CITY OF SCRANTON, PENNSYLVANIA

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

DECEMBER 31, 2020

CITY OF SCRANTON, PENNSYLVANIA

TABLE OF CONTENTS
DECEMBER 31, 2020

	PAGE
INDEPENDENT AUDITORS' REPORT	I - IV
FINANCIAL STATEMENTS:	
Statement of Net Position	1 - 3
Statement of Activities	4
Balance Sheet - Governmental Funds	5
Reconciliation of Fund Balance in the Balance Sheet - Governmental Funds with Net Position in the Statement of Net Position	6 - 7
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	8
Reconciliation of Change in Fund Balance - Governmental Funds with Change in Net Position	9 - 10
Statement of Net Position - Proprietary Funds	11
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	12
Statement of Cash Flows - Proprietary Funds	13
Statement of Fiduciary Net Position	14
Statement of Changes in Fiduciary Net Position	15
Notes to Financial Statements	16 - 56
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Changes in the City's Net Pension Liability and Related Ratios - Police Pension Plan	57 - 58
Schedule of Changes in the City's Net Pension Liability and Related Ratios - Firemen Pension Plan	59 - 60

TABLE OF CONTENTS (CONT'D)
DECEMBER 31, 2020

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION (CONT'D):	
Schedule of Changes in the City's Net Pension Liability and Related Ratios - Non-Uniformed Pension Plan	61 - 62
Schedule of City Contributions - Pension Plans	63 - 64
Note to Required Supplementary Information - Police, Firemen, and Non-Uniformed Pension Plans	65
Schedule of Changes in the City's OPEB Liability and Related Ratios - Police OPEB Plan	66
Schedule of Changes in the City's OPEB Liability and Related Ratios - Firemen OPEB Plan	67
Schedule of Changes in the City's OPEB Liability and Related Ratios - Non-Uniformed OPEB Plan	68
Note to Required Supplementary Information - Police, Firemen, and Non-Uniformed OPEB Plans	69
Supplemental Schedule of Revenue and Expenditures - Budget and Actual - General Fund	70 - 74
SUPPLEMENTARY INFORMATION:	
Combining Balance Sheet - Non-major Governmental Funds	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	76

KOHANSKI
Company · PC

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council of
City of Scranton, Pennsylvania:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scranton, Pennsylvania (the "City"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Scranton Redevelopment Authority ("SRA"), which represents 30% of the assets, 6% of the fund balance, and .7% of the revenues of the non-major governmental funds. We also did not audit the financial statements of the Scranton Sewer Authority ("Sewer Authority"), which represents 100% of the assets, fund balance, and revenue of the business-type activity. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the SRA and the Sewer Authority, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the

CERTIFIED PUBLIC ACCOUNTANTS
4 Meadow Ave, Ste C, Scranton, PA 18505 | 240 Schuyler Avenue, Kingston, PA 18704
T: 570.941.2248 • F: 570.941.2236 | T: 570.288.7517 • F: 570.288.1699
kohanskico.com

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Summary of Opinions:

Reporting Entity	Type of Opinion
Entity-Wide:	
Governmental Activities	Unmodified
Business-Type Activity	Unmodified
Aggregate Discretely Presented Component Unit	Adverse
Fund:	
General Fund	Unmodified
OECD	Unmodified
Special Cities	Unmodified
Non-major Funds	Unmodified
Enterprise Fund - Sewer Authority	Unmodified
Internal Service Fund	Unmodified
Pension Trust Fund	Unmodified

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit

The financial statements referred to above include only the primary government of the City, which consists of all funds and organizations that comprise the City's legal entity. The financial statements do not include financial data for the City's legally separate component unit, the Scranton Parking Authority, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government.

Adverse Opinion on the Reporting Entity

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component unit as of December 31, 2020, the changes in its financial position or, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Business-Type Activity, Major Funds, and Aggregate Remaining Fund Information

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules of changes in the City's net pension liability and related ratios, schedules of the City contributions - pension plans, schedules of changes in the City's OPEB liability and related ratios, and supplemental schedule of revenue and expenditures - budget and actual - general fund on pages 59 - 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted a 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 opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining balance sheet - non-major governmental funds, and the combining statement of revenues, expenditures and changes in fund balances - non-major governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Kobanski & Co., PC

Scranton, PA
February 25, 2022

CITY OF SCRANTON, PENNSYLVANIA

STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Primary Government		
	Governmental Activities	Business-Type Activity (March 31, 2020)	Total
CURRENT ASSETS:			
Cash and cash equivalents	$ 13,267,271	$ 399,550	$ 13,666,821
Investments	22,402,149	-	22,402,149
Receivables:			
Taxes receivable, net	17,703,607	-	17,703,607
Garbage fees receivable, net	5,118,547	-	5,118,547
Accounts receivable, net	2,054,085	61,590	2,115,675
Loans receivable	730,089	-	730,089
Property held for resale	96,769	-	96,769
Prepaid expenses	-	11,226	11,226
Escrow deposits	-	16,469,103	16,469,103
Restricted cash and cash equivalents	23,935,466	-	23,935,466
Total Current Assets	85,307,983	16,941,469	102,249,452
CAPITAL ASSETS, net	79,775,315	2,881	79,778,196
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions	447,878	-	447,878
Deferred outflows related to OPEB	28,152,970	-	28,152,970
	$ 193,684,146	$ 16,944,350	$ 210,628,496

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

STATEMENT OF NET POSITION (CONT'D)
DECEMBER 31, 2020

	Primary Government		
	Governmental Activities	Business-Type Activity (March 31, 2020)	Total
CURRENT LIABILITIES:			
Accounts payable	$ 2,937,812	$ 7,531,075	$ 10,468,887
Credits outstanding	-	157,140	157,140
Other liabilities	1,488,275	435	1,488,710
Funds in escrow	3,001,526	-	3,001,526
Current portion of long term debt:			
Long-term debt obligations	11,915,865	-	11,915,865
Capital leases	433,000	-	433,000
Accrued interest	903,336	-	903,336
Accrued claims and judgements	775,000	-	775,000
Total Current Liabilities	21,454,814	7,688,650	29,143,464
LONG-TERM OBLIGATIONS, net of current portion:			
Long-term debt obligations	89,605,549	-	89,605,549
Capital leases	1,151,333	-	1,151,333
Worker's compensation claims	16,099,181	-	16,099,181
Net other post-employment benefit obligation	236,594,053	-	236,594,053
Net pension liability	51,652,611	-	51,652,611
Compensated absences	3,770,345	-	3,770,345
Unearned revenue	1,376,006	-	1,376,006
Total Long-term Obligations, net of current portion:	400,249,078	-	400,249,078
Total Liabilities	421,703,892	7,688,650	429,392,542
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions	18,941,144	-	18,941,144
Deferred inflows related to OPEB	6,977,956	-	6,977,956
	25,919,100	-	25,919,100

