CITY OF WILLIAMSPORT, PA
RESOLUTION

RESOLUTION # 9705 **DATE** 10-26-23

TITLE

RESOLUTION TO ACCEPT THE FISCAL YEAR 2019 AUDITS

WHEREAS Zelenkofske Axelrod presented the fiscal year 2019 audited financial statements and single audit reports; and,

WHEREAS the City Council wishes to acknowledge receipt and acceptance of the fiscal year 2019 audit reports; and,

BE IT HEREBY RESOLVED, that the City Council of the City of Williamsport hereby acknowledges receipt and acceptance of the fiscal year 2019 audit reports as presented and prepared by the independent audit firm of Zelenkofske Axelrod in accordance with the auditing standards generally accepted in the United States of America.

Approved

James M. Frank

City Clerk

President

CITY OF WILLIAMSPORT, PENNSYLANIA

FINANCIAL STATEMENTS
and SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2019

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Zelenkofske Axelrod LLC
CERTIFIED PUBLIC ACCOUNTANTS
EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Independent Auditor's Report

To the Members of City Council
City of Williamsport, Pennsylvania

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Williamsport ("City"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

We do not express an opinion on the accompanying financial statements of the City. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

Due to the unavailability of audit information, turnover in key accounting and management positions, pending/ongoing investigations with state/federal agencies, and omission of the River Valley Transit and the Williamsport Parking Authority financial statements, a business-type activity and proprietary fund and discretely presented component unit, respectively, we were unable to perform the necessary audit procedures over the City's financial statements. The effects of the matters listed in the previous sentence on the City's financial statements at this time is undeterminable and we are unable to quantify any misstatement(s) that might be necessary to the City's financial statements.

Responsibilities of Management for the Financial Statements

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

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

Adoption of Government Accounting Standards Board (GASB) Pronouncements

The City adopted the provisions of *Statement* No. 83, "*Certain Asset Retirement Obligations*", Statement No. 90, "*Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*", Statement No. 88, "*Certain Disclosures related to Debt, including Direct Borrowing and Direct Placements*", Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*", and Statement No.98, "*The Annual Comprehensive Financial Report*". Our opinion was not modified with respect to these adoptions.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of City's financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Other Matters

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedules of Changes in Net Pension Liability and Related Ratios - Pension Trust Funds on pages 47 through 49, Schedules of Employer Contributions - Pension Trust Funds and Schedules Investment Returns - Pension Trust Funds on pages 50 through 51, and Schedule of Changes in the City's Total OPEB Liability and Related Ratios on page 53 be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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

The combining nonmajor governmental and fiduciary fund financial statements on pages 54 through 58 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the City's internal control over financial reporting and compliance.

Zelenkofske Axelrod LLC

Zelenkofske Axelrod LLC

Harrisburg, Pennsylvania
October 27, 2023

CITY OF WILLIAMSPORT, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities
Assets	
Cash and cash equivalents	$ 8,348,245
Restricted cash	1,288,885
Receivables (net of allowance for uncollectible):	
Taxes	2,380,494
Loans	3,997,302
Other	2,127,951
Due from other governments	498,893
Inventories, at cost	88,103
Prepaid expenses	8,871
Capital assets, net:	
Land	2,313,864
Land Improvements	2,590,530
Infrastructure	20,193,391
Buildings and improvements	5,169,717
Vehicles and equipment	2,385,937
Construction in progress	1,188,220
Total Assets	52,580,403
Deferred Outflows of Resources	
Deferred outflows of resources for pensions	3,517,894
Total Deferred Outflows of Resources	3,517,894
Liabilities	
Accounts payable and accrued expenses	915,518
Accrued liabilities	945,291
Compensated absences	127,532
Due to other governments	628,513
Unearned revenues	4,118,101
Portion due or payable within one year:	
Capital leases payable	169,643
Notes and bonds payable	512,337
Portion due or payable after one year:	
Compensated absences payable	1,673,655
Capital leases payable	378,381
Notes and bonds payable	9,870,489
Other postemployment benefits	143,771,841
Net pension liability	10,672,821
Total Liabilities	173,784,122
Deferred Inflows of Resources	
Deferred inflows of resources for pensions	4,470,617
Net Position	
Net investment in capital assets	23,328,471
Restricted for:	
HOME activities	205,470
Grant purposes	1,786,168
Debt service	1,135,286
Capital Projects	542,468
Liquid fuels tax purposes	840,251
Home rehabilitation	45,725
Public works	1,083,189
Redevelopment activities	3,855
Unrestricted (Deficit)	(151,127,325)
Total Net Position (Deficit)	$ (122,156,442)

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

CITY OF WILLIAMSPORT, PENNSYLVANIA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Total
Primary government:						
Governmental activities:						
General government	$ 4,067,333	$ 1,107,133	$ 13,232	$ -	$ (2,946,968)	$ (2,946,968)
Public works - highways and streets	5,715,588	464,843	1,107,569	-	(4,143,176)	(4,143,176)
Other public works enterprises	2,246,255	-	56,764	-	(2,189,491)	(2,189,491)
Public safety	21,415,662	248,849	1,336,450	-	(19,830,363)	(19,830,363)
Culture and recreation	1,475,296	103,431	-	-	(1,371,865)	(1,371,865)
Revolving loans and grants	190,991	43,452	-	-	(147,539)	(147,539)
Interest on long-term debt	387,651	-	-	-	(387,651)	(387,651)
Total governmental activities	35,498,776	1,967,708	2,514,015	-	(31,017,053)	(31,017,053)
General revenues:						
Real estate					14,715,369	14,715,369
Earned income					2,357,344	2,357,344
Business privilege					2,217,250	2,217,250
Local services					1,129,843	1,129,843
Real estate transfer					301,382	301,382
Other					17,949	17,949
Grants and charges not restricted to specific programs					3,959,325	3,959,325
Unrestricted investment earnings					283,735	283,735
Miscellaneous					14,772	14,772
Total general revenues and transfers					24,996,969	24,996,969
Change in Net Position					(6,020,084)	(6,020,084)
Net Position (Deficit):						
Beginning of year					(116,136,358)	(116,136,358)
End of year					$ (122,156,442)	$ (122,156,442)

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

CITY OF WILLIAMSPORT, PENNSYLVANIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

Assets	General	HOME	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 1,886,447	$ 206,523	$ 1,033,289	$ 4,444,044	$ 7,570,303
Restricted Cash	-	-	-	1,288,885	1,288,885
Receivables, net:					
Taxes	2,380,494	-	-	-	2,380,494
Loans	-	2,447,499	-	1,549,803	3,997,302
Other	1,627,170	-	30,083	52,986	1,710,239
Due from other funds	1,472,850	-	1,095,000	38,463	2,606,313
Due from other governments	396,722	12,806	36,250	53,115	498,893
Prepaid expenses	8,871	-	-	-	8,871
Inventories, at cost	88,103	-	-	-	88,103
Total Assets	$ 7,860,657	$ 2,666,828	$ 2,194,622	$ 7,427,296	$ 20,149,403
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Vouchers payable	$ 459,646	12,804	$ 128,526	$ 314,542	$ 915,518
Accrued liabilities	917,522	-	-	2,408	919,930
Compensated absences	127,532	-	-	-	127,532
Due to other funds	1,064,065	1,055	1,172,431	368,762	2,606,313
Due to other governments	100,808	-	288,062	239,643	628,513
Unearned revenue	-	2,447,499	63,135	1,607,467	4,118,101
Total Liabilities	2,669,573	2,461,358	1,652,154	2,532,822	9,315,907
Deferred Inflows of Resources:					
Unavailable revenue - taxes	1,703,864	-	-	-	1,703,864
Total Deferred Inflows of Resources	1,703,864	-	-	-	1,703,864
Fund Balance:					
Nonspendable	96,974	-	-	-	96,974
Restricted	-	205,470	542,468	4,894,474	5,642,412
Assigned	2,894,435	-	-	-	2,894,435
Unassigned	495,811	-	-	-	495,811
Total Fund Balance	3,487,220	205,470	542,468	4,894,474	9,129,632
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 7,860,657	$ 2,666,828	$ 2,194,622	$ 7,427,296	$ 20,149,403

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

CITY OF WILLIAMSPORT, PENNSYLVANIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Total Fund Balance - Governmental Funds		$ 9,129,632
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds		33,841,659
Long-term liabilities, including bonds payable, are not paid with current financial resources, and therefore: are not reported as liabilities in the funds. Long term liabilities at year end are:		
Notes and bonds payable	$ (10,382,826)	
Capital lease payable	(548,024)	
Compensated absences (long-term)	(1,673,655)	
Other postemployment benefits	(143,771,841)	
Net pension liability	(10,672,821)	
		(167,049,167)
Deferred outflows related to the net pension liability are not reported in the governmental funds, however are reported in the statement of net position.		3,517,894
Deferred inflows related to the net pension liability are not reported in the governmental funds, however are reported in the statement of net position.		(4,470,617)
Long-term receivables do not represent current financial resources and therefore are not reported as assets in the funds. This amount represents a long-term receivable from the Williamsport Parking Authority related to debt issued through the City of Williamsport		417,662
Some of the City's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.		1,703,864
Internal service funds are used by management to charge the operating costs of City Hall to individual funds. The assets and liabilities of the internal service fund ("City Hall Operating Fund") are included in the governmental activities statement of net position.		752,631
Total Net Position - Governmental Activities		$ (122,156,442)

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

CITY OF WILLIAMSPORT, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	General	HOME	Capital Projects	Other Governmental Funds	Total
Revenues:					
Taxes	$ 20,657,007	$ -	$ -	$ -	$ 20,657,007
Licenses and permits	776,347	-	-	-	776,347
Fines and forfeits	164,550	-	-	-	164,550
Interest, rents and royalties	149,761	3,738	-	134,918	288,417
Intergovernmental revenues					-
Federal	-	216,554	726,790	1,462,949	2,406,293
State	1,373,849	-	-	1,599,199	2,973,048
Local	1,059,622	-	-	38,232	1,097,854
Charges for services	430,397	-	345,400	121,088	896,885
Collection on loans	-	-	-	43,885	43,885
Miscellaneous	14,772	-	-	-	14,772
Total revenues	24,626,305	220,292	1,072,190	3,400,271	29,319,058
Expenditures:					
Current:					
General government	2,098,173	103,773	-	637,126	2,839,072
Public works	3,980,511	-	18,801	467,838	4,467,150
Other public works enterprises	346,448	-	-	-	346,448
Public safety	16,628,268	-	10,192	(345)	16,638,115
Culture and recreation	239,669	-	416,123	22,266	678,058
Revolving loans and grants	-	151,976	-	-	151,976
Capital outlay	430,245	-	1,462,620	1,675,665	3,568,530
Debt service	103,343	-	-	1,011,946	1,115,289
Total expenditures	23,826,657	255,749	1,907,736	3,814,496	29,804,638
Excess (Deficiency) of Revenues Over (Under) Expenditures	799,648	(35,457)	(835,546)	(414,225)	(485,580)
Other Financing Sources (Uses):					
Proceeds from the issuance of capital leases	171,242	-	-	88,595	259,837
Transfers in	20,000	-	-	843,142	863,142
Transfers out	(615,620)	-	-	(212,522)	(828,142)
Total other financing sources (uses)	(424,378)	-	-	719,215	294,837
Net Change in Fund Balance	375,270	(35,457)	(835,546)	304,990	(190,743)
Fund Balance:					
Beginning of year	3,111,950	240,927	1,378,014	4,589,484	9,320,375
End of year	$ 3,487,220	$ 205,470	$ 542,468	$ 4,894,474	$ 9,129,632

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

CITY OF WILLIAMSPORT, PENNSYLVANIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

