019. This benefit is provided only to employees and retirees hired prior to January 1, 2018. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Employees Covered by the Plan

The following employees and retirees were covered by the plan:

Fully Eligible Active Employees	0
Other Active Employees Not Fully Eligible	17
Retirees and beneficiaries currently receiving benefits	<u>1</u>
Total	<u>18</u>

Benefits Provided

As of January 1, 2020 the OPEB plan provides medical, prescription drug, dental and vision coverages same as when active, at no cost to the employee or retiree. Coverage ends upon Medicare eligibility.

- a. If hired prior to January 1, 2018 – normal retirement is a minimum of age 60 and 10 years of service.
- b. If hired prior to January 1, 2013 – early retirement is a minimum of 20 years of service.
- c. If hired on or after January 1, 2018 – OPEB benefits are not provided.

**Total OPEB Liability**

The Borough's total OPEB liability of \$1,049,100 was determined as part of an actuarial valuation at January 1, 2020. Update procedures were used to roll forward to the Borough's fiscal year ending December 31, 2020. Actuarial valuations are performed biennially.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 10 – POSTEMPLOYMENT BENEFITS – continued**

Actuarial Assumptions and Other Inputs

1. Economic Assumptions
  - a. Investment return – there are no invested assets.
  - b. Salary increases – 4.5% compounded annually.
  - c. Discount rate – 2.15%.
  
2. Healthcare Cost Trend Rate
  - a. Medical costs are assumed to increase by 4% in 2021, 7.25% in 2022, reduced by 0.25% per year to an ultimate level of 5% per year.
  - b. Dental and vision costs are assumed to increase by 0% during 2021 and 2% per year thereafter.
  
3. Demographic Assumptions
  - a. Mortality – RP-2000 Mortality Tables for Males and Females projected 17 years using Scale AA.
  - b. Termination – According to Table W65.
  - c. Disability – None assumed.
  - d. Retirement is assumed to occur at a minimum of age 60 with 10 years of service.
  - e. Participation – 100% of retirees who are eligible to participate in retiree medical coverage are assumed to do so.

The Borough does not have a GASB qualified Trust, and therefore, there are no investments.

Changes in the Total OPEB Liability

	<u>Increase/(Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a) – (b)</u>
<b>Balances at 12/31/2019</b>	\$ 722,448	\$ -	\$ 722,448
<b>Changes for the year:</b>			
Service Cost	90,804	-	90,804
Interest	22,267	-	22,267
Changes in Benefit Terms	113,611	-	113,611
Differences Between Expected and Actual Experience	53,249	-	53,249
Changes of Assumptions & Cost Methods	64,370	-	64,370
Contributions – Employer	-	17,649	(17,649)
Contributions – Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(17,649)	(17,649)	-
Administrative Expense	-	-	-
Other Changes	-	-	-
<b>Net Changes</b>	<u>326,652</u>	<u>-</u>	<u>(326,652)</u>
<b>Balances at 12/31/2020</b>	<u>\$ 1,049,100</u>	<u>\$ -</u>	<u>\$ 1,049,100</u>

**BOROUGH OF STROUDSBURG  
 MONROE COUNTY, PENNSYLVANIA  
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
 DECEMBER 31, 2020**

---

**NOTE 10 – POSTEMPLOYMENT BENEFITS – continued**

**Changes in the Total OPEB Liability - continued**

Total OPEB Liability Sensitivity – Discount Rate

The following is a sensitivity analysis of the net OPEB liability to changes in the discount rate. The table below presents the total OPEB liability calculated using the discount rate of 2.15% as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (1.15%) or 1 percent higher (3.15%) than the current rate:

	1% Decrease 1.15%	Discount Rate 2.15%	1% Increase 3.15%
Total OPEB Liability 12/31/20	\$ 1,113,935	\$ 1,049,100	\$ 987,580

Total OPEB Liability Sensitivity – Healthcare Trend

The following is a sensitivity analysis of the total OPEB liability to changes in the healthcare trend rate. The table below presents the total OPEB liability calculated using the current trend rate as well as what the total OPEB liability would be if it were calculated using a healthcare trend rate that is 1 percent lower and 1 percent higher than expected.