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

CITY OF SCRANTON, PENNSYLVANIA

STATEMENT OF NET POSITION (CONT'D)
DECEMBER 31, 2020

	Primary Government		
	Governmental Activities	Business-Type Activity (March 31, 2020)	Total
NET POSITION:			
Net investment in capital assets	78,193,863	2,881	78,196,744
Restricted for escrow agreements	-	9,470,303	9,470,303
Restricted for externally imposed restrictions	25,602,412	-	25,602,412
Unrestricted	(357,735,121)	(217,484)	(357,952,605)
Total Net Position	(253,938,846)	9,255,700	(244,683,146)
	$ 193,684,146	$ 16,944,350	$ 210,628,496

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

CITY OF SCRANTON, PENNSYLVANIA

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

		Program Revenues			Net (Expense) Revenue and Change in Net Position		
					Primary Government		
FUNCTIONS/PROGRAMS:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities (Year Ended March 31, 2020)	Total
Governmental Activities:							
General government - administrative	$ 15,159,841	$ 1,590,479	$ -	$ -	$ (13,569,362)	$ -	$ (13,569,362)
Public safety	35,756,359	261,909	2,319,511	-	(33,174,939)	-	(33,174,939)
Public works	16,080,842	10,571,297	-	2,329,765	(3,179,780)	-	(3,179,780)
Community development	2,557,858	167,932	2,959,656	-	569,730	-	569,730
Culture and recreation	756,316	-	-	-	(756,316)	-	(756,316)
Interest and fees on long-term debt	5,072,920	-	-	-	(5,072,920)	-	(5,072,920)
Total Governmental Activities	75,384,136	12,591,617	5,279,167	2,329,765	(55,183,587)	-	(55,183,587)
Business-type Activity (year ended March 31, 2020)	7,517,076	-	-	-	-	(7,517,076)	(7,517,076)
	$ 82,901,212	$ 12,591,617	$ 5,279,167	$ 2,329,765	(55,183,587)	(7,517,076)	(62,700,663)
General Revenues:							
Taxes:							
Property taxes					36,118,916	-	36,118,916
Act 511 taxes					38,361,057	-	38,361,057
Other taxes and penalties					321,284	-	321,284
Cable television franchise revenue					1,035,666	-	1,035,666
Payments in lieu of taxes					276,662	-	276,662
Investment earnings					1,216,674	217,792	1,434,466
Miscellaneous					266,857	31,260	298,117
Disposal of assets					(63,492)	-	(63,492)
Rents and concessions					(5,460)	-	(5,460)
Total General Revenues					77,528,164	249,052	77,777,216
CHANGE IN NET POSITION					22,344,577	(7,268,024)	15,076,553
NET POSITION - BEGINNING					(276,283,423)	16,523,724	(259,759,699)
NET POSITION - ENDING					$ (253,938,846)	$ 9,255,700	$ (244,683,146)

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

CITY OF SCRANTON, PENNSYLVANIA

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	OECD	Special Cities	Non-major Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	$ 9,293,543	$ -	$ 1,938,644	$ 2,035,084	$ 13,267,271
Investments	-	-	-	-	-
Taxes receivable, net	17,703,607	-	-	-	17,703,607
Garbage fees receivable, net	5,118,547	-	-	-	5,118,547
Accounts receivable, net	1,045,408	215,619	749,640	-	2,010,667
Loans receivable, net	-	703,783	-	26,306	730,089
Restricted cash and cash equivalents	578,993	2,100,100	21,180,125	76,248	23,935,466
Property held for resale	-	-	-	96,769	96,769
Due from other funds	580,892	539,603	904,133	-	2,024,628
	$ 34,320,990	$ 3,559,105	$ 24,772,542	$ 2,234,407	$ 64,887,044
LIABILITIES:					
Accounts payable	$ 2,703,323	$ 77,273	$ 27,620	$ 24	$ 2,808,240
Funds in escrow	-	-	3,001,526	-	3,001,526
Other liabilities	1,210,596	277,679	-	-	1,488,275
Unearned revenue	-	654,041	721,965	-	1,376,006
Due to other funds	904,133	15,637	565,255	539,603	2,024,628
Total Liabilities	4,818,052	1,024,630	4,316,366	539,627	10,698,675
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	15,607,264	-	-	26,306	15,633,570
FUND BALANCES:					
Nonspendable	-	-	-	96,769	96,769
Restricted	578,993	2,534,475	20,458,160	2,030,784	25,602,412
Assigned	5,347,364	-	-	76,248	5,423,612
Unassigned	7,969,317	-	(1,984)	(535,327)	7,432,006
Total Fund Balances	13,895,674	2,534,475	20,456,176	1,668,474	38,554,799
	$ 34,320,990	$ 3,559,105	$ 24,772,542	$ 2,234,407	$ 64,887,044

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

RECONCILIATION OF FUND BALANCE IN THE BALANCE SHEET - GOVERNMENTAL FUNDS WITH NET POSITION IN THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

TOTAL GOVERNMENTAL FUND BALANCES	$ 38,554,799
Amounts reported 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 the fund financial statements:	
Capital assets	200,227,428
Accumulated depreciation	(120,452,113)
Property taxes and refuse fees receivable will be collected but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the general fund.	15,607,264
Loans made by Scranton Redevelopment Authority to qualified projects will be repaid in future years but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the non-major fund.	26,306
Internal service fund is used by management to charge the cost of workmen's compensation insurance to various departments. The net position of the internal service fund is reported with governmental activities.	6,216,814
The City's net pension liability, deferred outflows of resources, and deferred inflows of resources related to the City's pension plans are not reported in the governmental funds but are reported in the statement of net position:	
Net pension liability	(51,652,611)
Deferred outflows of resources	447,878
Deferred inflows of resources	(18,941,144)

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

RECONCILIATION OF FUND BALANCE IN THE BALANCE SHEET - GOVERNMENTAL FUNDS WITH NET POSITION IN THE STATEMENT OF NET POSITION (CONT'D)
DECEMBER 31, 2020

The City's net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to the City's OPEB plans are not reported in the governmental funds but are reported in the statement of net position:

Net OPEB liability	(236,594,053)
Deferred outflows of resources	28,152,970
Deferred inflows of resources	(6,977,956)

Long-term obligations are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term obligations at year end consist of the following:

General obligation bonds payable	(50,360,000)
General obligation notes payable	(49,795,000)
Governmental notes payable	(1,366,414)
Capitalized lease payable	(1,584,333)
Accrued interest payable	(903,336)
Compensated absences	(3,770,345)
Accrued claims and judgements	(775,000)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (253,938,846)