Net Change in Fund Balance - Governmental Funds	$	(190,743)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures ($3,592,405). However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense ($3,474,933). This is the amount of capital assets recorded in the current period, net of depreciation expense.		117,472
The repayment of principal on capital leases is expended in the funds; however, such payments reduce the capital lease liability within the statement of net position. This amount represents the dollar value of principal payments made on capital leases payable for the year ended December 31, 2019.		229,565
Certain compensated absences payable are considered long-term in nature and, are not reported as liabilities within the funds. Such liabilities are, however, reported within the statement of net position, and changes in these liabilities are reflected within the statement of activities. This amount represents the change in long-term compensated absences payable for the year ended December 31, 2019		20,494
Other postemployment benefits payable are considered long-term in nature and, are not reported as liabilities within the funds. Such liabilities are, however, reported within the statement of net position, and changes in these liabilities are reflected within the statement of activities.		(5,623,309)
Reduction in Long-Term Receivable with Williamsport Parking Authority		19,492
Internal service funds are used by management to charge the operating costs of City Hall to individual funds. The operating income of the internal service fund (City Hall Operating Fund) is reported within the governmental activities.		79,948
Issuance of long-term debt provides current financial resources to governmental funds. Also, government funds report the effect of original issue discounts or premiums when debt is first issued, where as these amounts are deferred and amortized in the statement of activities and are included here as a reconciling item.		
Reconciling items relating to long-term debt activities are as follows:		
Repayment of principal		443,585
Issuance of capital leases		(259,837)
Accretion of original issue premium/discount		15,504
Net pension liability is considered long-term in nature, and is not reported as a liability within the funds. Such liability is, however, reported within the statement of net position, and changes in the liability are reflected within the statement of net position. This represents the change in pension liability and related deferred outflows and deferred inflows related to the City's pension plans.		(912,559)
Revenues related to real estate taxes in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		40,304
Change in Net Position - Governmental Activities	$	(6,020,084)

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

City of Williamsport, Pennsylvania
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual - General Fund
Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget- Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 21,978,541	$ 21,978,541	$ 20,657,007	$ (1,321,534)
Licenses and permits	1,009,000	1,009,000	776,347	(232,653)
Fines and forfeits	153,000	153,000	164,550	11,550
Interest, rents and royalties	30,300	30,300	149,761	119,461
Intergovernmental revenues	1,672,043	1,672,043	2,433,471	761,428
Charges for services	876,600	876,600	430,397	(446,203)
Miscellaneous	20,000	20,000	14,772	(5,228)
Total revenues	25,739,484	25,739,484	24,626,305	(1,113,179)
Expenditures:				
Current:				
General government	2,533,078	2,533,078	2,098,173	434,905
Public works	3,396,773	3,396,773	3,980,511	(583,738)
Other public works enterprises	416,529	416,529	346,448	70,081
Public safety	17,350,206	17,350,206	16,628,268	721,938
Culture and recreation	310,913	310,913	239,669	71,244
Capital outlay	-	-	430,245	(430,245)
Debt service	-	-	103,343	(103,343)
Total expenditures	24,007,499	24,007,499	23,826,657	180,842
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,731,985	1,731,985	799,648	(932,337)
Other Financing Sources (Uses):				
Proceeds from the issuance of capital leases	-	-	171,242	171,242
Transfers in	-	-	20,000	20,000
Transfers out	(2,980,750)	(2,980,750)	(615,620)	2,365,130
Total other financing sources (uses)	(2,980,750)	(2,980,750)	(424,378)	2,556,372
Net Change in Fund Balance	(1,248,765)	(1,248,765)	375,270	1,624,035
Fund Balance:				
Beginning of year	1,374,472	1,374,472	3,111,950	1,737,478
End of year	$ 125,707	$ 125,707	$ 3,487,220	$ 3,361,513

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

CITY OF WILLIAMSPORT, PENNSYLVANIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

	Governmental Activities
	Internal Service Fund (CHO)
Assets	
Current assets:	
Cash and cash equivalents	$ 777,942
Other accounts receivable	50
Total current assets	777,992
Noncurrent assets:	
Capital assets:	
Land and improvements	1
Buildings and improvements	1,434,633
Equipment	150,857
Less accumulated depreciation	(1,298,842)
Net capital assets	286,649
Total assets	1,064,641
Liabilities	
Current liabilities:	
Vouchers payable	25,361
Total current liabilities	25,361
Total Liabilities	25,361
Net Position	
Net investment in capital assets	286,649
Unrestricted	752,631
Total Net Position	$ 1,039,280

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

CITY OF WILLIAMSPORT, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2019

	Governmental Activities
	Internal Service Fund (CHO)
Operating Revenues:	
Charges for services	$ 302,050
Total operating revenues	302,050
Operating Expenses:	
Depreciation	45,214
Employee benefits	197
Materials and supplies	146,601
Maintenance	40,304
Total operating expenses	232,316
Operating Income (Loss)	69,734
Income before other financing sources (uses)	69,734
Other Financing Sources(Uses):	
Operating transfers out	(35,000)
Total other financing sources (uses), net	(35,000)
Net Income	34,734
Net Position:	
Beginning of year	1,004,546
End of Year	$ 1,039,280

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

CITY OF WILLIAMSPORT, PENNSYLVANIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2019

	Governmental Activities
	Internal Service Fund
Cash Flows From Operating Activities:	
Receipts from customers and users	$ 302,050
Payments to suppliers for services	(169,199)
Net cash provided by (used in) operating activities	132,851
Cash Flows From Non-Capital Financing Activities:	
Transfers out	(35,000)
Net cash used in non-capital financing activities	(35,000)
Cash Flows From Capital and Related Financing	
Acquisition and construction of capital assets	(23,874)
Net cash provided by (used in) capital and related financing activities	(23,874)
Net Increase (Decrease) in Cash and Cash	73,977
Cash and Cash Equivalents:	
Beginning of year	703,965
End of year	$ 777,942
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	$ 69,734
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation expense	45,214
Changes in:	
Interfund activity	34
Accounts payable	17,869
Total adjustments	63,117
Net cash provided by (used in) operating activities	$ 132,851

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

CITY OF WILLIAMSPORT, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2019

	Component Unit Pension Trust Funds	Private Purpose Trusts	Agency Funds
Assets			
Cash and Cash Equivalents	$ 1,411,488	$ -	$ 1,178,018
Investments, at fair value:			
U.S. Government Securities	10,740,570	-	-
Domestic Corporate Bonds	13,802,411	-	-
Certificates of Deposit	2,447,263	-	-
Domestic Equity Securities	63,789,109	-	-
Mutual Funds	11,673,616	-	-
Total Investments	102,452,969	-	-
Receivables, Other	154,587	11,399	129,807
Total Assets	104,019,044	11,399	1,307,825
Liabilities			
Accounts payable	20,900	11,399	-
Funds held in Fiduciary Capacity	-	-	1,307,825
Total Liabilities	20,900	11,399	1,307,825
Net Position			
Restricted for pension benefits	$ 103,998,144	$ -	$ -

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

CITY OF WILLIAMSPORT, PENNSYLVANIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2019

	Component Unit Pension Trust Funds	Private Purpose Trusts
Additions:		
Contributions:		
Employer	$ 3,134,720	$ -
Commonwealth of PA	1,336,450	-
Plan members	670,633	-
Miscellaneous	862	23,400
Total contributions	5,142,665	23,400
Investment income (loss):		
Net appreciation in fair value of investments	14,139,171	-
Interest and dividends	3,358,174	-
Less investment expenses	(376,970)	-
Net investment income (loss)	17,120,375	-
Total additions	22,263,040	23,400
Deductions:		
Benefits paid to participants	7,232,708	23,400
Administrative and other fees	30,225	-
Total deductions	7,262,933	23,400
Change in Net Position	15,000,107	-
Net Position:		
Beginning of year	88,998,037	-
End of year	$ 103,998,144	$ -

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

1. Summary of Significant Accounting Policies

The accounting methods and procedures adopted by the City of Williamsport, Pennsylvania (the "City") conform to accounting principles generally accepted in the United States of America as applied to state and local governmental entities. The following notes to the basic financial statements are an integral part of the City's financial statements.

Reporting Entity

Williamsport is the largest city in north-central Pennsylvania. It is a city of the third class, incorporated on January 15, 1866, and operates under an elected Mayor-Council form of government. The City provides many services to its estimated 30,000 residents, including general government services, public safety (police, fire, emergency management and protective inspection), maintenance of streets and parks, and community enrichment programs.

The financial statements of the City include the accounts of the City's primary government and one blended component unit, the Redevelopment Authority of the City of Williamsport, over which the City exercises significant influence. The financial statements of the River Valley Transit, a Business-Type Activity and Proprietary Fund, and the Williamsport Parking Authority, a discretely presented component unit, have not been included in the financial reporting entity for the 2019 reporting year. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). The City Council and/or the City's Mayor appoints a voting majority to the Board of Directors of both component units. Separately issued financial statements of the Redevelopment Authority of the City of Williamsport (the "Redevelopment Authority") can also be obtained from its office, located at 245 West Fourth Street, Williamsport, Pennsylvania 17701.

Blended Component Unit	Brief Description of Activities and Relationship to the City
The Redevelopment Authority provides for the acquisition and demolition of properties, economic development and shopsteading loans, and historic rehabilitation and preservation. This assistance is funded primarily through federal grants from the City's Community Development Block Grant ("CDBG") program.	A continuing financial relationship exists between the City and the Redevelopment Authority under the terms of a cooperative agreement between the City and the Redevelopment Authority. According to the terms of this agreement, the Redevelopment Authority will, among other things, provide CDBG and other funding as necessary, prepare loan agreements and mortgages and obtain collateral for loans. In addition, the City's Mayor appoints a voting majority to the Board of Directors of the Redevelopment Authority.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 365 days of the end of the current fiscal period with the exception of property taxes, which must be received within 60 days of the end of the current fiscal period to be deemed available.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service, compensated absences, net pension and other post-employment benefit liabilities expenditures are recorded only when payment is due.

Property taxes, intergovernmental revenues, charges to services and interest associated with the current fiscal period are all generally considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include charges to customers or applicants for goods, services, or privileges provided and operating grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally results from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges for services (primarily bus fares and rental income). Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation

on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Position* – This category represents net position of the City, not restricted for any project or other purpose.

Governmental Funds

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for within this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid by other fund are paid from the General Fund. The General Fund is always a major fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to specified purposes. The major Special Revenue Fund reported by the City under this generic heading is the HOME Fund. The HOME Fund does not adopt an annual operating budget; rather, the City prepares a multi-year budget that coincides with the federally mandated period of availability of funds. Other nonmajor Special Revenue funds reported by the City include:

- The Community Development Block Grant ("CDBG") Fund accounts for the City's annual CDBG allocation from the U.S. Department of Housing and Urban Development. This funding is used by the City for loans meeting certain program requirements, various City projects and program administration.

- Non-Revenue Escrow Fund primarily consists of capital escrow funds and grant proceeds, which will be spent over several years.

- The Liquid Fuels Fund accounts for state aid revenues used for building, improving and maintaining City streets.

- The Home Rehabilitation Fund accounts for the operations of the City's Home Rehabilitation program, which was funded in part by federal funds whose use is restricted for the provision of specified home rehabilitation services to eligible City residents.

- The Redevelopment Authority of the City of Williamsport is a blended component unit of the City. Additional details pertaining to the operations of the Redevelopment Authority may be found elsewhere in this section.

- The Act 13 Fund accounts for funds received from the Pennsylvania Public Utility Commission under Act 13 – The Unconventional Gas Well Impact Fee. These funds may be used for a number of eligible purposes including roadways, bridges, public infrastructure, housing, information systems, and planning, among other things.