	1% Decrease	Current	1% Increase
Total OPEB Liability 12/31/20	\$ 951,936	\$ 1,049,100	\$ 1,161,478

**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 \$241,932. At December 31, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 46,345	\$ -
Changes in Assumptions & Cost Method	56,024	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-
Total	<u>\$ 102,369</u>	<u>\$ -</u>

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

Year Ended December 31:	
2021	\$ 15,250
2022	15,250
2023	15,250
2024	15,250
2025	15,250
Thereafter	26,119

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

---

**NOTE 11 – NON-UNIFORM PENSION PLAN**

The Stroudsburg Borough Non-Uniformed Pension Plan is a single-employer defined benefit pension plan that covers substantially all full-time, non-uniformed employees of Stroudsburg Borough and which is controlled by the provisions of Ordinance No. 817, as amended, adopted pursuant to Act 581. The plan is governed by the Borough Council which is responsible for the management of plan assets. Borough Council has appointed the Pension Committee as the official body to which all related investment matters of the Fund are delegated. The Pension Committee consists of seven members; the Council President, a Council Member, Borough Secretary/Treasurer and four plan participants. The Borough Council has delegated the authority to manage certain plan assets to Girard Pension Services, LLC, with Nationwide Financial as custodian.

**Employees Covered by the Plan**

Memberships of the plan consist of the following:

As of December 31, 2020, the Pension Plan's membership consisted of the following:

Active plan members	19
Inactive plan members or beneficiaries currently receiving benefits	15
Inactive employees entitled to but not yet receiving benefits	<u>9</u>
Total	<u>43</u>

**Contributions**

Act 205 requires that annual contributions to the plan be based upon the plan's Minimum Municipal Obligation (MMO), which is based on the plan's biennial actuarial valuation. In accordance with the plan's governing document, the Borough has the authority to establish and amend employees contribution requirements. The plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205.

For the year ended December 31, 2020, active members were required to contribute 5% of monthly compensation, on a pre-tax basis, to the plan.

Investment expenses, including investment manager and custodial services, are funded through investment earnings. Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions.

**Summary of Significant Accounting Policies**

**A. Basis of Accounting**

The plan is maintained on the accrual basis of accounting. Municipal and member contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**B. Valuation of Investments**

The plan values its investments at fair market value. Short-term investments are reported at cost, which approximates fair value. Investments that do not have an established market are reported at estimated fair value.

**BOROUGH OF STROUDSBURG  
 MONROE COUNTY, PENNSYLVANIA  
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
 DECEMBER 31, 2020**

---

**NOTE 11 – NON-UNIFORM PENSION PLAN - continued**

**Investments**

**A. Investment Policy**

The Pension Committee, with the assistance of Girard Pension Services, LLC, shall select the appropriate asset weighting percentage to be allocated to each specific asset class. Each asset class shall consist of a combination of investment options that have been made available to obtain the absolute investment objective of the fund. Investments shall be diversified with the intent to minimize the risk of large investment losses. Consequently, the total portfolio will be constructed and maintained to provide prudent diversification with regard to the concentration of holdings in investment funds specializing in individual issues, issuers, countries, governments or industries.

It is not expected that the Investment Policy Statement will change frequently. In particular, short term changes in the financial markets should not require an adjustment in the Investment Policy Statement. However, any changes to the asset allocation model will only be implemented in accordance with formal authorization and instructions given by the Pension Board.