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

CITY OF SCRANTON, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General Fund	OECD	Special Cities	Non-major Funds	Total Governmental Funds
REVENUES:					
Taxes	$ 72,576,837	$ -	$ -	$ -	$ 72,576,837
Intergovernmental revenue	1,693,677	2,959,656	625,834	2,329,765	7,608,932
Departmental earnings	482,879	-	689,278	-	1,172,157
Refuse disposal fee	5,801,111	-	-	-	5,801,111
Licenses and permits	2,019,774	-	-	-	2,019,774
Cable television franchise revenue	1,035,666	-	-	-	1,035,666
Payments in lieu of taxes	276,662	-	-	-	276,662
Investment income	-	9,459	162,709	6,079	178,247
Other revenues	207,266	-	57,655	1,936	266,857
Rents and concessions	500	-	-	3,700	4,200
Program income	248,717	167,932	-	-	416,649
Total Revenues	84,343,089	3,137,047	1,535,476	2,341,480	91,357,092
EXPENDITURES:					
Current:					
General government	12,644,263	-	77,700	-	12,721,963
Public safety	46,035,512	-	436,898	-	46,472,410
Public works	11,150,346	-	478,841	-	11,629,187
Community development	-	2,504,968	-	20,063	2,525,031
Culture and recreation	491,087	-	-	-	491,087
Debt Service:					
Debt service principal	11,453,421	-	-	335,000	11,788,421
Debt service interest/fees	5,031,440	-	-	95,269	5,126,709
Capital Outlay	1,787,008	878,283	213,667	-	2,878,958
Total Expenditures	88,593,077	3,383,251	1,207,106	450,332	93,633,766
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,249,988)	(246,204)	328,370	1,891,148	(2,276,674)
OTHER FINANCING SOURCES (USES):					
Operating transfers-in	7,662,212	-	-	467,168	8,129,380
Operating transfers-out	(400,000)	-	(5,982,667)	(1,746,713)	(8,129,380)
Court awards	(540,057)	-	-	-	(540,057)
Proceeds from tax anticipation note	12,750,000	-	-	-	12,750,000
Payments on tax anticipation note	(12,891,902)	-	-	-	(12,891,902)
Total Other Financing Sources (Uses)	6,580,253	-	(5,982,667)	(1,279,545)	(681,959)
CHANGE IN FUND BALANCE	2,330,265	(246,204)	(5,654,297)	611,603	(2,958,633)
FUND BALANCE - Beginning:	11,565,409	2,780,679	26,110,473	1,056,871	41,513,432
FUND BALANCE - Ending	$ 13,895,674	$ 2,534,475	$ 20,456,176	$ 1,668,474	$ 38,554,799

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

RECONCILIATION OF CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS WITH CHANGE IN NET POSITION
YEAR ENDED DECEMBER 31, 2020

CHANGE IN FUND BALANCE	$ (2,958,633)
The change in net position reported in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense:	
Capital outlays	2,878,956
Depreciation	(5,868,532)
Disposals of capital assets are not reported in governmental funds but are reported as a loss on disposal in the statement of activities.	(63,490)
Proceeds from long-term and short-term debt and capital lease agreements are considered a current financial resource and are reported in the statement of changes in fund balances but not in the statement of activities.	(12,750,000)
Repayment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The effect of these transactions in the statement of activities is shown below:	
Repayment of general obligation bonds	5,445,000
Repayment of notes payable	18,627,246
Repayment of capitalized leases	466,175
Accrued interest	195,691
In the statement of revenues, expenditures, and changes in fund balance, non-exchange revenue is only recognized when measurable and available. Therefore, any non-exchange balances collected past sixty-days of the balance sheet date are not recognized as revenue until the period collected. This amount is the net change in revenue accrued between the prior and the current year.	4,261,686

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

RECONCILIATION OF CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS WITH CHANGE IN NET POSITION (CONT'D)
YEAR ENDED DECEMBER 31, 2020

Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. These items consist of:	
Change in compensated absences	151,030
Change in net OPEB obligation and related deferrals	(6,091,170)
Change in net pension liability and related deferrals	18,466,896
Accrued claims and judgements	(775,000)
Internal service fund is used by management to charge the cost of workmen's compensation insurance to various departments. The net revenue of the internal service fund is reported with governmental activities.	358,722
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 22,344,577

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

CITY OF SCRANTON, PENNSYLVANIA

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2020

	Business-Type Activity	Governmental Activity
	Enterprise Fund Sewer Authority (March 31, 2020)	Internal Service Fund
CURRENT ASSETS:		
Cash and cash equivalents	$ 399,550	$ -
Investments	-	22,402,149
Accounts receivable, net	61,590	43,418
Prepaid insurance	11,226	-
Escrow deposits	16,469,103	-
Total Current Assets	16,941,469	22,445,567
CAPITAL ASSETS, net	2,881	-
	$ 16,944,350	$ 22,445,567
LIABILITIES:		
Current Liabilities:		
Accrued expenses	$ 7,531,075	$ 129,572
Credits outstanding	157,140	-
Accrued payroll and payroll taxes	435	-
Total Current Liabilities	7,688,650	129,572
Non-Current Liabilities:		
Workers' compensation claims payable	-	16,099,181
Total Liabilities	7,688,650	16,228,753
NET POSITION:		
Net investment in capital assets	2,881	-
Restricted for escrow agreements	9,470,303	-
Restricted for workers compensation claims	-	6,216,814
Unrestricted	(217,484)	-
Total Net Position	9,255,700	6,216,814
	$ 16,944,350	$ 22,445,567

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

CITY OF SCRANTON, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Business-Type Activity	Governmental Activity
	Enterprise Fund Sewer Authority (Year ended March 31, 2020)	Internal Service Fund
REVENUES:		
Charges for services	$ -	$ 1,135,000
Bad debt recovery	29,842	-
Lien payment refund	1,164	-
Miscellaneous income	254	-
	31,260	1,135,000
EXPENSES:		
Workers' compensation claims	-	1,601,176
Administrative and general	7,517,076	-
Other	-	213,529
Total Expenses	7,517,076	1,814,705
LOSS FROM OPERATIONS	(7,485,816)	(679,705)
NON-OPERATING REVENUES:		
Investment income	217,792	1,038,427
CHANGE IN NET POSITION	(7,268,024)	358,722
NET POSITION - Beginning	16,523,724	5,858,092
NET POSITION - Ending	$ 9,255,700	$ 6,216,814

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

CITY OF SCRANTON, PENNSYLVANIA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Business-Type Activity Enterprise Fund Sewer Authority (Year ended March 31, 2020)	Governmental Activity Internal Service Fund
CASH FLOW FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 96,208	$ -
Cash received from interfund services provided	-	1,164,234
Other cash receipts	254	-
Cash paid to employees for services	(64,383)	-
Cash paid for operating expenses	(495,813)	(1,984,349)
Net Cash Used By Operating Activities	(463,734)	(820,115)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	-	(2,033,017)
Proceeds from sales of investments	-	2,473,076
Interest and dividends received	217,792	380,057
Net Cash Provided by Investing Activities	217,792	820,115
NET CHANGE IN CASH AND CASH EQUIVALENTS	(245,942)	-
CASH AND CASH EQUIVALENTS - Beginning	645,492	-
CASH AND CASH EQUIVALENTS - Ending	$ 399,550	$ -
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss from operations	$ (7,485,816)	$ (679,705)
Adjustments to reconcile loss from operations to net cash used by operating activities:		
Depreciation	1,502	-
Change in assets and liabilities:		
Accounts receivable	65,202	29,234
Prepaid insurance	1,784	-
Escrow deposits	27,113	-
Accrued expenses	6,926,771	(16,230)
Accrued payroll	(290)	-
Worker's compensation claim payables	-	(153,413)
Net Cash Used by Operating Activities	$ (463,734)	$ (820,115)

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

CITY OF SCRANTON, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2020

	Pension Trust Fund
ASSETS:	
Cash and investments	$ 122,898,115
Members' contributions receivable	49,972
	$ 122,948,087
LIABILITIES:	
Accounts payable	$ 28,660
NET POSITION:	
Held-in-trust for pension benefits	122,919,427
	$ 122,948,087

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

CITY OF SCRANTON, PENNSYLVANIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2020

	Pension Trust Fund
ADDITIONS:	
Contributions:	
Employer contributions	$ 7,351,254
State aid	3,924,295
Contributions by members	1,327,750
Total Contributions	12,603,299
Investment Income:	
Net appreciation in fair-value of investments	3,380,970
Net realized gain on sale of investments	10,377,155
Interest and dividends, net of fees	1,943,020
Total Investment Income	15,701,145
Total Additions	28,304,444
DEDUCTIONS:	
Retirement benefits paid	12,922,695
Administrative expenses	114,019
Total Deductions	13,036,714
CHANGE IN NET POSITION	15,267,730
NET POSITION - Beginning	107,651,697
NET POSITION - Ending	$ 122,919,427

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the City of Scranton, Pennsylvania.