- The Pool Repair Fund accounts for revenues and expenditures related to the ongoing maintenance and repair of the City's Memorial pool.

Capital Projects Fund

The Capital Projects Fund (a major fund) is used to account for financial resources to be used for the acquisition or construction of major capital facilities or assets (other than those financed by proprietary funds and trust funds).

Debt Service Fund

The Debt Service Fund (a nonmajor fund) is used to account for financial resources to be used for the payment of principal and interest on the City's long-term debt obligations.

Proprietary Funds

Internal Service Fund, City Hall Operating Fund

This fund is used to account for the financing of good or services provided by one department to other departments of the City on a cost-reimbursement basis. The City Hall Operating Fund comprises this fund type. The City Hall Operating Fund is used to allocate the cost of the operations of City Hall among the various departments of programs that occupy the building.

Fiduciary Funds

Pension Trust Funds

Pension trust funds are used to report the resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans. The City maintains three single-employer defined pension trust funds; the Fire Pension Trust Fund, the Police Pension Trust Fund, and the Officers and Employees Pension Trust Fund.

Private Purpose Trust Fund

Private purpose trust funds are used to report trust arrangements under which the principal and income benefit individuals, private organizations or other governments. The City's Unemployment Compensation Trust Fund is reported within the accompanying financial statements as a private purpose trust fund.

Agency Funds

Agency funds are used to report resources held by the City in a purely custodial capacity (i.e., assets=liabilities). Agency funds reported by the City in the accompanying financial statements include the Tax Collecting Fund, Payroll Revolving Fund, and certain sub-funds the City holds as

a fiscal agent that are accounted for within the Non-Revenue Escrow Fund (which are presented separately for financial reporting purposes).

Adoption of Government Accounting Standards Board (GASB) Pronouncements

The City adopted the provisions of Statement No. 83, "*Certain Asset Retirement Obligations*", Statement No. 90, "*Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*", Statement No. 88, "*Certain Disclosures related to Debt, including Direct Borrowing and Direct Placements*", Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*", and Statement No. 98, "*The Annual Comprehensive Financial Report*". The adoption of these statements had no effect on previously reported amounts.

Pending Governmental Accounting Standards Board (GASB) Statements

In January 2017, the GASB issued Statement No. 84, "*Fiduciary Activities*". The City is required to adopt statement No. 84 for its calendar year 2020 financial statements.

In June 2017, the GASB issued Statement No. 87, "*Leases*". The City is required to adopt statement No. 87 for its calendar year 2022 financial statements.

In June 2018, the GASB issued Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*". The City is required to adopt statement No. 89 for its calendar year 2021 financial statements.

In May 2019, the GASB issued Statement No. 91, "*Conduit Debt Obligations*". The City is required to adopt Statement No. 91 for its calendar year 2022 financial statements.

In January 2020, the GASB issued Statement No. 92, "*Omnibus 2020*". The City is required to adopt Statement No. 92 for its calendar year 2022 financial statements.

In March 2020, the GASB issued Statement No. 93, "*Replacement of Interbank Offered Rates*". The City is required to adopt Statement No. 93 for its calendar year 2022 financial statements, except for the requirements of paragraph 11b, which are effective for its calendar year 2023 financial statements.

In March 2020, the GASB issued Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Arrangements*". The City is required to adopt the provisions of Statement No. 94 for its calendar year 2023 financial statements.

In May 2020, the GASB issued Statement No. 96, "*Subscription-Based Information Technology Arrangements*". The City is required to adopt Statement No. 96 for its calendar year 2023 statements.

In June 2020, the GASB issued Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*". The City is required to adopt Statement no. 97 for its calendar year 2022 financial statements.

In April 2022, the GASB issued Statement No. 99, "*Omnibus 2022*". The City is required to adopt the provisions related to leases, PPP's, and SBITA's for its calendar year 2023 financial statements, while the provisions relating to financial guarantees and the classification and reporting of derivative instruments are required to be adopted by the City for its calendar year 2024 financial statements.

In June 2022, the GASB issued Statement No. 100, "*Accounting Changes and Error Corrections*". The City is required to adopt Statement No.100 for its calendar year 2024 financial statements.

In June 2022, the GASB issued Statement No. 101, "*Compensated Absences*". The City is required to adopt Statement No.101 for its calendar year 2024 financial statements.

The City is currently in the process of determining the impact that the above GASB Statements will have on the financial statements.

Cash Equivalents

The City considers highly liquid short-term instruments purchased with a maturity of three month or less (excluding certain short-term instruments which are classified as investments) to be cash equivalents.

Investments

Investments of the Officers' and Employees', Firemen's and Police pension plans are stated at fair value for both reporting and actuarial purposes. Investment purchases are recorded as of the trade date. Securities traded on a national or international exchange are valued as the last report sales price at current exchange rates. Investments that do not have an established market are generally reported at cost, which is not expected to be materially different from fair value.

Receivables

All trade and property tax receivables are shown net of allowance for uncollectibles.

Property Tax Calendar

The City is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions, including the schools within the City. Taxes are due in one installment on or before June 30 following the levy date. Taxes not paid or exonerated become delinquent on December 31. The City collects taxes up to December 31 of the same year (payments post-marked by December 31 but received shortly after year-end are considered as having been collected for accounting purposes). Subsequent to year-end, all unpaid property taxes are certified to the Lycoming County Delinquent Tax Office for further collection and possible tax sales over an additional 36-month period. Current tax collections for the year ended December 31, 2019 were 92.45 percent of the tax levy.

Inventory

Inventories in the General Fund consist of gasoline and postage. Inventory is valued at the lower of cost (first-in, first-out) or market.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated acquisition value at the time of acquisition.

Beginning on January 1, 2003, the City began to prospectively capitalize its investment in infrastructure assets pursuant to GASB Statement No. 34. Infrastructure assets include long-lived, immovable capital assets such as road systems, bridges, curbs and gutters, sidewalks, drainage systems and lighting systems. During 2007, the City retroactively reported its major general infrastructure acquired significantly reconstructed, or significantly improved from January 1, 1980 through December 31, 2002, pursuant to GASB Statement No. 34. As a general rule, infrastructure acquired prior to 1980 is not capitalized.

Normal maintenance and repairs are charged to expense as incurred; major renewals or betterments which extend the life or increase the value of assets are capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities
Buildings and improvements	40 years
Machinery and equipment	10-20 years
Furniture and fixtures	15-20 years
Office equipment	5-15 years
Computer equipment	5 years
Vehicles	5-10 years
Streets and roadways	20 years
Curbing and sidewalks	20 years

Liabilities for Compensated Absences

City employees are awarded vacations each year based upon the number of years served through December 31 of the preceding year. The City's policy generally provides that employees will be compensated for earned but unused vacation at retirement or termination.

The City's sick leave policy provides sick time to each employee. Employees are permitted unlimited accumulation of sick time. Detail of the sick leave policies in effect for the individual labor contracts are as follows:

- City Firemen are compensated at the rate of 30 percent of the employee's regular rate at retirement, for all unused sick time accumulated from January 1, 1999 through the date of retirement, not to exceed 120 days. In addition to this, City Firemen are compensated at the rate of one day per three days of sick leave accumulated through December 31, 1998, at the employee's regular rate at that date;

- City Policemen are compensated at the rate of 15 percent of the employee's regular rate for accumulated sick leave upon retirements, up to a maximum of 240 days;

- Employees covered under the AFSCME labor contract are compensated $20 for each three day unit of unused sick time, up to a maximum of 160 three day units (360 days) for a maximum of $3,200 upon retirement. All other accumulated sick time is forfeited at that time, and;

- All other non-contract employees utilize the same plan as the employees covered under the AFSCME contract.

Under the Fair Labor Standards Act, employees are permitted to accrue up to 240 hours (480 hours for police and firemen) of compensatory ("Comp") time for hours worked beyond 40 hours in any one week. Comp time is awarded at the premium rate of time and one-half for hours worked over a 40 hour period. Upon termination of employment, any accumulated Comp time will be paid at a rate not less than the average regular rate of pay over the employee's last three years of employment or the final regular rate, whichever is higher.

Unearned Revenue

Unearned revenue consists of receivables not collected within 60 days subsequent to the City's year-end (fund-perspective financial statements), grant revenues received but not yet expended,

and loans receivable associated with grant-funded revolving loan pools. It is expected that these items will be included in revenues of future fiscal years.

At December 31, 2019, the HOME, Capital Projects, and Non-major funds had unearned revenues of $2,447,499, $63,135 and $1,607,467 respectively.

Deferred Outflows/Inflows of Resources

In addition to assets, the City will sometimes report a separate section for deferred outflows (inflows) of resources. This separate financial statement element represents a consumption (acquisition) of net position that applies to a future period and so will not be recognized as an outflow (inflow) of resources until that time.

Governmental Fund Balance Classification/Policies and Procedures

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies its governmental fund balances as follows:

- *Non-spendable* – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints, such as inventory
- *Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation
- *Committed* - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City through formal action of the City's "highest level of decision-making authority" which do not lapse at year-end
    - City Council is its highest level of decision-making authority, and
    - City Council commits funds through a formal board motion
- *Assigned* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City
    - City Council authorized the City Budget & Fiscal Officer to assign funds to specific purposes
    - City Council passed a board motion authorizing assignments for activities as contemplated by Council
- *Unassigned* – includes positive fund balances withing the General Fund which have not been classified within the above mentioned categories and negative fund balances in other governmental fund

When a governmental funds expenditure is incurred that can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the expenditure toward restricted resources and then to unrestricted resources.

When an expenditure is incurred that can be paid using either committed, assigned, or unassigned amounts, the City's policy is generally to apply the expenditure to committed resources, then to assigned resources, and then to unassigned resources.

Pension Plans

The City provides separate defined benefit pension plans for general employees, Police and Fire department personnel. It is the City's policy to fund its annual required contribution.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Budgetary Procedures and Budgetary Accounting

The City utilizes the Executive Budget approach to budgetary control. This approach requires the chief executive (i.e., Mayor), together with the Department of Accounts and Finance, to prepare and submit a governing financial plan to the legislative body on an annual basis. The City prepares its budgets for each fund type in accordance with accounting principles generally accepted in the United States of America ("GAAP" basis).

All transfers or supplemental appropriations must be enacted by City Council. During the year, all transfers and appropriations were approved by City Council, in accordance with the Pennsylvania Third Class City Code. Actual expenditures and operating transfers out may not legally exceed "budget" appropriations at the individual fund level. Budgetary control, however, is maintained at the line item level.

Appropriations lapse at the close of the fiscal year to the extent that they have not been expended or encumbered.

Accounting principles generally accepted in the United States of America require that the City include a combined statement of revenues, expenditures and changes in fund balance – budgeted and actual – General Fund and for each major special revenue fund for which *annual* budgets are adopted. For its HOME Fund, the major special revenue fund, program year budgets are adopted. These program year budgets, which are in effect through program conclusion (typically a three to five year period), are not required to be presented.

3. Cash, Cash Equivalents, and Investments

Primary Government

Pennsylvania statutes provide for the investment of governmental funds in certain authorized investment types, including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for cash management and investment purposes, which the City does. In addition to the investments authorized for governmental funds, pension trust fund investments may be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practices. Act 72 requires all governmental (public funds) deposits not insured by the Federal Depository Insurance Corporation ("FDIC") to be collateralized by the financial institution.

The deposit and investment policies of the City adhere to the state statutes. Deposits of the governmental funds are either maintained in demand deposits, Pennsylvania Local Government Investment Trust ("PLGIT") or pooled for investment purposes in certificates of deposit. The deposits and investments of the three pension trust funds are administered by trustees and are held separately from those of other City funds.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosures related to the following deposit and investment risks: credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The following is a description of the City's deposit and investment risks.