As of December 31, 2020, it shall be the policy of the Pension Committee to invest the fund's assets with the following allocations:

<b>Asset Class</b>	<b>Asset Weighting Range</b>	<b>Target Allocation</b>
Domestic Equity	46% - 56%	51%
International Equity	10% - 20%	15%
Fixed Income	27% - 37%	32%
Real Estate	0% - 0%	0%
Cash	0% - 10%	2%
		<u>100%</u>

**B. Rate of Return**

For the year ended December 31, 2020, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 16.87 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

**Pension Liability**

**A. Net Pension Liability**

The components of the net pension liability of the municipality as of December 31, 2020 were as follows:

Total Pension Liability (TPL)	\$ 5,125,812
Plan Fiduciary Net Position	\$ (4,833,212)
Net Pension Liability (NPL)	\$ 292,600
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.29%



**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

---

**NOTE 11 – NON-UNIFORM PENSION PLAN – continued**

**B. Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions:

Inflation	3.0 percent
Salary increases	4.5 percent, including inflation
Investment rate of return	7.5 percent, net of pension plan investment expense, including inflation
Cost-of-living adjustments	None

Mortality rates were based on the RP2000 Table projected to 2017 using Scale AA for Males or Females, as appropriate, and termination rates were based on Scale W65.

The actuarial assumptions used in the December 31, 2020 valuation were based on the same assumptions as the actuarial experience study as of January 1, 2019.

**C. Long-Term Expected Rate of Return**

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) 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 real rates of return for each major asset class included in the pension plan’s target asset allocation as of December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
<i>Domestic Equity</i>		International Equity	7.20%
Large Cap	6.10%	Emerging Markets	8.90%
Medium Cap Growth	7.30%	Fixed - Domestic	1.50%
Medium Cap Value	6.90%	Fixed - International	3.80%
Small Cap	8.00%	Cash	0.80%
Real Estate	7.20%		

**D. Discount Rate**

The discount rate used to measure the total pension liability was 7.50 percent. This discount rate is based on the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. The plan’s fiduciary net position is projected to be sufficient to make projected benefit payments and the plan assets are expected to be invested using a strategy to achieve that return. The employer must meet the funding requirements of Act 205 on an annual basis or be subject to an interest penalty as required. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability to ultimately achieve a 100% funded status.

BOROUGH OF STROUDSBURG  
 MONROE COUNTY, PENNSYLVANIA  
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
 DECEMBER 31, 2020

NOTE 11 – NON-UNIFORM PENSION PLAN – continued

**E. Net Pension Liability Sensitivity**

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 7.50% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	<b>1% Decrease 6.50%</b>	<b>Current Discount Rate 7.50%</b>	<b>1% Increase 8.50%</b>
Net Pension Liability (Asset)	\$ 849,456	\$ 292,600	\$ (181,484)

**F. Changes in Net Pension Liability**

The following table shows the changes in net pension liability recognized over the measurement period:

	<b>Increase/(Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
<b>Balances at 12/31/2019</b>	\$ 4,893,958	\$ 4,103,588	\$ 790,370
<b>Changes for the year:</b>			
Service Cost	119,592	-	119,592
Interest	366,483	-	366,483
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions – Employer	-	171,303	(171,303)
Contributions – State Aid	-	88,629	(88,629)
Contributions – Member	-	46,268	(46,268)
Net Investment Income	-	677,645	(677,645)
Benefit Payments	(254,221)	(254,221)	-
Administrative Expense	-	-	-
Other Changes	-	-	-
<b>Net Changes</b>	<u>231,854</u>	<u>729,624</u>	<u>(497,770)</u>
<b>Balances at 12/31/2020</b>	<u>\$ 5,125,812</u>	<u>\$ 4,833,212</u>	<u>\$ 292,600</u>

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

---

**NOTE 11 – NON-UNIFORM PENSION PLAN – continued**

**Pension Expense for Fiscal Year Ended December 31, 2020**

Service Cost	\$ 119,592
Interest on Total Pension Liability	366,483
Changes in Benefit Terms	-
Difference Between Expected and Actual Experience	(34,271)
Changes in Assumptions	48,225
Employee Contributions	(46,268)
Projected Earnings on Pension Plan Investments	(304,845)
Differences Between Projected and Actual Earnings on Investments	(84,273)
Administrative Expenses	-
Other Changes in Fiduciary Net Position	-
Total Pension Expense	<u>\$ 64,643</u>