Reporting Entity

The City of Scranton, Pennsylvania (the "City") was incorporated in 1866 under the provisions of the constitution and general statutes of the Commonwealth of Pennsylvania. The City is a class 2A city, as defined by the state statutes. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety, roads, sanitation, health, culture-recreation, and general administrative services.

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

The City has evaluated its relationship with the following organizations to determine if these organizations should be included in the annual government-wide and fund financial statements of the City:

- Sewer Authority of the City of Scranton, Pennsylvania
- Parking Authority of the City of Scranton, Pennsylvania
- Scranton Municipal Recreation Authority
- Redevelopment Authority of the City of Scranton
- Scranton Housing Authority
- Scranton School District
- Scranton Lackawanna Health and Welfare Authority
- Scranton Public Library
- Single Tax Office

Component Unit

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The basis for determining component units is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of ability to exercise oversight responsibility include, but are not limited to, the selection

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Reporting Entity (Cont'd)

Component Unit (Cont'd)

of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. A component unit may then be reported in one or two following manners:

Discrete presentation

Financial data for the component unit is presented in a column separate from that of the City's financial data.

Blended presentation

Financial data for the component unit is presented in the same manner as that of the City's financial data and is reported as part of the City's financial operations.

Joint Venture

A legal entity or other organization resulting from a contractual arrangement that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial interest or an ongoing financial responsibility. There are no such entities included in the City's reporting entity.

Related Organization

An organization for which the City is not financially accountable even though the City appoints a voting majority of the organization's governing board.

As a result of applying these criteria, the following organizations have been categorized and determined to be and are presented as component units for the year ended December 31, 2020:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Reporting Entity (Cont'd)

Sewer Authority of the City of Scranton, Pennsylvania

On December 29, 2016, the Sewer Authority of the City of Scranton, Pennsylvania (the "Sewer Authority") sold substantially all of the Sewer Authority's assets to the Pennsylvania American Water Company. The proceeds from the sale were used to repay all of the Sewer Authority's outstanding notes with Pennsylvania Infrastructure Investment Authority, which the City had guaranteed. The City appoints all the Sewer Authority members. The Sewer Authority continues to operate on a limited basis, collecting outstanding receivables, which it retained, in satisfaction of liens on properties. The Sewer Authority reports its financial position and its operating activities on a fiscal year of April 1 to March 31. The Sewer Authority is a discretely presented component unit.

The Parking Authority of the City of Scranton, Pennsylvania

The Parking Authority of the City of Scranton, Pennsylvania (the "Parking Authority") oversees the operation of all public parking facilities in the City of Scranton. Parking facilities include both on-street and off-street facilities. The mayor of the City of Scranton appoints all Parking Authority members. Effective August 30, 2016, the Parking Authority and the City of Scranton completed an asset monetization through a forty-five (45) year concession lease which monetized the parking assets while continuing to maintain oversight and ownership of the assets. The City of Scranton owns the on-street parking assets (meters) while the Parking Authority owns the off-street assets (garages). The City of Scranton and Parking Authority negotiated the comprehensive economic transaction with the National Development Council ("NDC") through its public private partnership affiliate the Housing and Economic Development Corporation ("HEDC"). NDC has hired ABM Parking to manage the on-street and off-street parking facilities. The assets will be returned to the City of Scranton and Parking Authority of the City of Scranton upon the maturity of the concession lease, or when the debt assumed by HEDC is retired. An audit of the Parking Authority was not completed for the year ended December 31, 2020, and no financial statements have been prepared or included in the City's financial statements for the year ended December 31, 2020. The Parking Authority should be a discretely presented component unit.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Reporting Entity (Cont'd)

Redevelopment Authority of the City of Scranton

The Redevelopment Authority of the City of Scranton (the "SRA") operates for the purpose of promoting the elimination of blighted areas by acquisition; sound planning, and redevelopment of such areas for the promotion of health, safety, convenience, and welfare of the general public, through contracts with private redevelopers and public authorities for redevelopment. The City appoints all SRA members and is named guarantor on certain SRA conduit indebtedness. In addition, the City has provided the SRA with a portion of its Community Development Block Grant funding. The SRA is a blended component unit.

To obtain individual financial statements for any of the above-mentioned entities, individuals should contact the administrative office of each specific entity.

Government-Wide Financial Statements

The City's government-wide financial statements include a statement of net position and a statement of activities. These statements present information about the reporting government as a whole. They include all funds of the reporting government except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The primary government is reported separately from legally separate component units.

All of the City's assets and liabilities, including capital assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. 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 included among other program revenues are reported as general revenues.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Governmental Fund Financial Statements

Financial statements of the reporting government are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, deferred inflows of resources, net assets/fund equity, revenues, and expenditures/expenses. The City reports the difference between its governmental fund assets and liabilities and deferred inflows of resources as fund balance.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City has presented all major funds that met the applicable criteria. Schedules are presented to reconcile and explain the differences in governmental fund balances as presented in these statements to the net position and change in net position presented in the government-wide financial statements.

Governmental Funds

The following is a description of the governmental funds of the City:

General Fund (Major)

The general fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all financial resources, except those legally or administratively required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are utilized to account for proceeds of specific revenue sources (other than expandable trusts or major capital projects) used to finance specific activities as required by law or administrative regulation. The following funds included in the accompanying government-wide and fund financial statements are accounted for as special revenue funds; special cities, liquid fuels, Office of Economic and Community Development ("OECD"), and the SRA.

The OECD and special cities are classified as a major funds. The remaining special revenue funds are classified as non-major funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Governmental Funds (Cont'd)

Debt Service Fund

Debt service fund is a non-major fund and is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt. The fund balance of the debt service fund is reserved to signify the amounts are restricted exclusively for debt service expenditure.

Proprietary Funds

The focus of proprietary funds measurement is the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations.

The City's proprietary funds are classified as internal service and enterprise funds.

Internal Service Fund

Internal service funds are used to account for the financing of goods or services provided by one department to other departments on a cost reimbursement basis. The City accounts for its self-insurance of workers' compensation claims in this fund. This proprietary fund is reported within the governmental activities in the government-wide financial statements.