Deposits

Custodial Credit Risk is the risk that, in the event of a bank failure, the City will not recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The City does not have a formal deposit policy for custodial credit risk. As of December 31, 2019, the City's total deposits were $11,326,236. Of this amount, $323,125 was insured by the FDIC and $250,000 was insured by the SIPC. The remaining deposits of $11,003,111 were exposed to custodial credit risk, since the deposits were collateralized with securities held by the pledging financial institutions, but not in the City's name.

Investments

As of December 31, 2019, the City held the following investments in their employee pension funds:

Investments	Maturities	Fair Value
Certificates of deposit	Average of 3 years	$ 2,447,263
U.S Government Securities	Average of 5 years	10,740,570
Domestic Corporate Bonds	Average of 5 years	13,802,411
Investments subject to maturity		26,990,244
Equity securities		75,462,725
Total investments		$ 102,452,969

Credit Ratings

The City's investments had the following credit ratings:

Equity securities	NR	73.66%
Domestic Corporate Bonds	AAA to BAA3	13.47%
Certificates of deposit	NR	2.39%
U.S. Government Securities	AAA TO A3	10.48%

The City's investment policy limits investments as follows:

- Only corporate or tax exempt debt issues that meet or exceed a credit rating of A from Standard & Poor's and/or an A rating from Moody's may be purchased;
- Preferred stock must be rated A or better by Standard & Poor's and/or Moody's at the time of purchase;
- No issues may be purchased with more than 30 years to maturity.

Interest Rate Risk

As a means of limiting its exposure to fair-value losses arising from interest rates, the City's investment policy allows the investment manager to invest the fixed income portfolio from underperforming the fixed income index by more than 3 percent in any quarter.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2019, all of the City's investments were held by Wells Fargo Advisors, LLC, and were insured by SIPC or to the extent that the City's investments exceed SIPC coverage, are insured up to $50,000,000 per account.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has the following recurring fair value measurements as of December 31, 2019:

Investment by fair value level	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income:				
Certificates of deposit	$ 2,447,263	$ -	$ 2,447,263	$ -
Domestic Corporate Bonds	13,802,411	-	13,802,411	-
U.S. Government Securities	10,740,570	-	10,740,570	-
Common stocks/Equity Funds:				
Basic Material	1,145,016	1,145,016	-	-
Consumer Cyclical	6,262,813	6,262,813	-	-
Consumer Defensive	1,449,848	1,449,848	-	-
Energy	3,027,825	3,027,825	-	-
Financials	7,970,318	7,970,318	-	-
Health care	8,528,499	8,528,499	-	-
Industrials	6,773,327	6,773,327	-	-
Information technology	15,359,573	15,359,573	-	-
Communication Services	6,503,390	6,503,390	-	-
Utilities	1,287,685	1,287,685	-	-
Preferred stock - Financials	5,480,680	5,480,680	-	-
Mutual Funds - International	11,673,751	11,673,751	-	-
Total Investments	$ 102,452,969	$ 75,462,725	$ 26,990,244	$ -

The valuation methods for recurring fair value measurements are as follows:

- Equity securities (common and preferred stocks) and mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.
- Fixed income securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

4. Due from Other Governments

The amounts reported in the City's various governmental and proprietary funds at December 31, 2019 as due from other governments is summarized below:

	Federal	State	Local	Total
General Fund	$ -	$ -	$ 396,722	$ 396,722
HOME Fund	12,806	-	-	12,806
Capital Projects	-	36,250	-	36,250
Non-Major	-	-	53,115	53,115
	$ 12,806	$ 36,250	$ 449,837	$ 498,893

5. Property Taxes

The City's property taxes are levied each January 1 on the assessed values as of the date of levy for all taxable real property located in the City. Property taxes are payable on the following terms: 2 percent discount February 1 through March 31; face amount April 1 through May 31; and 10 percent penalty after May 31. The assessed value at January 1, 2019, upon which the 2018 levy was based, was $951,630,300. The estimated market value was $956,630,300 making the assessed value 100 percent of the estimated market value.

The City is permitted by state law to levy taxes up to $25 per $1,000 of assessed valuation for general governmental services. The tax rate to finance general governmental services for the year ended December 31, 2019, was $15.47.

Tax Abatement Programs

The City provides property tax abatements under two programs: the Keystone Opportunity Zone Program and the Local Economic Revitalization Tax Assistance Program.

The Keystone Opportunity Zone Program ("KOZ") provides property tax abatements to encourage businesses and residents to locate in designated zones in the City. The KOZ Program is established by a Pennsylvania state statute and is administered by the Pennsylvania Department of Community and Economic Development. The abatements equal 100 percent of the property tax, are administered as a reduction in the tax bill, and last for varying periods through 2019.

The Local Economic Revitalization Tax Assistance Program ("LERTA") provides property tax abatements to provide a tax break to new commercial properties in certain sections of the City of Williamsport for seven years as a way to stimulate business and economic growth. The abatements apply to the assessed value of improvements to a property. For the first two years, 100 percent of the improvements are abated, while 75 percent is abated in the third and fourth years. In years five and six, 50 percent is abated, and in the seventh year, the abatement is 25 percent.

The total taxes abated for the KOZ and LERTA Programs were $93,863 and $61,928, respectively, for December 31, 2019.

6. Capital Assets

Primary Government

	January 1, 2019	Additions	Disposals/ Transfers	December 31, 2019
Governmental activities:				
Capital assets not being depreciated:				
Land and monuments	$ 2,313,864	$ -	$ -	$ 2,313,864
Construction in progress	364,608	1,774,700	(951,088)	1,188,220
Total capital assets not being depreciated	2,678,472	1,774,700	(951,088)	3,502,084
Capital assets being depreciated:				
Land improvements	4,430,817	-	-	4,430,817
Infrastructure	44,629,830	1,303,347	824,888	46,758,065
Buildings and improvements	9,233,620	139,207	126,200	9,499,027
Furniture and equipment	3,519,540	232,094	(66,114)	3,685,520
Transportation	4,678,135	143,057	(74,362)	4,746,830
Total capital assets being depreciated	66,491,942	1,817,705	810,612	69,120,259
Less accumulated depreciation for:				
Land improvements	1,597,579	242,708	-	1,840,287
Infrastructure	24,387,599	2,177,075	-	26,564,674
Buildings and improvements	3,955,253	374,057	-	4,329,310
Furniture and equipment	1,971,380	352,541	(66,114)	2,257,807
Transportation	3,534,416	328,552	(74,362)	3,788,606
Total accumulated depreciation	35,446,227	3,474,933	(140,476)	38,780,684
Total capital assets being depreciated, net	31,045,715	(1,657,228)	951,088	30,339,575
Governmental activities capital assets, net	$ 33,724,187	$ 117,472	$ -	$ 33,841,659

Depreciation expense was charged to functions/programs of governmental activities as follows:

General government	$ 95,758
Public works - highways and streets	621,205
Other public works enterprises	1,810,867
Public safety	429,061
Culture and recreation	518,042
Total	$ 3,474,933

Property Held Under Capital Lease – Governmental Activities

The City has entered into several agreements that have been accounted for as capital leases. These agreements cover vehicles, streets and public safety equipment. These assets are being amortized over their respective lease terms, which approximate their estimated productive lives.

Capital Leases	January 1, 2019	Additions	Payments	December 31, 2019	Due Within One Year
Various vehicles and equipment	$ 517,752	$ 259,837	$ (229,565)	$ 548,024	$ 169,643

The following is a schedule, by year, of the future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 31, 2019, as related to the City's governmental activities:

Years Ending December 31:	
2020	$ 191,057
2021	191,057
2022	151,075
2023	60,057
2024	-
Total minimum lease payments	593,246
Less amounts representing interest	(45,222)
Present value of net minimum lease payments	548,024
Less current portion	(169,643)
Present value of net minimum lease payments, long term	$ 378,381

7. Interfund Balances and Activity

Balances Due To/From Other Funds

Individual fund receivable and payable amounts at December 31, 2019 were as follows:

	Due From Other Funds	Due to Other Funds
General Fund	$ 1,472,850	$ 1,064,065
HOME	-	1,055
Capital Projects	1,095,000	1,172,431
Nonmajor Governmental Funds	38,463	368,762
Total	$ 2,606,313	$ 2,606,313

Balances due to/from other funds primarily represent interfund borrowings for ongoing capital projects and amounts due between funds representing debt proceeds and debt service requirements, salary reimbursements and other cost allocations.

Transfers To/From Other Funds

Interfund transfers for the year ended December 31, 2019 were as follows:

	Transfers In	Transfers Out
Governmental Fund Type		
General Fund	$ 20,000	$ 615,620
Nonmajor Governmental Funds	843,142	212,522
Total Governmental Funds	863,142	828,142
Proprietary Fund Type		
Internal Service Fund	-	35,000
Total Transfers In/Out	$ 863,142	$ 863,142

The General Fund made interfund transfers in support of Debt Service, Capital Projects, as well as its share of the activity within the nonmajor governmental funds. The activity of the River Valley Transit has been excluded.

8. Long-Term Debt

Primary Government

A summary of changes in long-term debt for 2019 is as follows:

Notes and Bonds Payable	Balance Outstanding January 1, 2019	Additions	Reductions	Balance Outstanding December 31, 2019	Current Portion
General Obligation Note (Funding Unfunded Debt), Series of 2016	$ 377,822	$ -	$ 47,608	$ 330,214	$ 48,554
General Obligation Bond, Series of 2017	9,318,008	-	415,469	8,902,539	443,000
General Obligation Bond Series of 2017, WPA	437,154	-	19,492	417,662	20,783
Original Issue Premium	773,100	-	40,689	732,411	-
Total	$ 10,906,084	$ -	$ 523,258	$ 10,382,826	$ 512,337

Tax Revenue Anticipation Note (TRAN)

In addition, during the year ended December 31, 2019, the City issued a tax revenue anticipation note in the amount of $2,000,000 ($1,401,559 drawn down), at an interest rate of 2.53%. The note was paid in full during 2019.

Additional information regarding the City's long-term debt obligations is as follows:

Governmental Activities

$500,000 General Obligation Note (Funding Unfunded Debt), Series of 2016

In February 2016, the City issued its General Obligation Note (Funding Unfunded Debt), Series of 2016, in the face amount of $500,000 for the purpose of payment of settlement costs of a lawsuit. The note bears interest at a rate of 3.16 percent; payments of principal and interest are due quarterly on February 1, May 1, August 1, and November 1 of each year and continue through and including February 1, 2026. The outstanding principal balance on this note was $330,214 at December 31, 2019.

$19,310,000 General Obligation Bonds, Series of 2017

In November 2017, the City issued its General Obligation Bonds, Series of 2017, in the face amount of $19,310,000 for the purpose of currently refunding the City's $2,500,000 General Obligation Note, Series of 2016, currently refunding $1,000,000 of the City's $5,000,000 General Obligation Note, Series of 2017, advance refunding the City's $8,300,000 General Obligation Bonds, Series of 2013, advance refunding the City's $8,290,000 General Obligation Bonds, Series of 2014, and paying the costs of issuance of the bonds. The bonds bear interest at variable rates ranging from 2.0 percent to 5.0 percent; interest payments are due semi-annually on January 1 and July 1 of each year. Principal payments commence on July 1, 2018, and continue through and including July 1, 2038. The Governmental Activities outstanding principal balance on these bonds was $9,320,201 at December 31, 2019, which includes the portion of debt allocable to the Williamsport Parking Authority.