**Deferred Outflows and Deferred Inflows of Resources**

For the year ended December 31, 2020, the municipality recognized a pension expense of \$64,643. At December 31, 2020, the municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ -	\$ (5,492)
Changes in Assumptions	61,805	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(375,203)
Total	<u>\$ 61,805</u>	<u>\$ (380,695)</u>

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

<b>Year Ended December 31:</b>	<b>Amount</b>
2021	\$ (95,248)
2022	\$ (54,242)
2023	\$ (154,399)
2024	\$ (51,913)
2025	\$ 22,647
Thereafter	\$ 14,265

**NOTE 11 – NON-UNIFORM PENSION PLAN – continued**

**Salient Features of the Plan**

**A. Eligibility**

Every full time non-uniformed employee working a minimum 35 hours per week shall become a member of the plan on January 1 or July 1 next following the date the employee completes 1 year of service and attains age 21.

**B. Retirement Dates**

- a. Normal retirement date – Age 60 and 10 years of service. For those hired after December 31, 2012, age 65 and 10 years of service.
- b. Early Retirement - 20 years of service, actuarially reduced for each year or partial year prior to age 60. For those hired after December 31, 2012, 20 years of service, actuarially reduced for each year or partial year prior to age 65.

**C. Retirement Benefits**

The monthly pension shall be 5.0% credit for each year of service (maximum 50%) times the average annual compensation over the participant's highest five (5) consecutive years of employment. For those hired after December 31, 2012, the monthly pension shall be 2.0% credit for each year of service (maximum 50%) times the average annual compensation over the participant's highest five (5) consecutive years of employment.

**D. Survivor Benefit**

If eligible to retire at time of death, the beneficiary shall receive the present value of the member's accrued benefit. At retirement, the member may select a survivor benefit.

**NOTE 12 – DEFERRED COMPENSATION PLAN**

The Borough maintains deferred compensation plans for the administrative employees. The plans are administered by the International City Management Association Retirement Corporation (ICMA) and the Copeland Companies. The plan meets the requirement of IRC Section 457.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Borough (without being restricted to the provisions of benefits under the plan), subject only to the claims the Borough's general creditors.

It is the opinion of the Borough's legal counsel that the Borough has no liability for losses under the plan agreements but does have the duty of due care that would be required of any ordinary prudent investor. The Borough believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

---

**NOTE 13 – INTERFUND BALANCES**

Fund	Due From Other Funds	Due To Other Funds
<b>General Fund:</b>		
Sewer Fund	\$ -	\$ 46,001
Payroll Fund	9,572	-
Debt Service Fund	146,905	-
<b>Fire Fund:</b>		
Capital Equipment Fund	-	1,150,591
<b>Capital Equipment Fund:</b>		
Fire Fund	1,150,591	-
Debt Service Fund	202,416	-
<b>Sewer Fund:</b>		
General Fund	46,001	-
Debt Service Fund	-	15,770
<b>Payroll Fund:</b>		
General Fund	-	9,572
<b>Debt Service Fund:</b>		
General Fund	-	146,905
Capital Equipment Fund	-	202,416
Sewer Fund	15,770	-
<b>Totals</b>	<u>\$ 1,571,255</u>	<u>\$ 1,571,255</u>

**NOTE 14 – RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all areas for which the Borough retains risk of loss. There were no reductions in insurance coverages for the 2020 year and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**NOTE 15 – COMMITMENTS AND CONTINGENCIES**

Grants and Cost-Reimbursable Contracts

The Borough participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Borough is potentially liable for any disbursements that may be disallowed, pursuant to the terms of these grant programs.

**BOROUGH OF STROUDSBURG  
 MONROE COUNTY, PENNSYLVANIA  
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
 DECEMBER 31, 2020**

---

**NOTE 16 – RESTATEMENT OF PRIOR PERIOD FUND BALANCES AND NET POSITION**

The Borough’s sewer receivables were understated in the previous year, resulting in a restatement of beginning net position for the business-type fund, as noted below.