Enterprise Fund

Enterprise funds are used for activities which are financed and operated in a manner similar to businesses in the private sector, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The principal operating revenue for the City's proprietary fund is the collection of delinquent sewer fees. Operating expenses for the City's enterprise fund includes salaries and administrative costs. All revenue or expenses not meeting this definition are reported as non-operating revenue and expenses.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fiduciary Funds

The focus of the fiduciary fund is to account for assets held by the City in a trustee capacity or an agent for individuals, private organizations, other governmental units and/or other funds. The pension trust funds consist of the Police Pension Plan, Firemen Pension Plan, and Non-uniformed Pension Plan. These funds are accounted for within a single aggregate fund.

Measurement Focus and Basis of Accounting

The government-wide statement of net position and statement of activities are reported using the "economic resources measurement focus" and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. 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 are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, if measurable, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred inflows of resources.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Measurement Focus and Basis of Accounting (Cont'd)

Revenues susceptible to accrual include property taxes, employment and business taxes, public charges for services, and interest. Other general revenues such as fines and forfeitures, permit fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The City reports unearned revenues on its governmental funds balance sheet. For governmental fund financial statements, unearned revenues arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

Budgets and Budgetary Accounting

The City prepares an annual operating budget for the general fund on a basis consistent with accounting principles generally accepted in the United States of America. The preparation of the annual operating budget begins by September 15 for the subsequent budget year. By November 15, the Mayor submits to City Council a proposed budget for the general fund for the fiscal year commencing January 1. City Council publishes, in one or more newspapers of general circulation within the City, a summary of the budget and a notice that the budget is available for public inspection. A public hearing takes place by December 1, at which time City Council may adopt the budget with or without amendment. In amending the budget, City Council may delete, increase or decrease programs or amounts, except for expenditures required by law or for debt service. If a change in a program or a budgetary item exceeds 10% of the Mayor's proposed budget, another public hearing must take place within 72 hours to justify the change. In no case can an amendment increase authorized expenditures to an amount greater than total estimated funds available. City Council must adopt an annual budget by December 15. If City Council fails to adopt a budget by December 15, the Mayor's proposed budget becomes the official budget for the City for the ensuing year.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents includes cash and all other investment instruments which are carried at cost, with original maturities of three months or less.

Restricted Cash

Several governmental fund cash accounts, which were funded through grants from the Federal government and the Commonwealth of Pennsylvania, are restricted for various programs undertaken by the City.

Investments

Investments are stated at fair-value based on quoted market prices. Fair value is the amount at which a financial investment could be exchanged in a current transaction between willing parties.

Receivables

Accounts and taxes receivable in the governmental fund financial statements are shown at the total amount due. Taxes, franchise fees and grants not collected within 60 days are offset by deferred inflows of resources in the fund financial statements.

The City provides an allowance for doubtful accounts receivable equal to the estimated collection losses that will be incurred. The estimate is based on historical collection experience and a review of the current status of outstanding accounts.

Loans Receivable

Loans receivable consist of economic development loans to third parties that are administered by OECD. Most of these loans bear interest, usually at a very low rate and are reported at the gross principal outstanding net of an allowance for uncollectable loans. Grant revenue received for revolving loan programs is considered unearned revenue until principal payments are received on the loans. Interest income is recorded when received.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as due to and due from funds. Short-term interfund loans are reported as interfund receivables and payables. Long-term interfund loans are reported as advances from and to other funds. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Capital Assets

Capital assets are reported in the government-wide statement of net position but are reported in the government fund financial statements as expenditures. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

All capital assets, except land and construction-in-progress, are depreciated. Land is never depreciated. Construction-in-progress costs are accumulated until the project is complete and placed in service. At that time, the costs are transferred to the appropriate asset class and depreciation begins.

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

	SRA	Government-Wide
Building and building improvements	N/A	20 - 50 years
Land improvements	N/A	10 - 15 years
Equipment/furniture	15 years	5 - 7 years
Vehicles	N/A	8 - 15 years
Roadways	N/A	30 - 50 years
Traffic systems	N/A	15 years

Depreciation of all exhaustible capital assets is recorded as a direct expense in the accompanying statement of activities, with accumulated depreciation reflected in the statement of net position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Capital Assets (Cont'd)

Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing the cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Deferred Outflows/Inflows

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has two types of deferred outflows of resources. Accordingly, these items, deferred pension charges and deferred OPEB charges are reported in the statement of net position in connection with the City's Pension and OPEB Plans. These deferred charges are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has two types of deferred inflows of resources. On the statement of net position, deferred inflows of resources are related to pensions and OPEB for certain actuarially determined differences between projected and actual investment earnings. In the governmental funds balance sheet, deferred inflows of resources are related to unavailable revenues from taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as a liability in the government-wide statements. Long-term debt consists primarily of bonds and notes payable.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Long-Term Debt (Cont'd)

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. Debt proceeds are reported as other financing sources and payment of principal and interest is reported as expenditures. The accounting for long-term debt in proprietary funds is the same in the fund statements as it is in the government-wide

Bond discount or premium, the reacquisition price, and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

Compensated Absences

The City's vacation policy generally provides that unused vacation benefits lapse at year-end. Unused vacation may be carried over only with the approval of the department head. Unused sick pay accumulates to varying maximum amounts for the various classes of City employees.

Pensions and OPEB

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

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

Governmental-Fund Balances

Generally, governmental fund balances represent the difference between the current assets and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Governmental-Fund Balances (Cont'd)

Non-spendable: amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed: fund balance that contains self-imposed constraints of the government from its highest level of decision making authority, the City Council. The City Council commits revenue streams through adopted motions.

Assigned: amounts constrained by the City's intent to use them for a specific purpose. Fund balance is assigned by City Council by passage of a new resolution.

Unassigned: all other spendable amounts.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City's policy is to pay the expenditure from restricted fund balance and then from less restrictive classifications - committed, assigned, then unassigned.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Real Estate Taxes

Real estate taxes are based upon assessed valuations provided by Lackawanna County. The elected tax collector bills and collects real estate taxes. The assessed value at January 1, 2020, upon which the 2020 levy was based, was approximately $385 million. Delinquent taxes for the first year are collected by the Single Tax Office and thereafter are collected by an outside collection agency.

The schedule for real estate taxes levied is as follows:

February 1	Original levy date
February 1 - March 1	2 1/2% discount period
March 1 - April 30	2% discount period
May 1 - June 30	Face payment period
July 1 - January 15	10% penalty period
January 16	Lien date

In addition, City taxes may be paid in four installments, in which the first two quarterly payments aggregating 50% of the face amount are due by June 30. The third and fourth quarterly payments are due on August 31 and October 31, respectively. Any delinquent installment is subject to a penalty of 10%. The City utilizes the reserve method for writing off uncollectible real estate taxes.

The millage rate at January 1, 2020 was 239.521 mills on the assessed value of land and 50.564 mills on the assessed value of improvements.

Effects of New Pronouncements

The following summarizes recent GASB pronouncements and their impact, if any, on the financial statements:

In June 2017, GASB issued Statement No. 87, *Leases.* The statement increases the usefulness of a government's financial statements by requiring recognition of certain lease assets and liabilities for previously classified operating leases as inflows of resources or outflows of resources based on payment provisions of the contract.

The provisions of Statement No. 87 are effective for fiscal years beginning after June 15, 2021. The City is currently evaluating the effects of this statement on its financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Effects of New Pronouncements (Cont'd)

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period.* The objectives of this statement are; 1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and 2) to simplify accounting for interest cost incurred before the end of a construction period.