The following is a schedule, by year, of the future minimum principal and interest payments required under the bond and note payable agreements of the City's governmental activities as of December 31, 2019:

	Principal	Interest	Total Debt Service
2020	$ 512,337	$ 394,536	$ 906,873
2021	537,472	382,156	919,628
2022	562,656	356,186	918,842
2023	587,892	328,986	916,878
2024	618,421	300,553	918,974
2025-2029	2,812,186	1,053,981	3,866,167
2030-2034	2,072,612	566,830	2,639,442
2035-2039	1,946,839	164,239	2,111,078
	$ 9,650,415	$ 3,547,467	$ 13,197,882

Defeased Bonds

The City has defeased its General Obligation Bonds, Series of 2013, by placing proceeds of the General Obligation Bonds, Series of 2017, in a sinking fund with earnings sufficient to call the remaining notes on the redemption date. For financial reporting purposes, the bonds are considered defeased and the liability for those notes has been removed from the City's financial statements. At December 31, 2019, the amount of defeased Series of 2013 bonds outstanding but removed from the financial statements was $7,385,000.

The City has defeased its General Obligation Bonds, Series of 2014, by placing proceeds of the General Obligation Bonds, Series of 2017, in a sinking fund with earnings sufficient to call the remaining notes on the redemption date. For financial reporting purposes, the bonds are considered defeased and the liability for those notes has been removed from the City's financial statements. At December 31, 2019, the amount of defeased Series of 2014 bonds outstanding but removed from the financial statements was $7,735,000.

9. Compensated Absences

The liability for long-term compensated absences recorded in the governmental activities column on the statement of net position, was $1,673,655 at December 31, 2019. The changes in the City's compensated absences in 2019 are summarized as follows:

	Governmental Activities
Balance January 1, 2019	$ 1,694,149
Increase	1,217,045
Decrease	(1,237,539)
Balance at December 31, 2019	$ 1,673,655

10. Employee Pension Funds

Plan Descriptions, Administration and Benefits Provided

The Williamsport Officers' and Employees' Pension Fund ("O&E"), Williamsport Firemen's Pension Fund ("Fire") and Williamsport Police Pension Fund ("Police") (collectively, the "Plans") are single-employer defined benefit pension plans administered by the City. The Plans were established effective May 23, 1945. The City is the only participating employer in the Plans. Stand-alone financial statements are not issued for the Plans, nor are the Plans included in the report of an public employee retirement system or other entity.

	Police Pension Fund	Firemen Pension Fund	Officers and Employees Pension Fund	Total Pension Trust Fund
Statement of Plan Net Position				
Assets:				
Cash and cash equivalents	$ 701,077	$ 378,588	$ 331,823	$ 1,411,488
Receivables, Other	66,333	48,193	40,061	154,587
Investments, at fair value				
U.S. Government securities	4,606,433	3,350,196	2,783,941	10,740,570
Domestic corporate bonds	5,919,621	4,299,360	3,583,430	13,802,411
Certificates of deposit	1,053,638	756,651	636,974	2,447,263
Domestic equity securities	27,308,483	20,830,086	15,650,540	63,789,109
Mutual funds	4,942,531	3,888,320	2,842,765	11,673,616
Total investments	43,830,706	33,124,613	25,497,650	102,452,969
Total assets	44,598,116	33,551,394	25,869,534	104,019,044
Liabilities:				
Accounts payable	7,200	6,900	6,800	20,900
Total liabilities	7,200	6,900	6,800	20,900
Net Position:				
Restricted for pension benefits	$ 44,590,916	$ 33,544,494	$ 25,862,734	$ 103,998,144
Statement of Changes in Plan Net Position				
Additions:				
Contributions:				
Employer	$ 1,242,629	$ 1,092,100	$ 799,991	$ 3,134,720
Commonwealth of Pennsylvania	529,779	465,604	341,067	1,336,450
Plan members	172,784	137,013	360,836	670,633
Miscellaneous	-	-	862	862
Total contributions	1,945,192	1,694,717	1,502,756	5,142,665
Investment income (loss):				
Net appreciation in fair value of investments	6,039,654	4,641,101	3,458,416	14,139,171
Interest and dividends	1,437,485	1,105,228	815,461	3,358,174
Less investment expenses	(144,988)	(111,665)	(120,317)	(376,970)
Net investment income (loss)	7,332,151	5,634,664	4,153,560	17,120,375
Total additions	9,277,343	7,329,381	5,656,316	22,263,040
Deductions:				
Benefits paid to participants	2,403,111	3,050,873	1,778,724	7,232,708
Administrative and other fees	8,650	8,575	13,000	30,225
Total deductions	2,411,761	3,059,448	1,791,724	7,262,933
Change in net position	6,865,582	4,269,933	3,864,592	15,000,107
Net position restricted for pension benefits:				
Beginning of year	37,725,334	29,274,561	21,998,142	88,998,037
End of year	$ 44,590,916	$ 33,544,494	$ 25,862,734	$ 103,998,144

As of December 31, 2019, the City reported the following amounts in the accompanying Statement of Net Position – Governmental Activities related to their pension plans:

	Governmental Activities
Deferred Outflows of Resources	$ 3,517,894
Net Pension Liability	10,672,821
Deferred Inflows of Resources	4,470,617

Additional information related to each of the plans is as follows:

	Police Pension Fund	Firemen's Pension Fund	Officers' and Employees' Pension Fund
Employee groups covered	Any person employed on a full-time basis by the City as a police officer	Any person employed on a full-time basis by the City as a firefighter	Any elected or appointed official, or any person employed by the City on a permanent basis
Legislative body governing plan and responsible for management of plan assets	Police Pension Board	Firemen's Pension Board	Officers' and Employees' Retirement Board
Normal retirement age	50	50	60
Years of service requirement prior to retirement	20	20	12
Monthly retirement benefits	Fifty percent of the compensation over the last 365 day period prior to termination or the averaged highest five years. Whichever is greater	Fifty percent of the higher of: (1) compensation averaged over the twelve month period prior to termination; or (2) compensation averaged over any five year period prior to termination	A monthly benefit equal to 2.5% of Average Compensation multiplied by years of service up to maximum benefit of 50% of Average Monthly compensation.
Monthly service increment benefit	Equal to one-fortieth of the pension benefit for each completed year of service in excess of twenty years, up to a maximum of $100; service after age sixty-five shall not be included	Equal to one-fortieth of the pension benefit for each completed year of service in excess of twenty years, up to a maximum of $100; service after age sixty-five shall not be included	None
Reduction in monthly retirement benefit	None	None	None
Disability benefits: Eligibility	Upon total and permanent disablement which occurs while performing duties of a police officer for the City of Williamsport	Upon total and permanent disablement for service related injuries, regardless of length of service; and upon total and permanent disablement which occurs after five years of service for non-service related injuries	Upon total and permanent disablement which occurs following the completion of fifteen years of service
Monthly disability benefits	Same as monthly retirement benefit calculated at date of disablement	Equal to the accrued benefit based upon average monthly compensation and years of service at the date of disablement	Same as monthly retirement benefit calculated at date of disablement

	Police Pension Fund	Firemen's Pension Fund	Officers' and Employees' Pension Fund
Death benefits, Spouse			
Before retirement	Refund of contributions without interest if participant had less than twenty years of service; if after years of service, receives same benefit as if death occurred after retirement	Monthly benefit equal to fifty percent of the accrued benefit until death or remarriage for non-service related death; monthly benefit equal to one hundred percent of accrued benefit until death or remarriage for service-related death	Refund of contributions if any, without interest
After retirement	Monthly benefit equal to 100% of the pension participant was receiving or entitled to receive on the day of participant's death is payable to spouse	Monthly benefit equal to 100% of pension participant was receiving or entitled to receive on day of participant's death is payable to spouse until death or remarriage. In the event of the death of the spouse, each of the participant's dependent children will receive an equal share of benefit until their 18th birthday	Excess of participant's accumulated contributions over the total payment received shall be paid to participant's estate

The plans are governed by three separate pension boards, with set representatives consisting of City management, active and retired plan participants, and City Council members.

At January 1, 2019, the date of the latest valuation, members of the plans were as follows:

	Police Pension Fund	Firemen's Pension Fund	Officers' and Employees' Pension Fund
Inactive plan members or beneficiaries currently receiving benefits	78	77	71
Inactive plan members entitled to but not yet receiving benefits	5	-	-
Current employees	44	22	127
Total Membership	127	99	198
Number of participating employers	1	1	1

Funding Policy and Contributions

The contribution requirements of plan members are established and may be amended by the respective legislative bodies governing each of the plans (see Plan Descriptions). Officers and Employees plan participants are required to contribute five and one half percent of compensation to the plan. Participants in the Police and Fire plans are required to contribute five percent of compensation and an additional $1 per month until age sixty-five.

The contribution requirements of the City are determined in accordance with the Commonwealth of Pennsylvania's Municipal Pension Plan Funding and Recovery Act (Act 205 of 1984, {the "Act"}). The Act requires that annual contributions be based on a Minimum Municipal Obligation ("MMO"), as determined in connection with the Plans' biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions and a credit equal to ten percent of the excess (if any) of the actuarial present value of assets over the actuarial accrued liability.

The Commonwealth of Pennsylvania provides an allocation of funds that must be used for pension funding. The City must fund any financial requirement establishment by the MMO that exceeds state/member contributions. For the year ended December 31, 2018, the combined City/Commonwealth contributions to the Police, Fire, and O&E plans were $1,772,408, $1,557,704, and $1,141,058, respectively, each of which was equal to the related MMO.

Deposits and Investments

The Plans allow funds to be invested in a wide range of cash and cash equivalents, equities, fixed income securities and pooled investments including open ended mutual funds, exchange traded funds, closed-end funds, and real estate investment trusts. The Plans Investment Policies do not specify target allocations across asset categories, but rather leaves this to the discretion of the Funds' managers. The Plans Investment Policies also do not specify long-term expected real rates of return on specific asset categories, but rather specify that the expected rate of return on the portfolios as a whole will be equal to the actuarially assumed rate of return which is currently 7.50 percent for the Police and Officers' and Employees' Pension Plans and 7.00 percent for the Firemen's Pension Plan.

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension fund investment expense, was 19.44 percent, 19.25 percent and 18.88 percent for the, Police Pension Funds, Firemen's, and Officers' and Employees respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

The City offers Deferred Retirement Option Programs ("DROP") for its, Police, Firemen's, and Officers' and Employees Pension Plans that allows participants who qualify to continue working and still be entitled to a pension benefit in addition to a lump sum DROP amount. A description of the DROP terms for each plan are presented below:

	Police Pension Fund	Firemen's Pension Fund	Officers' and Employees' Pension Fund
Eligibility	Any member who is eligibility for a Normal retirement Benefit under the Plan.	Any member of the fire pension plan who is eligible for full retirement.	Any member who is eligible for a Normal Retirement Benefit under the Plan.
Term	The maximum period that a member can participate in the DROP is 5 years.	The maximum period of time that a member can participate in the DROP is 5 years.	The maximum period that a member can participate in the DROP is 5 years.
Pension benefit calculation	A calculation is made of the monthly Normal Retirement Benefit as of the DROP Participation Date.	Pensions are calculated for DROP participants at the time of beginning participation in the DROP.	A calculation is made of the monthly Normal Retirement Benefit as of the DROP Participation Date.
DROP Account	A member's DROP account shall consist of the total of the following: an amount equal to the participant's total monthly Normal Retirement Benefit, plus interest at the actual rate of return on the Fund. A member shall collect their DROP amount upon participants' termination of employment.	A member's DROP account shall consist of the total of the following: an amount equal to the total monthly pension amounts the member would have received, an amount equal to the member's mandatory pension contributions during the drop, and interest at a rate of 6%. A member shall collect their DROP amount upon completion of the DROP period.	A member's DROP account shall consist of the total of the following : an amount equal to the participant's total monthly Normal Retirement Benefit, plus interest at the actual rate of return on the Fund. A member shall collect their DROP amount upon participants' termination of employment.