Net position sewer fund at December 31, 2019	\$ 6,856,454
Adjustments to financial statements for understated receivables:	
Accounts receivable	<u>310,411</u>
Total adjustments	<u>310,411</u>
Net position sanitation fund at December 31, 2019, restated	<u>\$ 7,166,865</u>

**NOTE 17 – SUBSEQUENT EVENTS**

In preparing these financial statements, management of the Borough of Stroudsburg has evaluated events and transactions subsequent to December 31, 2020 through October 11, 2021, the date these financial statements were available to be issued. Based on the definitions and requirements of the Subsequent Topics of the FASB Accounting Standards Codification, management of the Borough has noted the following subsequent events that would require recognition or disclosure in the financial statements:

- The American Rescue Plan Act of 2021, signed by the United States President, has allocated funding to local government units to support COVID-19 response efforts, replace lost revenue, support economic stabilization for households, businesses, and address systemic public health and economic challenges. Half of these funds were disbursed by Monroe County, and received by the Borough, in the amount of \$290,876 in June 2021, with the remaining half to be released one year later. These funds are restricted and cannot be spent until approval is received on elected project uses. The Borough has not yet voted on the use of these funds.

---

**REQUIRED SUPPLEMENTARY INFORMATION**

---

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Budget Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 2,753,729	\$ 2,753,729	\$ 2,682,845	\$ (70,884)
Licenses and permits	142,400	142,400	124,191	(18,209)
Fines	347,200	347,200	311,343	(35,857)
Interest and rents	40,850	40,850	23,900	(16,950)
Intergovernmental	145,749	145,749	144,635	(1,114)
Charges for services	509,870	509,870	368,789	(141,081)
Miscellaneous	5,000	5,000	20,311	15,311
<b>Total Revenues</b>	<u>3,944,798</u>	<u>3,944,798</u>	<u>3,676,014</u>	<u>(268,784)</u>
<b>Other Financing Sources:</b>				
Proceeds from sale of assets	30,000	30,000	-	(30,000)
Interfund operating transfers in	488,011	488,011	-	(488,011)
<b>Total Revenues and Other Financing Sources</b>	<u>4,462,809</u>	<u>4,462,809</u>	<u>3,676,014</u>	<u>(786,795)</u>
<b>Expenditures:</b>				
General government	539,506	535,507	429,325	106,182
Public safety and protective inspection	2,089,929	2,093,357	1,958,314	135,043
Health & animal control	9,565	9,997	14,384	(4,387)
Sanitation, storm water & flood control	143,611	143,611	127,326	16,285
Highways and streets	536,652	532,651	357,887	174,764
Parking facilities	289,308	289,308	225,882	63,426
Culture and recreation	22,954	22,954	22,967	(13)
Community development	8,250	2,371	3,874	(1,503)
Insurance	141,252	123,623	154,319	(30,696)
Employee benefits	211,670	229,138	228,485	653
Pension	194,949	194,949	200,828	(5,879)
Unemployment	12,000	12,000	5,295	6,705
Miscellaneous	-	-	109	(109)
<b>Total Expenditures</b>	<u>4,199,646</u>	<u>4,189,466</u>	<u>3,728,995</u>	<u>460,471</u>
<b>Other Financing Uses:</b>				
Interfund operating transfers out	-	-	48,821	(48,821)
<b>Total Expenditures and Other Financing Uses</b>	<u>4,199,646</u>	<u>4,189,466</u>	<u>3,777,816</u>	<u>411,650</u>
<b>Net changes in fund balances</b>	<u>263,163</u>	<u>273,343</u>	<u>(101,802)</u>	<u>\$ (375,145)</u>
<b>Fund Balance Forwarded</b>	-	-	1,672,136	
<b>Fund balance at end of year</b>	<u>\$ 263,163</u>	<u>\$ 273,343</u>	<u>\$ 1,570,334</u>	