The provisions of Statement No. 89 are effective for fiscal years beginning after December 15, 2020. The City is currently evaluating the effects of this statement on its financial statements.

GASB has issued the following pronouncements which management of the City does not expect to impact the financial statements.

- Statement No. 90, *Majority Equity Interests - an Amendment of GASB Standards No. 14 and No. 61,* with an effective date for fiscal years beginning after December 15, 2019.

- Statement No. 91, *Conduit Debt Obligations,* with an effective date for fiscal years beginning after December 15, 2021.

- Statement No. 92, *Omnibus 2020,* with an effective date for fiscal years beginning after June 15, 2021.

- Statement No. 93, *Replacement of Interbank Offered Rates,* with an effective date for fiscal years ending after June 15, 2020.

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* with an effective date for fiscal years ending after June 15, 2022.

- Statement No. 96, *Subscription-Based Information Technology Arrangements,* with an effective date for fiscal years ending after June 15, 2022.

- 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 Statement No. 14 and No. 84, and a suppression of GASB Statement No. 32,* with effective dates through June 15, 2021.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Subsequent Events

Management has evaluated subsequent events through February 25, 2022, which is the date the financial statements were available to be issued.

Cash

Pennsylvania statutes authorize the City to invest into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Commonwealth of Pennsylvania government obligations and insured or collateralized time deposits and certificates-of-deposit. These statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes.

The deposit policy of the City adheres to state statutes. Deposits of the City are either maintained in demand deposits or invested in certificates-of-deposit.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City maintains its deposits with financial institutions which are insured by the FDIC up to $250,000. As of December 31, 2020, $28,567,947 of the City's bank balances of $36,998,517 was uninsured, but was collateralized by securities held by the pledging banks' trust department not in the City's name; and $6,693,955 was collateralized by securities held by the pledging banks' trust department in the City's name. Of the remaining balance, $76,248 was invested in an external investment pool with the Pennsylvania Local Government Investment Trust ("PLGIT"). The fair-value of the City's position in the external investment pool is equivalent to the value of the pool shares. The Commonwealth of Pennsylvania provides external regulatory oversight for the external investment pool. At December 31, 2020, PLGIT carried a AAA rating and had an average weighted maturity of less than one year.

The deposits of the SRA and the Sewer Authority are insured by the FDIC or collateralized by securities pledged by the financial institution, not in the SRA's or the Authority's name.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Investments

As of December 31, 2020, the City had the following investments:

PROPRIETARY FUNDS

	Cost	Fair-Value
Internal Service Fund:		
Cash and Cash Equivalents	$ 5,146,507	$ 5,146,507
Corporate obligations:		
Corporate-Domestic bonds	6,991,620	7,339,626
Governmental Securities:		
U.S. Government agencies	7,276,041	7,506,007
Mutual Funds:		
Equity Mutual funds	2,222,026	2,410,009
	$ 21,636,194	$ 22,402,149

FIDUCIARY FUNDS

	Cost	Fair-Value
Pension Trust Fund:		
Mutual Funds:		
Cash equivalents	$ 7,002,820	$ 7,002,820
Bond Mutual funds	44,278,343	46,055,133
Equity Mutual funds	60,840,015	69,840,162
	$ 112,121,178	$ 122,898,115

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in an event of the failure of the counterparty, the City will not recover the value of their investments of collateral securities that are in the possession of an outside party. The City does not have a deposit policy for custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investments in a single issuer. The City does not have a formal policy that addresses concentration of credit risk.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair-value of an investment.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair-value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increasing interest rates.

NOTE 3: FAIR-VALUE MEASUREMENTS

U.S. GAAP defines fair-value as the price that would be received upon the sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. U.S. GAAP specifies a hierarchy of inputs to valuation techniques, which categorizes inputs to fair-value measurement that reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). The following summarizes the fair-value hierarchy:

Level 1 Inputs - Unadjusted quoted market prices for identical assets and liabilities in an active market that an organization has the ability to access.

Level 2 Inputs - Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs - Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair-value measurements.

U.S. GAAP requires the use of observable market data, when available, in making fair-value measurements. When inputs used to measure fair-value fall within different levels of the hierarchy, the level within which the fair-value measurement is categorized is based on the lowest level input that is significant to the fair-value measurement.

The carrying values of cash, accounts receivable, prepaid expenses, accounts payable, accrued liabilities and other payables, approximate fair-values due to the short maturity of these financial instruments.

NOTE 3: FAIR-VALUE MEASUREMENTS (CONT'D)

The following tables present the fair-value measurements of assets recognized in the accompanying statements of net position measured at fair-value on a recurring basis and the level within the fair-value hierarchy in which the fair-value measurements fall at December 31, 2020:

	Fair-Value Measurement Using			
Investment Type	Fair-Value	(Level 1) Inputs	(Level 2) Inputs	(Level 3) Inputs
Internal Service Fund:				
Corporate obligations:				
Corporate-Domestic bonds	$ 7,339,626	$ 7,339,626	$ -	$ -
Governmental Securities:				
U.S. Government agencies	7,506,007	7,506,007	-	-
Mutual Funds:				
Equity mutual funds	2,410,009	2,410,009	-	-
	$ 17,255,642	$ 17,255,642	$ -	$ -
Pension Trust Fund:				
Mutual Funds:				
Equity mutual funds	$ 46,055,133	$ 46,055,133	$ -	$ -
Bond mutual funds	69,840,162	69,840,162	-	-
	$ 115,895,295	$ 115,895,295	$ -	$ -

NOTE 4: TAXES AND FEES RECEIVABLE

Taxes receivable in the general fund consist of the following at December 31, 2020:

Real estate taxes	$ 16,948,582
Other taxes:	
Earned Income	6,543,796
LST	1,193,046
Real Estate Transfer Tax	338,219
Business Privilege	18,967
	25,042,610
Less: allowance for uncollectible taxes	7,339,003
	$ 17,703,607

Garbage fees receivable in the general fund are reported net of an allowance of $6,228,689 at December 31, 2020.

Delinquent sewer fees in the proprietary fund are reported net of an allowance of $3,100,052 at March 31, 2020.