The balance of amounts held by the City's pension plans pursuant to the DROP terms described above are approximately $295,980, $386,374 and $376,644 for the Police Pensions, Firemen's, and Officers' and Employees, respectively.

Pension Liability of the Plan

Net Pension Liability

The components of the net pension liability of the Plans as of December 31, 2019 were as follows:

	Police	Fire	O&E
Total pension liability	$ 48,472,416	$ 38,162,111	$ 29,625,976
Plan fiduciary net position	44,589,348	33,542,294	25,861,251
Plan net pension liability	$ 3,883,068	$ 4,619,817	$ 3,764,725
Plan fiduciary net position as a Percentage of total pension liability	92%	88%	87%

Changes in the Net Pension Liability

The changes in the City's Police Pension Fund net pension liability during the year ended December 31, 2019 are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2018	$ 46,056,094	$ 37,725,334	$ 8,330,760
Changes for the year:			
Service Cost	775,006	-	775,006
Interest	3,467,141	-	3,467,141
Differences between expected and actual experience	(572,342)	-	(572,342)
Changes in assumptions	1,149,628	-	1,149,628
Contributions - employer	-	1,772,407	(1,772,407)
Contributions - employee	-	172,784	(172,784)
Net investment income (loss)	-	7,475,525	(7,475,525)
Benefit payments, including refunds	(2,403,111)	(2,403,111)	-
Administrative expense	-	(8,650)	8,650
Investment Expense	-	(144,941)	144,941
Net changes	2,416,322	6,864,014	(4,447,692)
Balances at December 31, 2019	$ 48,472,416	$ 44,589,348	$ 3,883,068
Plan fiduciary net position as a percentage of the total pension liability			91.99%

The changes in the City's Firemen's Pension Fund net pension liability during the year ended December 31, 2019 are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2018	$ 35,554,764	$ 29,274,561	$ 6,280,203
Changes for the year:			
Service Cost	465,543	-	465,543
Interest	2,598,069	-	2,598,069
Differences between expected and actual experience	1,610,083	-	1,610,083
Changes in assumptions	984,525	-	984,525
Contributions - employer	-	1,557,705	(1,557,705)
Contributions - employee	-	137,013	(137,013)
Net investment income (loss)	-	5,744,098	(5,744,098)
Benefit payments, including refunds	(3,050,873)	(3,050,873)	-
Administrative expense	-	(8,575)	8,575
Investment Expense	-	(111,635)	111,635
Net changes	2,607,347	4,267,733	(1,660,386)
Balances at December 31, 2019	$ 38,162,111	$ 33,542,294	$ 4,619,817
Plan fiduciary net position as a percentage of the total pension liability			87.89%

The changes in the City's Officers' and Employees' Pension Fund net pension liability during the year ended December 31, 2019 are as follows:

Officers and Employees:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2018	$ 27,956,212	$ 21,998,142	$ 5,958,070
Changes for the year:			
Service Cost	747,939	-	747,939
Interest	2,130,099	-	2,130,099
Differences between expected and actual experience	14,307	-	14,307
Changes in assumptions	556,143	-	556,143
Contributions - employer	-	1,141,058	(1,141,058)
Contributions - employee	-	361,609	(361,609)
Net investment income (loss)	-	4,235,813	(4,235,813)
Benefit payments, including refunds	(1,778,724)	(1,778,724)	-
Administrative expense	-	(13,000)	13,000
Investment Expense	-	(83,647)	83,647
Net changes	1,669,764	3,863,109	(2,193,345)
Balances at December 31, 2019	$ 29,625,976	$ 25,861,251	$ 3,764,725
Plan fiduciary net position as a percentage of the total pension liability			87.29%

The schedules of changes in the employer's net pension liability and related ratios, presented as required supplementary information following the notes to the financial statements, present multi-year trend information related to the funded status of the Pension Funds.

The significant changes in assumptions from the prior actuarial valuations include a change in the discount rate from 7.75 percent to 7.50 percent and salary increase rate from 4.75 percent to 4.50 percent for the Police Pension Plan and the Officers' and Employees Pension Plan. The Firemen's Pension Plan discount rate was lowered from 7.25 percent to 7.00 percent.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of January 1, 2019, rolled forward to December 31, 2019 through the use of update procedures in accordance with paragraph 37 of GASB Statement No. 67, using the following actuarial methods and assumptions:

	Police	Firemen	Officers and Employees
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Actuarial assumptions:			
Investment rate of return	7.50%	7%	7.50%
Projected salary increase	4.50%	5%	4.50%
Consumer price index	3%	2.75%	3%
Asset valuation method	4 Year Smoothing	4 Year Smoothing	4 Year Smoothing

Mortality rates were based on the RP-2014 Mortality Table. The actuarial assumptions used in the January 1, 2019 valuation were based upon a study of plan experience, provisions in the current collective bargaining agreement, and future expectations.

Discount Rate

The discount rate used to measure the total pension liability for the Plans was 7.50 percent for the Officers' and Employees' and Police Plans and 7.00 percent for the Firemen's Plan. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Pension Plans calculated using the discount rate of 7.50 percent for Officers' and Employees' and Police and 7.00 percent for Fire, as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50 percent or 6.00 percent) or 1 percentage point higher (8.50 percent to 8.00 percent) than the current rate:

	1% Decrease (6.50% O&E/Police 6.00% Fire)	Current Discount Rate (7.50% O&E/Police 7.00% Fire)	1% Increase (8.50% O&E/Police 8.00% Fire)
Net pension liability, Police	$ 9,687,572	$ 3,883,068	$ (913,610)
Net pension liability, Fire	$ 9,100,350	$ 4,619,817	$ 913,395
Net Pension liability, O&E	$ 6,746,124	$ 3,764,725	$ 1,229,599

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

For the year ended December 31, 2019, the City recognized pension expense of $933,585. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience - Police	$ -	$ 631,098
Differences between expected and actual experience - Fire	1,035,053	-
Differences between expected and actual experience - O&E	27,276	14,517
Changes in assumptions - Police	1,321,520	-
Changes in assumptions - Fire	632,909	-
Changes in assumptions - O&E	1,026,798	-
Difference between projected and actual earnings on investments - Police	-	1,905,378
Difference between projected and actual earnings on investments - Fire		1,622,107
Difference between projected and actual earnings on investments - O&E	-	965,540
Total	$ 4,043,556	$ 5,138,640

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

Year ending December 31,	Police	Fire	O&E
2020	$ (351,598)	$ 458,173	$ 86,640
2021	(255,987)	331,325	31,823
2022	199,720	10,896	283,342
2023	(829,297)	(754,539)	(430,658)
2024	22,206	-	93,516
Thereafter	-	-	9,354
	$ (1,214,956)	$ 45,855	$ 74,017

As discussed in Note 1 to the Financial statements, the financial reporting entity does not include the River Valley Transit, a business-type activity and proprietary fund. The corresponding net pension liability and the deferred outflows/inflows of resources related to pensions allocated to the River Valley Transit were not included in the financial statements of the City, which represent the differences between the financial statements and the amounts listed above.

11. Defined Contribution (Section 457) Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by Massachusetts Mutual Life Insurance Company. The Plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency, as defined.

12. Other Postemployment Benefits (OPEB)

Plan Description and Benefits Provided

The City provides postretirement medical, prescription drug and vision coverage for fire and police employees who retire with at least 12 years of services with their respective department and have attained the age of 50; and life insurance benefits to all employees who retire with at least 12 years of service. The City provides postretirement healthcare benefits for RVT employees who retire and have attained an age plus years of service amount equal to or greater than 85 years and have attained the age of 55. The cost of such medical, vision and life insurance coverage for retirees and spouses are primarily funded through annual appropriations from the City's General Fund and Enterprise Fund. These benefits are accounted for in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Retired employees who are ineligible under the above requirements and choose to participate in the medical plan must pay 100% of the composite rate cost of such coverage. The City of Williamsport, Pennsylvania OPEB Plan is a single employer defined benefit OPEB plan administered by the City. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Employees Covered by Benefit Terms

At January 1, 2018, the following employees were covered by the benefit terms:

Inactive participants - retired and disabled	173
Active plan members	151
Total	324

Total OPEB Liability

The City's total OPEB liability as of December 31, 2019 was $151,100,414, which was measured as of December 31, 2018, and was determined by an actuarial valuation as of January 1, 2018.

As discussed in Note 1 to the Financial statements, the financial reporting entity does not include the River Valley Transit. The corresponding Other Postemployment (OPEB) liability allocated to the River Valley Transit were not included in the financial statements of the City, which represent the differences between the financial statements and the amounts listed above. The amount reported in the financial statements for the OPEB liability was $143,771,841.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Interest rate	3.25%
Inflation	2.75%
Discount rate	3.25%
Healthcare cost trends rates	Medical Rx - 6.75% in 2018, decreasing .25% each year through 2023. Rates decrease to 5.00% in 2024 and later. Medicare Part B - 5.00% during 2018 and in perpetuity. Vision - 4.50% during 2018 and in perpetuity. Rates based on the Society of Actuaries Long-Run Medical Cost Trend Model

The discount rate was based on the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher at January 1, 2018.

Mortality rates are determined using the RP-2014 Mortality Table with 50% Blue Collar Adjustment and rates set forward 5 years for disabled lives.

The actuarial assumptions used in the January 1, 2018 valuation were based on the results derived form the Long-Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 01/01/2019	$145,190,465
Changes for the year:	
Service cost	4,556,767
Interest	4,811,044
Benefit payments	(3,457,862)
Net changes	5,909,949
Balance at 12/31/2019	$151,100,414

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.25%) or 1-percentage-point higher (4.25%) than the current discount rate:

	1% Decrease (2.25)	Current Discount Rate (3.25%)	1% Increase (4.25%)
Total OPEB Liability	$ 184,151,057	$151,100,414	$ 126,003,523

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Trend Rate	1% Increase
Total OPEB Liability	$ 122,933,434	$ 151,100,414	$ 188,967,172

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

For the year ended December 31, 2019, the City recognized OPEB expense of $9,367,811. At December 31, 2019, the City reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

Employer Contributions

The contribution requirements of plan members and the City are established and may be amended through negotiations between the City and the respective unions. The plan is funded on a pay-as-you-go basis, eligible retirees premiums are paid annually to fund the health care benefits provided to current retirees. Retirees are currently not required to contribute to the plan. The City made estimated contributions to the plan of $3,457,862 for the year ended December 31, 2019. Contributions are actuarially determined in accordance with GASB Statement 75.

13. Fund Balance Classifications

The City presents its government fund balances by level of constraint in the aggregate on its balance sheet – governmental funds. The individual specific purposes of each constraint are presented below:

	General Fund	HOME	Capital Projects	Other Governmental Funds	Total
Nonspendable:					
Prepaids and Inventories	$ 96,974	$ -	$ -	$ -	$ 96,974
Restricted for:					
HOME activities	-	205,470	-	-	205,470
Grant purposes	-	-	-	1,786,168	1,786,168
Debt service	-	-	-	1,135,286	1,135,286
Capital Projects	-	-	542,468	-	542,468
Liquid fuels tax purposes	-	-	-	840,251	840,251
Home rehabilitation	-	-	-	45,725	45,725
Public works	-	-	-	1,083,189	1,083,189
Redevelopment activities	-	-	-	3,855	3,855
Total Restricted	$ -	$ 205,470	$ 542,468	$ 4,894,474	$ 5,642,412
Assigned :					
Encumbrances	$ 483,596	$ -	$ -	$ -	483,596
2020 Budget Deficit	2,410,839	-	-	-	2,410,839
Total Assigned	$ 2,894,435	$ -	$ -	$ -	$ 2,894,435

14. Related Organizations

The City's officials are responsible for appointing certain members of the governing boards of other organizations; but the City's accountability for these organizations during 2019 did not extend beyond making the appointments. A majority of the boards of the following organizations are either appointed by City Council or recommended and nominated by the Mayor and approved by City Council"

- Williamsport Municipal Water Authority
- Williamsport Sanitary Authority

15. Commitments and Contingent Liabilities

Litigation

The City has been named as a defendant in various lawsuits which relate to the day-to-day operations of City government. In the opinion of management and legal counsel, the resolution of these lawsuits will not have a material adverse effect on the City's financial position or results of operations.