**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
SCHEDULE OF CHANGES IN MUNICIPALITY'S NET PENSION LIABILITY AND RELATED RATIOS - NON UNIFORMED PENSION  
DECEMBER 31, 2020**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Total Pension Liability</b>							
Service Cost	\$ 91,432	\$ 116,118	\$ 121,343	\$ 114,547	\$ 119,701	\$ 114,442	\$ 119,592
Interest	288,545	295,973	311,333	311,059	324,393	350,694	366,483
Changes of Benefit Terms	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	-	(36,519)	-	(335,887)	-	172,794	-
Changes of Assumptions	-	165,020	-	142,747	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(185,770)	(201,564)	(223,465)	(249,334)	(256,596)	(265,309)	(254,221)
<b>Net Change in Total Pension Liability</b>	<u>194,207</u>	<u>339,028</u>	<u>209,211</u>	<u>(16,868)</u>	<u>187,498</u>	<u>372,621</u>	<u>231,854</u>
<b>Total Pension Liability - Beginning</b>	<u>3,608,261</u>	<u>3,802,468</u>	<u>4,141,496</u>	<u>4,350,707</u>	<u>4,333,839</u>	<u>4,521,337</u>	<u>4,893,958</u>
<b>Total Pension Liability - Ending</b>	<u>\$ 3,802,468</u>	<u>\$ 4,141,496</u>	<u>\$ 4,350,707</u>	<u>\$ 4,333,839</u>	<u>\$ 4,521,337</u>	<u>\$ 4,893,958</u>	<u>\$ 5,125,812</u>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 99,286	\$ 102,715	\$ 99,281	\$ 121,302	\$ 127,869	\$ 153,536	\$ 171,303
Contributions - State Aid	65,836	66,654	74,369	78,000	79,635	102,410	88,629
Contributions - Member	40,691	42,014	42,062	43,749	48,732	50,204	46,268
Net Investment Income	96,582	(58,346)	180,708	465,043	(290,657)	677,919	677,645
Benefit Payments, Including Refunds of Member Contributions	(185,770)	(201,564)	(223,465)	(249,334)	(256,596)	(265,309)	(254,221)
Administrative Expense	-	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>116,625</u>	<u>(48,527)</u>	<u>172,955</u>	<u>458,760</u>	<u>(291,017)</u>	<u>718,760</u>	<u>729,624</u>
<b>Plan Net Position - Beginning</b>	<u>2,976,032</u>	<u>3,092,657</u>	<u>3,044,130</u>	<u>3,217,085</u>	<u>3,675,845</u>	<u>3,384,828</u>	<u>4,103,588</u>
<b>Plan Net Position - Ending</b>	<u>\$ 3,092,657</u>	<u>\$ 3,044,130</u>	<u>\$ 3,217,085</u>	<u>\$ 3,675,845</u>	<u>\$ 3,384,828</u>	<u>\$ 4,103,588</u>	<u>\$ 4,833,212</u>
<b>Municipality's Net Pension Liability</b>	<u>\$ 709,811</u>	<u>\$ 1,097,366</u>	<u>\$ 1,133,622</u>	<u>\$ 657,994</u>	<u>\$ 1,136,509</u>	<u>\$ 790,370</u>	<u>\$ 292,600</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	81.3%	73.5%	73.9%	84.8%	74.9%	83.9%	94.3%
<b>Covered Employee Payroll</b>	\$ 816,717	\$ 825,329	\$ 893,026	\$ 788,391	\$ 876,813	\$ 1,020,002	\$ 1,059,439
<b>Municipality's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	86.9%	133.0%	126.9%	83.5%	129.6%	77.5%	27.6%

**Notes to schedules:**

Assumption Changes - In 2015, the interest rate assumption was lowered from 8.0% to 7.5% per annum and the salary scale was lowered from 5.0% to 4.5%.

In 2017, the mortality assumption was changed from the RP-2000 Table to the RP-2000 Table projected to 2017 using Scale AA.