NOTE 5: DUE TO/FROM OTHER FUNDS

The following summarizes receivables and payables between funds as of December 31, 2020:

	DUE FROM	DUE TO
General Fund:		
OECD	$ 15,637	$ -
Special Cities	565,255	904,133
Special Cities:		
General Fund	904,133	565,255
OECD:		
Non-major	539,603	-
General Fund	-	15,637
Non-major:		
OECD	-	539,603
	$ 2,024,628	$ 2,024,628

NOTE 6: CAPITAL ASSETS

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

	Beginning Balance	Increases/ Reclassifications	Decreases/ Reclassifications	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Capital assets, not being depreciated:				
Land	$ 3,863,184	$ -	$ -	$ 3,863,184
Construction-in-progress	6,916,873	1,066,743	(6,916,873)	1,066,743
Total capital assets, not being depreciated	$ 10,780,057	$ 1,066,743	$ (6,916,873)	$ 4,929,927
Capital assets, being depreciated:				
Infrastructure	$ 133,611,175	$ 7,488,752	$ -	$ 141,099,927
Building	12,103,899	-	-	12,103,899
Land and building improvements	10,784,619	306,403	-	11,091,022
Vehicles, equipment and furniture	30,661,556	933,931	(592,836)	31,002,651
Total capital assets, being depreciated	187,161,249	8,729,086	(592,836)	195,297,499
Less: Accumulated depreciation				
Infrastructure	(81,224,360)	(3,696,184)	-	(84,920,544)
Building	(6,043,895)	(206,368)	-	(6,250,263)
Land and building improvements	(7,058,056)	(326,443)	-	(7,384,499)
Vehicles, equipment and furniture	(20,786,614)	(1,639,537)	529,344	(21,896,807)
Total accumulated depreciation	(115,112,925)	(5,868,532)	529,344	(120,452,113)
Total capital assets being depreciated, net	$ 72,048,324	$ 2,860,554	$ (63,492)	$ 74,845,386
Capital assets, net	$ 82,828,381	$ 3,927,297	$ (6,980,365)	$ 79,775,313

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

Governmental Activities:	
General government - administrative	$ 110,005
Parks and recreation	265,229
Public safety and corrections	1,027,366
Public works	4,433,105
Community development	32,827
Total depreciation expense - governmental activities	$ 5,868,532

NOTE 7: SHORT-TERM DEBT

During the year ended December 31, 2020, the City obtained a $12,750,000 tax anticipation note. The note was repaid, with interest, during the year for $12,891,902.

NOTE 8: LONG-TERM OBLIGATIONS

At December 31, 2020, general long-term debt obligations were as follows:

	Balance Outstanding December 31, 2019	Additions	Reductions	Balance Outstanding December 31, 2020	Amounts Due Within One Year
General Obligation Bonds:					
Emmaus General Authority					
Series 2002	$ 3,470,000	$ -	$ 335,000	$ 3,135,000	$ 345,000
Series A and AA of 2016	31,815,000	-	2,905,000	28,910,000	3,075,000
Series A of 2017	20,520,000	-	2,205,000	18,315,000	2,315,000
Total General Obligation Bonds	55,805,000	-	5,445,000	50,360,000	5,735,000
General Obligation Notes:					
Series of 2016	32,360,000	-	260,000	32,100,000	270,000
Series of 2018	22,990,000	-	5,295,000	17,695,000	5,585,000
Total General Obligation Notes	55,350,000	-	5,555,000	49,795,000	5,855,000
Notes Payable:					
DCED Act 47 Loan	300,000	-	100,000	200,000	100,000
PIB Loan	1,388,660	-	222,246	1,166,414	225,865
Total Notes Payable	1,688,660	-	322,246	1,366,414	325,865
Total Long-Term Debt Obligations	$ 112,843,660	$ -	$ 11,322,246	$ 101,521,414	$ 11,915,865
Lease Obligations Payable:					
Capitalized Equipment Leases	$ 2,050,508	$ -	$ 466,175	$ 1,584,333	$ 433,000
Other Long-Term Liabilities:					
Compensated absences	$ 3,921,375	$ -	$ 151,030	$ 3,770,345	$ -

NOTE 8: LONG-TERM OBLIGATIONS (CONT'D)

A summary of long-term debt outstanding at December 31, 2020 is as follows:

General Obligation Bonds

Emmaus General Authority Series 2002

Variable rate demand bonds. Series of 1996 of Emmaus General Authority, due in annual principal installments of $190,000 to $440,000, commencing August 2004 through August 2028. Monthly payments of interest based upon a pro rata share of the interest accrued on the variable rate bonds calculated by the administrator using the interest rates determined by the remarketing agent for the current month plus interest at the rate estimated by the administrator. The interest rate at December 31, 2020 was 1.61%. This bond was paid off in July 2021, with the issuance of the General Obligation Notes, Series 2021.

General Obligation Bonds, Series A and AA of 2016

In June 2016, the City issued Guaranteed Lease Revenue Bonds, Series A and Series AA of 2016 in the amount of $29,810,000 and $7,920,000, at interest rates of 5.00% and 5.25%, respectively. Principal and interest are due each year in May and November through November 2028 and November 2026, respectively.

General Obligation Bonds, Series of 2017

In August 2017, the City issued General Obligation Bonds in the amount of $24,620,000, at an interest rate of 5%. Principal and interest are due each year on September 1, through September 2029. The bonds were used to refund the Series B of 2003 debt.

Future debt service requirements on general obligation bonds as of December 31, 2020 are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	$ 5,735,000	$ 2,482,188	$ 8,217,188
2022	6,170,000	2,198,975	8,368,975
2023	6,590,000	1,894,150	8,484,150
2024	6,355,000	1,568,388	7,923,388
2025	5,340,000	1,254,500	6,594,500
2026 - 2029	20,170,000	2,410,412	22,580,412
	$ 50,360,000	$ 11,808,613	$ 62,168,613

NOTE 8: LONG-TERM OBLIGATIONS (CONT'D)

General Obligation Notes

General Obligation Note, Series of 2016

On August 24, 2016, the City of Scranton, in accordance with the Local Governmental Unit Debt Act of the Commonwealth of Pennsylvania, Act 53 Section 8111(a) issued $32,850,000 of 5.00% general obligation notes. Proceeds of the notes were used towards the costs of a project consisting of a) refunding the City's outstanding lease rental debt represented by the City's respective guaranties of the Parking Authority of the City of Scranton, Pennsylvania's (the "Parking Authority") Guaranteed Parking Revenue Bonds, Series of 2004, the Parking Authority's Guaranteed Parking Revenue Bonds, Series of 2006 and the Parking Authority's Guaranteed Parking Revenue Bond, Series of 2007 (collectively, the "Refunded Bonds"); b) funding various capital improvements in the City, including renovations to certain fire stations located in the City, and c) paying the costs related to the issuance of the Notes. Interest is payable on May 15, and November 15, each year with final maturity November 15, 2032.

The Notes are subject to redemption at the option of the City prior to maturity. The Notes are subject to mandatory redemption from required sinking fund amortization, prior to maturity, in part, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to date fixed for redemption, on November 15 of each year, drawn by lot by the paying agent.

General Obligation Note, Series of 2018

On December 17, 2018, the City of Scranton, in accordance with the Local Governmental Debt Act of the Commonwealth of Pennsylvania, Act 53 Section 8111(a) issued $22,990,000 of General Obligation Notes with a variable interest rate at one month LIBOR plus 220 basis points (currently 3.64%). The notes are secured by a bank account at Webster Bank with the account maintaining at least 75% of the outstanding loan. Proceeds of the note were used to partially fund the City's pension plans. Principal and interest is payable on December 1st, each year with final maturity on December 1, 2023.

General Obligation Note, Series of 2021

On July 13, 2021, the City of Scranton, in accordance with the Local Governmental Debt Act of the Commonwealth of Pennsylvania, Act 53 Section 8111(a) issued $3,210,000 of General Obligation Notes with an interest rate of 1.71%. Proceeds of the note were used to pay off the City's Emmaus General Authority, Series 2002 General Obligation Bonds. Principal and interest is payable on August 1 each year with final maturity on August 1, 2028.