In addition, the City participates in a variety of other federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The City is potentially liable for any expenditure that may be disallowed pursuant to the terms of these grant programs.

Environmental

The City maintains a fuel storage facility. The City is potentially liable for any expenditure associated with compliance to mandated regulations and any assessments by regulatory authorities related to this facility or other similarly situated facilities. No estimate is currently available for any potential liability for expenditures associate with this fuel storage facility.

Insurance

The City has elected to self-insure its employee medical insurance plan. The City has limited this self-insurance liability through the purchase of catastrophic reinsurance coverage which will reimburse the City for any medical costs over $65,000 per covered individual per year. The City believes that it has adequately provided for all asserted claims and has no knowledge of unasserted claims for which it has not provided. The City's liability for all asserted and estimated unasserted claims was $314,691 at December 31, 2019. The City has a surplus deposit related to the plan in the amount of $788,956 at December 31, 2019. The cost of medical coverage for employees was approximately $5,084,287 in 2019.

State and Federal Criminal Investigation

During the audit period through 2022, there was a transition of fiscal and administrative personnel at the City. Due to the findings of an internal financial investigation, the City communicated with appropriate parties and a grand jury was convened. The City has been and continues to be under state and federal criminal investigations since February of 2020. Numerous financial records, extending over a 10-year period, have been provided to investigators. The investigation is ongoing and it is expected that the resolution of this investigation will have a material adverse effect on the City's financial position.

16. Subsequent Event

In 2020, the City issued General Obligation Notes, Series of 2020, in the maximum amount of $2,000,000. The notes bear a fixed interest rate of 2.978% and the proceeds will be used for various capital improvements throughout the City.

Required Supplementary Information

CITY OF WILLIAMSPORT, PENNSYLVANIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS - POLICE PENSION PLAN

Measurement Date, December 31	2019*	2018*	2017*	2016*	2015*	2014*
Total Pension Liability:						
Service cost	$ 775,006	$ 665,321	$ 659,302	$ 572,404	$ 564,588	$ 593,427
Interest	3,467,141	3,401,231	3,293,526	3,125,254	3,100,356	3,064,995
Change of benefit terms	-	-	-	-	(597,591)	-
Difference between expected and actual experience	(572,342)	-	(409,995)	-	255,766	-
Changes in assumptions	1,149,628	-	954,367	-	839,444	-
Benefit payments, including refunds	(2,403,111)	(2,418,840)	(2,713,861)	(2,690,705)	(2,699,878)	(2,397,934)
Net Changes in Total Pension Liability	2,416,322	1,647,712	1,783,339	1,006,953	1,462,685	1,260,488
Total Pension Liability - Beginning	46,056,094	44,408,382	42,625,043	41,618,090	40,155,405	38,894,917
Total Pension Liability - Ending (a)	$ 48,472,416	$ 46,056,094	$ 44,408,382	$ 42,625,043	$ 41,618,090	$ 40,155,405
Plan Fiduciary Net Position:						
Contributions - employer	$ 1,772,407	$ 1,174,203	$ 1,071,835	$ 1,141,371	$ 1,188,472	$ 1,053,253
Contributions - member	172,784	167,541	166,526	179,925	176,099	153,489
Other contributions	-	494,887	465,501	428,319	388,659	347,855
Net investment income (loss)	7,475,525	(2,014,463)	5,486,769	3,017,489	(219,355)	2,309,916
Benefit payments, including refunds	(2,403,111)	(2,418,840)	(2,713,861)	(2,690,705)	(2,699,878)	(2,395,427)
Administrative expense	(8,650)	-	-	-	-	-
Investment Expense	(144,941)	(164,492)	(153,599)	(172,574)	(170,407)	(171,823)
Other	-	419	12,717	13	5,908	9,732
Net Change in Plan Fiduciary Net Position	6,864,014	(2,760,765)	4,335,888	1,903,838	(1,330,502)	1,306,995
Plan Fiduciary Net Position - Beginning	37,725,334	40,486,099	36,150,211	34,246,373	35,576,875	34,269,880
Plan Fiduciary Net Position - Ending (b)	$ 44,589,348	$ 37,725,334	$ 40,486,099	$ 36,150,211	$ 34,246,373	$ 35,576,875
Net Pension Liability - Ending (a-b)	$ 3,883,068	$ 8,330,760	$ 3,922,283	$ 6,474,832	$ 7,371,717	$ 4,578,530
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.99%	81.91%	91.17%	84.81%	82.16%	88.60%
Covered Payroll	$ 3,472,662	$ 3,059,791	$ 3,046,880	$ 2,740,864	$ 2,777,526	$ 2,662,267
Net Pension Liability as a Percentage of Covered Payroll	111.82%	272.27%	128.73%	236.23%	265.41%	171.98%

* This schedule is intended to illustrate information for 10 years. However, until a 10-year trend is compiled, the City is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information - pension information.

CITY OF WILLIAMSPORT, PENNSYLVANIA REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS - FIREMEN PENSION PLAN
LAST 10 YEARS

Measurement Date, December 31	2019*	2018*	2017*	2016*	2015*	2014*
Total Pension Liability:						
Service cost	$ 465,543	$ 399,739	$ 392,887	$ 360,937	$ 377,676	$ 400,499
Interest	2,598,069	2,480,805	2,416,102	2,361,048	2,300,947	2,210,612
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	1,610,083	-	(716,228)	-	273,200	-
Changes in assumptions	984,525	-	1,721,279	-	-	-
Benefit payments, including refunds	(3,050,873)	(2,248,741)	(1,609,217)	(2,207,201)	(1,526,194)	(1,783,183)
Net Changes in Total Pension Liability	2,607,347	631,803	2,204,823	514,784	1,425,629	827,928
Total Pension Liability - Beginning	35,554,764	34,922,961	32,718,138	32,203,354	30,777,725	29,949,797
Total Pension Liability - Ending (a)	$ 38,162,111	$ 35,554,764	$ 34,922,961	$ 32,718,138	$ 32,203,354	$ 30,777,725
Plan Fiduciary Net Position:						
Contributions - employer	$ 1,567,705	$ 999,105	$ 979,423	$ 993,649	$ 1,056,238	$ 1,176,739
Contributions - member	137,013	128,620	123,978	118,551	122,709	124,413
Other contributions	-	421,088	425,365	372,864	345,415	388,639
Net investment income (loss)	5,744,098	(1,584,883)	4,087,679	2,218,553	(26,020)	1,708,364
Benefit payments, including refunds	(3,050,873)	(2,248,741)	(1,609,217)	(2,207,201)	(1,526,194)	(1,783,183)
Administrative expense	(8,575)	-	-	-	-	-
Investment Expense	(111,635)	(130,871)	(121,032)	(136,157)	(131,343)	(130,478)
Other	-	1,867	-	254	3,894	2,889
Net Change in Plan Fiduciary Net Position	4,267,733	(2,413,815)	3,886,196	1,360,533	(155,301)	1,487,383
Plan Fiduciary Net Position - Beginning	29,274,561	31,688,376	27,802,180	26,441,647	26,596,948	25,109,565
Plan Fiduciary Net Position - Ending (b)	$ 33,542,294	$ 29,274,561	$ 31,688,376	$ 27,802,180	$ 26,441,647	$ 26,596,948
Net Pension Liability - Ending (a-b)	$ 4,619,817	$ 6,280,203	$ 3,234,585	$ 4,915,958	$ 5,761,707	$ 4,180,777
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.89%	82.34%	90.74%	84.97%	82.11%	86.42%
Covered Payroll	$ 1,889,635	$ 1,664,260	$ 1,595,743	$ 1,577,483	$ 1,749,416	$ 1,751,038
Net Pension Liability as a Percentage of Covered Payroll	244.48%	377.36%	202.70%	311.63%	329.35%	238.76%

* This schedule is intended to illustrate information for 10 years. However, until a 10-year trend is compiled, the City is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information - pension information.

CITY OF WILLIAMSPORT, PENNSYLVANIA REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS - OFFICERS AND EMPLOYEES PENSION PLAN
LAST 10 YEARS

Measurement Date, December 31	2019*	2018*	2017*	2016*	2015*	2014*
Total Pension Liability:						
Service cost	$ 747,939	$ 582,674	$ 567,373	$ 496,026	$ 492,177	$ 448,775
Interest	2,130,099	2,057,250	1,973,503	1,833,262	1,775,032	1,660,111
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	14,307	-	(30,072)	-	91,899	-
Changes in assumptions	556,143	-	1,019,579	-	417,689	-
Benefit payments, including refunds	(1,778,724)	(1,268,719)	(1,674,845)	(1,490,599)	(960,071)	(662,149)
Net Changes in Total Pension Liability	1,669,764	1,371,205	1,855,538	838,689	1,816,726	1,446,737
Total Pension Liability - Beginning	27,956,212	26,585,007	24,729,469	23,890,780	22,074,054	20,627,317
Total Pension Liability - Ending (a)	$ 29,625,976	$ 27,956,212	$ 26,585,007	$ 24,729,469	$ 23,890,780	$ 22,074,054
Plan Fiduciary Net Position:						
Contributions - employer	$ 1,141,058	$ 613,615	$ 653,292	$ 639,444	$ 656,735	$ 549,043
Contributions - member	361,609	344,156	316,377	289,230	284,598	277,372
Other contributions	-	258,618	283,727	239,963	214,768	181,331
Net investment income (loss)	4,235,813	(1,107,345)	3,001,004	1,634,446	(19,239)	1,218,349
Benefit payments, including refunds	(1,778,724)	(1,268,719)	(1,674,845)	(1,490,599)	(960,071)	(639,802)
Administrative expense	(13,000)	-	-	-	-	-
Investment expense	(83,647)	(107,594)	(93,253)	(113,010)	(100,052)	(100,489)
Other	-	212	-	725	2,654	2,374
Net Change in Plan Fiduciary Net Position	3,863,109	(1,267,057)	2,486,302	1,200,199	79,393	1,488,178
Plan Fiduciary Net Position - Beginning	21,998,042	23,265,099	20,778,797	19,578,598	19,499,305	18,011,127
Plan Fiduciary Net Position - Ending (b)	$ 25,861,151	$ 21,998,042	$ 23,265,099	$ 20,778,797	$ 19,578,598	$ 19,499,305
Net Pension Liability - Ending (a-b)	$ 3,764,825	$ 5,958,170	$ 3,319,908	$ 3,950,672	$ 4,312,182	$ 2,574,749
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.29%	78.69%	87.51%	84.02%	81.95%	88.34%
Covered Payroll	$ 6,531,841	$ 5,226,125	$ 5,041,444	$ 4,866,962	$ 4,712,344	$ 4,423,821
Net Pension Liability as a Percentage of Covered Payroll	57.64%	114.01%	65.85%	81.17%	91.51%	58.20%

* This schedule is intended to illustrate information for 10 years. However, until a 10-year trend is compiled, the City is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information - pension information.