The schedule will present 10 years of information once it is accumulated.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
SCHEDULE OF EMPLOYER CONTRIBUTIONS- NON UNIFORMED PENSION  
DECEMBER 31, 2020**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 165,122	\$ 169,369	\$ 173,650	\$ 199,302	\$ 207,504	\$ 255,946	\$ 259,932
Contributions in Relation to the Actuarially Determined Contribution	165,122	169,369	173,650	199,302	207,504	255,946	259,932
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 816,717	\$ 825,329	\$ 893,026	\$ 788,391	\$ 876,813	\$ 1,020,002	\$ 1,059,439
Contributions as a Percentage of Covered Employee Payroll	20.22%	20.52%	19.45%	25.28%	23.67%	25.09%	24.53%

**Notes to the Schedule:**

(1) Actuarial Assumptions

Valuation Date	January 1, 2019
Cost Method	Entry age
Actuarial Asset Valuation Method	Market
Assumed Rate of Return on Investments	7.5% per annum, net of investment expenses
Projected Salary Increases	4.5% compounded annually
Cost-of-living Adjustment	None
Amortization Method	Level dollar
Remaining Amortization Period	8 years

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
SCHEDULE OF CHANGES IN MUNICIPALITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 31,270	\$ 32,677	\$ 90,804
Interest	23,483	24,684	22,267
Changes of benefit terms	-	-	113,611
Differences between expected and actual experience	-	-	53,249
Changes of assumptions or other inputs	-	-	64,370
Benefit payments	<u>(28,741)</u>	<u>(14,968)</u>	<u>(17,649)</u>
<b>Net Change in Total OPEB Liability</b>	26,012	42,393	326,652
<b>Total OPEB Liability - Beginning</b>	654,043	\$ 680,055	\$ 722,448
<b>Total OPEB Liability - Ending</b>	<u>\$ 680,055</u>	<u>722,448</u>	<u>1,049,100</u>
<b>Covered Employee Payroll</b>	\$ 469,606	\$ 488,390	\$ 882,990
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	144.8%	147.9%	118.8%

\* Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2020**

---

**NOTE A – BUDGETARY COMPLIANCE**

The Borough's financial statements for the year ended December 31, 2020 present its legally adopted budget for the General Fund. The Borough approved to legally adopt the General Fund budget for the 2020 year.

The Budget has been adopted on the activity basis; expenditures at this level in excess of amounts budgeted are a violation of the Pennsylvania Borough Code. Comparison of actual results of operations to the budget of the General Fund as adopted by the Borough's Council is included in the required supplemental information of the basic financial statements.

For the year ended December 31, 2020, expenditures exceeded appropriations at the legal level of control in the General Fund as follows:

<u>Object Category</u>	<u>Expenditures Exceeding Appropriations</u>
Health & animal control	\$ 4,387
Culture and recreation	\$ 13
Community development	\$ 1,503
Insurance	\$30,696
Pension	\$ 5,879
Miscellaneous	\$ 109

---

**SUPPLEMENTARY INFORMATION**

---

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
COMBINING BALANCE SHEETS  
OTHER GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

---

	<u>Highway Fund</u>	<u>Recreation Fund</u>	<u>Street Light Fund</u>
<b><u>ASSETS</u></b>			
Cash	\$ 323,259	\$ 86,164	\$ 149,469
Taxes receivable - real estate	-	7,345	5,102
Interfund receivables - business-type funds	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 323,259</u></b>	<b><u>\$ 93,509</u></b>	<b><u>\$ 154,571</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 7,574	\$ 1,250	\$ 4,420
Accrued wages	-	2,854	-
Interfund payables - governmental-type funds	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>7,574</u></b>	<b><u>4,104</u></b>	<b><u>4,420</u></b>
<b><u>FUND BALANCES</u></b>			
Restricted	315,685	89,405	150,151
Assigned	-	-	-
Total Fund Balance	<u>315,685</u>	<u>89,405</u>	<u>150,151</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 323,259</u></b>	<b><u>\$ 93,509</u></b>	<b><u>\$ 154,571</u></b>

---

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
COMBINING BALANCE SHEETS - continued  
OTHER GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	<u>Insurance Dividend Fund</u>	<u>Debt Service Fund</u>	<u>Total Other Governmental Totals</u>
<b><u>ASSETS</u></b>			
Cash	\$ 324,699	\$ 81,317	\$ 964,908
Taxes receivable - real estate	-	21,697	34,144
Interfund receivables - business-type funds	-	15,770	15,770
<b>TOTAL ASSETS</b>	<b><u>\$ 324,699</u></b>	<b><u>\$ 118,784</u></b>	<b><u>\$ 1,014,822</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ -	\$ -	\$ 13,244
Accrued wages	-	-	2,854
Interfund payables - governmental-type funds	-	349,321	349,321
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>349,321</u></b>	<b><u>365,419</u></b>
<b><u>FUND BALANCES</u></b>			
Restricted	-	(230,537)	324,704
Assigned	324,699	-	324,699
Total Fund Balance	<u>324,699</u>	<u>(230,537)</u>	<u>649,403</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 324,699</u></b>	<b><u>\$ 118,784</u></b>	<b><u>\$ 1,014,822</u></b>

**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Highway Fund	Recreation Fund	Street Light Fund
<b>Revenues:</b>			
Taxes	\$ -	\$ 165,223	\$ 116,840
Interest	1,884	401	953
Intergovernmental	155,842	-	-
Miscellaneous	-	-	-
<b>Total Revenues</b>	<u>157,726</u>	<u>165,624</u>	<u>117,793</u>
<b>Other Financing Sources</b>			
Interfund operating transfers in	-	-	-
<b>Total Revenues and Other Financing Sources</b>	<u>157,726</u>	<u>165,624</u>	<u>117,793</u>
<b>Expenditures:</b>			
General government	-	13,298	3,247
Highways	31,662	65,408	40,940
Culture and recreation	-	37,128	-
Debt service principal	-	-	29,700
Debt service interest	-	-	9,960
Insurance	-	-	-
Unemployment	-	505	-
<b>Total Expenditures</b>	<u>31,662</u>	<u>116,339</u>	<u>83,847</u>
<b>Net changes in fund balances</b>	126,064	49,285	33,946
<b>Fund balances at beginning of year</b>	189,621	40,120	116,205
<b>Fund balances at end of year</b>	<u>\$ 315,685</u>	<u>\$ 89,405</u>	<u>\$ 150,151</u>



**BOROUGH OF STROUDSBURG  
MONROE COUNTY, PENNSYLVANIA  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - continued  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Insurance Dividend Fund</b>	<b>Debt Service Fund</b>	<b>Total Other Governmental Fund</b>
<b>Revenues:</b>			
Taxes	\$ -	\$ 491,441	\$ 773,504
Interest	2,130	976	6,344
Intergovernmental	-	-	155,842
Miscellaneous	99,788	-	99,788
<b>Total Revenues</b>	<b>101,918</b>	<b>492,417</b>	<b>1,035,478</b>
<b>Other Financing Sources:</b>			
Interfund operating transfers in	-	116,701	116,701
<b>Total Revenues and Other Financing Sources</b>	<b>101,918</b>	<b>609,118</b>	<b>1,152,179</b>
<b>Expenditures:</b>			
General government	-	1,624	18,169
Highways	-	-	138,010
Culture and recreation	-	-	37,128
Debt service principal	-	457,825	487,525
Debt service interest	-	53,804	63,764
Insurance	61,453	-	61,453
Unemployment	-	-	505
<b>Total Expenditures</b>	<b>61,453</b>	<b>513,253</b>	<b>806,554</b>
<b>Net changes in fund balances</b>	<b>40,465</b>	<b>95,865</b>	<b>345,625</b>
<b>Fund balances at beginning of year</b>	<b>284,234</b>	<b>(326,402)</b>	<b>303,778</b>
<b>Fund balances at end of year</b>	<b>\$ 324,699</b>	<b>\$ (230,537)</b>	<b>\$ 649,403</b>