CITY OF WILLIAMSPORT, PENNSYLVANIA REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS AND INVESTMENT RETURNS
LAST 10 YEARS

Year Ended December 31,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
POLICE PENSION PLAN										
Schedule of City Contributions										
Actuarially determined contribution under Act 205	$ 1,772,407	$ 1,669,090	$ 1,537,336	$ 1,569,690	$ 1,577,131	$ 1,401,108	$ 1,402,048	$ 849,605	$ 895,363	$ 621,438
Contributions in relation to the actuarially determined contribution	1,772,407	1,669,090	1,537,336	1,569,690	1,577,131	1,401,108	1,402,048	743,770	789,528	621,438
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 105,835	$ 105,835	$ -
Covered payroll	$ 3,472,662	$ 3,059,791	$ 3,046,880	$ 2,740,864	$ 2,777,526	$ 2,662,267	$ 2,667,338	$ 2,443,715	$ 2,706,116	$ 2,798,421
Contributions as a percentage of covered payroll	51.04%	54.55%	50.46%	57.27%	56.78%	52.63%	52.56%	30.44%	29.18%	22.21%
Investment Returns										
Annual money-weighted rate of return, net of investment expense	19.44%	-5.22%	15.73%	9.25%	-0.60%	6.90%	N/A	N/A	N/A	N/A
FIREMEN PENSION PLAN										
Schedule of City Contributions										
Actuarially determined contribution under Act 205	$ 1,557,705	$ 1,420,193	$ 1,404,788	$ 1,366,533	$ 1,401,653	$ 1,565,378	$ 1,693,633	$ 1,318,714	$ 1,313,631	$ 1,142,426
Contributions in relation to the actuarially determined contribution	1,557,705	1,420,193	1,404,788	1,366,533	1,401,653	1,565,378	1,693,633	1,077,620	1,072,537	1,142,426
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 241,094	$ 241,094	$ -
Covered payroll	$ 1,899,635	$ 1,664,260	$ 1,595,743	$ 1,577,483	$ 1,749,416	$ 1,751,038	$ 1,780,801	$ 1,820,399	$ 1,794,314	$ 1,782,458
Contributions as a percentage of covered payroll	82.00%	85.33% #	88.03% #	86.63% #	80.12% #	89.40% #	95.11%	59.20%	59.77%	64.09%
Investment Returns										
Annual money-weighted rate of return, net of investment expense	19.25%	-5.12%	14.83%	8.69%	-0.08%	6.95%	N/A	N/A	N/A	N/A

N/A - Information not available for these years

See accompanying notes to required supplementary information - pension information

CITY OF WILLIAMSPORT, PENNSYLVANIA REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS AND INVESTMENT RETURNS
(CONTINUED)
LAST 10 YEARS

Year Ended December 31,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
OFFICERS AND EMPLOYEES PENSION PLAN:										
Schedule of City Contributions										
Actuarially determined contribution under Act 205	$ 1,141,058	$ 872,233	$ 937,019	$ 879,407	$ 871,503	$ 730,374	$ 731,053	$ 378,064	$ 368,772	$ 229,831
Contributions in relation to the actuarially determined contribution	1,141,058	872,233	937,019	879,407	871,503	730,374	731,053	328,720	319,428	229,831
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 49,344	$ 49,344	$ -
Covered payroll	$ 6,531,841	$ 5,226,125	$ 5,041,444	$ 4,866,962	$ 4,712,344	$ 4,423,821	$ 4,437,248	$ 4,414,553	$ 4,187,558	$ 4,098,784
Contributions as a percentage of covered payroll	17.47%	16.69%	18.59%	18.07%	18.49%	16.51%	16.48%	7.45%	7.63%	5.61%
Investment Returns										
Annual money-weighted rate of return, net of investment expense	18.88%	-5.02%	14.78%	8.60%	-0.10%	6.83%	N/A	N/A	N/A	N/A

N/A - Information not available for these years

See accompanying notes to required supplementary information - pension information

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
(CONTINUED)

Valuation Information	Police	Firemen	Officers and Employees
Valuation date	1/1/2019	1/1/2019	1/1/2019
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage , of payroll, closed	Level percentage , of payroll, closed	Level percentage , of payroll, closed
Amortization period	9 years	5 years	N/A
Asset valuation method		4 year smoothed market	
Actuarial assumptions:			
Investment rate of return	7.50%	7.00%	7.50%
Projected salary increases	4.50%	5.00%	4.50%
Mortality - Healthy Lives:		RP-2014 Mortality Table beginning in 1/1/17	
Cost of Living Adjustment	3%	2.75%	3%

CITY OF WILLIAMSPORT, PENNSYLVANIA REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
AND RELATED RATIOS - LAST 10 YEARS

Measurement date, December 31	2019*	2018*
Total OPEB Liability		
Service cost	$ 4,556,767	$ 4,434,810
Interest	4,811,044	4,622,309
Changes in Benefits	-	-
Difference between expected and actual experience	-	-
Changes in assumptions	-	-
Benefit payments	(3,457,862)	(3,287,173)
Net change in Total OPEB Liability	5,909,949	5,769,946
Total OPEB Liability - Beginning	145,190,465	139,420,519
Total OPEB Liability - Ending	$ 151,100,414	$ 145,190,465
Plan Fiduciary Net Position - Beginning	-	-
Plan Fiduciary Net Position - Ending	$ -	$ -
Total OPEB Liability - Ending	$ 151,100,414	$ 145,190,465
Covered Payroll	$ 9,950,176	$ 9,950,176
OPEB Liability as a Percentage of Covered Payroll	1518.57%	1459.17%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0%	0%

* This schedule is intended to illustrate information for 10 years. However, until a 10-year trend is compiled, the City is presenting information for those years only for which information is available.

CITY OF WILLIAMSPORT, PENNSYLVANIA SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Special Revenue Funds								
	Community Development Block Grant	Non-Revenue Escrow	Liquid Fuels	Home Rehab	Redevelopment Authority	Act 13	Pool Repair	Debt Service	Total Nonmajor Governmental Funds
Assets									
Cash and cash equivalents	$ 29,280	$ 1,876,350	$ 969,983	$ 45,825	$ 105,102	$ 976,275	$ 106,914	$ 334,315	$ 4,444,044
Restricted Cash	-	-	-	-	-	-	-	1,288,885	1,288,885
Receivables, net									
Loans	611,850	882,054	-	55,899	-	-	-	-	1,549,803
Other	-	27,986	-	-	-	-	-	25,000	52,986
Due from other funds	37,919	544	-	-	-	-	-	-	38,463
Due from other governments	-	-	-	-	-	-	-	53,115	53,115
Total Assets	$ 679,049	$ 2,786,934	$ 969,983	$ 101,724	$ 105,102	$ 976,275	$ 106,914	$ 1,701,315	$ 7,427,296
Liabilities and Fund Balance									
Liabilities:									
Vouchers payable	$ 38,868	$ 107,358	$ 129,732	$ -	$ 38,584	$ -	$ -	$ -	$ 314,542
Accrued liabilities	2,408	-	-	-	-	-	-	-	2,408
Due to other funds	66,162	25,000	-	100	-	-	-	277,500	368,762
Due to other governments	(61,798)	7,912	-	-	5,000	-	-	288,529	239,643
Unearned revenue	611,851	882,054	-	55,899	57,663	-	-	-	1,607,467
Total Liabilities	$ 657,491	$ 1,022,324	$ 129,732	$ 55,999	$ 101,247	$ -	$ -	$ 566,029	$ 2,532,822
Fund Balance:									
Restricted	$ 21,558	$ 1,764,610	$ 840,251	$ 45,725	$ 3,855	$ 976,275	$ 106,914	$ 1,135,286	$ 4,894,474
Total Fund Balance	21,558	1,764,610	840,251	45,725	3,855	976,275	106,914	1,135,286	4,894,474
Total Liabilities and Fund Balance	$ 679,049	$ 2,786,934	$ 969,983	$ 101,724	$ 105,102	$ 976,275	$ 106,914	$ 1,701,315	$ 7,427,296

CITY OF WILLIAMSPORT, PENNSYLVANIA SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds								
	Community Development Block Grant	Non-Revenue Escrow	Liquid Fuels	Home Rehab	Redevelopment Authority	Act 13	Pool Repair	Debt Service	Total Nonmajor Governmental Funds
Revenues:									
Interest, rents, royalties	$ -	$ 64,699	$ 20,022	$ 765	$ 3,625	$ 18,865	$ -	$ 26,942	$ 134,918
Intergovernmental revenues									
Federal	1,443,938	19,011	-	-	-	-	-	-	1,462,949
State	-	34,719	962,569	-	36,708	565,203	-	-	1,599,199
Local	-	3,122	-	-	10,110	-	-	25,000	38,232
Charges for services	-	121,088	-	-	-	-	-	-	121,088
Collections on loans	435	41,753	-	1,697	-	-	-	-	43,885
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Revenues	1,444,373	284,392	982,591	2,462	50,443	584,068	-	51,942	3,400,271
Expenditures:									
Current:									
General government	235,750	173,401	-	-	13,624	137,351	-	77,000	637,126
Public works	63,747	-	367,381	-	36,710	-	-	-	467,838
Other public works enterprises	-	-	-	-	-	-	-	-	-
Public safety	-	(345)	-	-	-	-	-	-	(345)
Culture and recreation	7,779	14,487	-	-	-	-	-	-	22,266
Revolving loans and grants	-	-	-	-	-	-	-	-	-
Capital outlay	1,140,831	84,871	232,721	-	-	217,242	-	-	1,675,665
Debt service	-	-	149,225	-	-	-	-	862,721	1,011,946
Total Expenditures	1,448,107	272,414	749,327	-	50,334	354,593	-	939,721	3,814,496
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,734)	11,978	233,264	2,462	109	229,475	-	(887,779)	(414,225)
Other Financing Sources (Uses):									
Proceeds from the issuance of capital lease	-	-	88,595	-	-	-	-	-	88,595
Transfers in	-	-	-	-	-	-	2,000	841,142	843,142
Transfers out	(20,000)	-	(92,522)	-	-	(100,000)	-	-	(212,522)
Total other financing sources (uses)	(20,000)	-	(3,927)	-	-	(100,000)	2,000	841,142	719,215
Net Change in Fund Balance	(23,734)	11,978	229,337	2,462	109	129,475	2,000	(46,637)	304,990
Fund Balance:									
Beginning of year	45,292	1,752,632	610,914	43,263	3,746	846,800	104,914	1,181,923	4,589,484
End of year	$ 21,558	$ 1,764,610	$ 840,251	$ 45,725	$ 3,855	$ 976,275	$ 106,914	$ 1,135,286	$ 4,894,474

City of Williamsport, Pennsylvania
Schedule of Fiduciary Net Position
Private Purpose Trust Fund
December 31, 2019

	Unemployment Compensation
Assets	
Receivables, Other	$ 11,399
Total Assets	$ 11,399
Liabilities	
Accounts Payable	$ 11,399
Total Liabilities	11,399
Net Position	
Restricted for workers' compensation	-
Total Liabilities and Net Position	$ 11,399

City of Williamsport, Pennsylvania
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
Year Ended December 31, 2019

	Unemployment Compensation
Additions	
Miscellaneous, Other	$ 23,400
Total Additions	23,400
Deductions	
Benefits	23,400
Total Deductions	23,400
Change in Net Position	-
Net Position, Beginning	-
Net Position, Ending	$ -

City of Williamsport, Pennsylvania
Combining Statement of Fiduciary Net Position
Agency Funds
December 31, 2019

	Tax Collecting	Payroll Revolving	Treasury Agency	Total
Assets				
Cash and Cash Equivalents	$ 1,004,816	$ 5,211	$ 167,991	$ 1,178,018
Receivables, Other	-	-	129,807	129,807
Total Assets	$ 1,004,816	$ 5,211	$ 297,798	$ 1,307,825
Liabilities				
Funds Held in Fiduciary Capacity	$ 1,004,816	$ 5,211	$ 297,798	$ 1,307,825
Total Liabilities	$ 1,004,816	$ 5,211	$ 297,798	$ 1,307,825