NOTE 8: LONG-TERM OBLIGATIONS (CONT'D)

General Obligation Notes (Cont'd)

Future debt service requirements on general obligation notes as of December 31, 2020 are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	$ 5,855,000	$ 2,578,226	$ 8,433,226
2022	6,180,000	2,257,550	8,437,550
2023	6,510,000	1,919,078	8,429,078
2024	880,000	1,562,500	2,442,500
2025	2,265,000	1,518,500	3,783,500
2026 - 2030	20,365,000	5,298,250	25,663,250
2031 - 2032	7,740,000	478,000	8,218,000
	$ 49,795,000	$ 15,612,104	$ 65,407,104

Notes Payable

DCED Act 47 Loan

On September 12, 2012, the City borrowed $2,000,000, non-interest bearing loan under the Municipalities Financial Recovery Program from the Commonwealth of Pennsylvania acting through the Department of Community and Economic Development. The loan required a payment of $1,000,000, within 30 days of the receipt of the 2012 unfunded debt settlement and thereafter $50,000 semiannual payments on May 31 and November 30 of each year, with a maturity of November 2022.

PIB Loan

In 2015, the City borrowed $2,242,820 at an interest rate of 1.625%. Principal and interest payments are due annually through November 2025.

NOTE 8: LONG-TERM OBLIGATIONS (CONT'D)

Notes Payable (Cont'd)

Future debt service requirements on notes payable as of December 31, 2020 are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	$ 325,858	$ 18,954	$ 344,812
2022	329,528	15,284	344,812
2023	233,258	11,554	244,812
2024	237,048	7,764	244,812
2025	240,722	4,423	245,145
	$ 1,366,414	$ 57,979	$ 1,424,393

Capitalized Leases

The City has entered into various leases for equipment with a net value of $1,694,403 at December 31, 2020 payable in annual installments including interest from 3.25% to 5.00%, with final payments through August 2026.

Future debt service requirements on capitalized leases as of December 31, 2020 are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	$ 433,000	$ 127,606	$ 560,606
2022	422,525	118,437	540,962
2023	443,909	109,666	553,575
2024	91,501	10,655	102,156
2025	94,924	7,233	102,157
2026	98,474	3,684	102,158
	$ 1,584,333	$ 377,281	$ 1,961,614

NOTE 9: OPERATING LEASES

The City has entered into a lease with 233 Genesse Street Corporation for certain improvements to the City's street lights. The $4,000,000 lease agreement requires annual principal and interest payments at 3.5% through May 1, 2027. The City may cancel the lease with written notice of termination at least 60 days prior to the end of the current fiscal period if sufficient funds have not been appropriated for the payment of all rental payments required to be paid during the next fiscal year.

Annual principal and interest payments under the lease are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	$ 339,509	$ 98,709	$ 438,218
2022	359,746	86,633	446,379
2023	381,312	73,838	455,150
2024	403,814	60,276	464,090
2025	427,292	45,914	473,206
2026 - 2027	863,618	45,364	908,982
	$ 2,775,291	$ 410,734	$ 3,186,025

NOTE 10: INTERFUND TRANSFERS

Interfund transfers during the year ended December 31, 2020, were as follows:

Operating Transfers	In	Out
General Fund:		
Debt Service Fund	$ -	$ 400,000
Liquid Fuels Fund	1,679,545	-
Special Cities	5,982,667	-
Special Cities:		
General Fund	-	5,982,667
Non-major:		
General Fund	467,168	1,746,713
	$ 8,129,380	$ 8,129,380

NOTE 11: RISK MANAGEMENT

Health Insurance

The City self-insures for health insurance to a maximum claim amount of $325,000, after which claims are assumed by private insurance companies. Highmark Blue Cross/Blue Shield ("BCBS"), manages the claims and the City remits weekly payments to BCBS to cover the claims and administrative fees. Employees contribute to the cost of the insurance in amounts determined by their labor contract.

Workers' Compensation

The City's risk management activities for workers' compensation are reported within governmental activities and recorded in the workers' compensation internal service fund. The purpose of this fund is to administer a self-insured retention program (SIR). Claims in excess of SIR limits of $350,000, are covered through third-party insurance policies. Payments of actual claim costs are made by a third-party administrator and are billed to the City and reimbursed by the general fund. The claim costs are reflected as revenues in the internal service fund.

The accrued workers' compensation claim loss reserve of $16,099,181 as of December 31, 2020, was determined by an actuary and represents the discounted present value of expected losses using a 1.50% interest factor. The actuarial value was determined as of August 31, 2020. The amount of workers' compensation claims operating expense (income) for the internal service fund for the year ended December 31, 2020 is as follows:

Claims and cost paid	$ 1,601,177
Decrease in actuarial discounted loss reserves	(153,414)
Workers' compensation claims, net	$ 1,447,763

The reconciliation of changes in the aggregate liabilities for the current year and the prior year are as follows:

Year Ended	Balance Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance End of Year
12/31/2019	$ 17,081,978	$ 1,107,211	$ 1,936,594	$ 16,252,595
12/31/2020	$ 16,252,595	$ 1,447,763	$ 1,601,177	$ 16,099,181

NOTE 11: RISK MANAGEMENT (CONT'D)

Other

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City retains the risk up to various levels depending on the type of risk. Excess loss coverage is purchased for coverage on claims exceeding the retention level.

At December 31, 2020, the City's self-insured retention limits are as follows:

Type of Coverage	Self-Insurance Retention (SIR) (All claims up to)	Excess Coverage Policy (From SIR up to)
General Liability	$ 50,000	$ 950,000
Law Enforcement Liability	$ 150,000	$ 850,000
Public Officials Liability	$ 50,000	$ 950,000
Property	$ 25,000	$ 55,993,539
Automobile Liability	$ 50,000	$ 950,000
Excess Workers' Compensation	$ 1,000,000	Unlimited
Boiler and Machinery	$ 25,000	$ 55,993,539

NOTE 12: PENSION PLANS - DEFINED BENEFIT

Plan Description

The City sponsors and administers three single employer defined benefit pension plans covering substantially all full-time employees. These plans are the police, firemen, and non-uniformed pension plans (the "Plans"). Pennsylvania Act 205 and the City's Home Rule Charter assigns the authority to establish and amend benefit provisions to the Pension Fund Board as authorized by City Council. Plans have been designated as severely distresses under Pennsylvania Act 205.

The Police Pension Plan provides for normal retirement with 25 years of credited service and an attained age of 55 years for members hired on or after July 1, 1987. For members hired prior to July 1, 1987, the Plan provides for normal retirement with 25 years of credit service. The Firemen's Pension Plan provides for normal retirement at age 55 with 25 years of credited service for members hired on or after July 1, 1987. For members hired prior to July 1, 1987, the Plan provides for normal retirement with 25 years of credited service. The non-uniformed Pension Plan provides for normal retirement at age 55 with completion of 15 years of service and have contributed to the pension fund for 20 years. Members are 100% vested when eligible.

NOTE 12: PENSION PLANS - DEFINED BENEFIT (CONT'D)

Plan Description (Cont'd)

Information regarding the plans can be obtained from the City. The plans do not issue separate financial statements but are included in the City's fund financial statements as a fiduciary fund type - Pension Trust Funds.

Plan Membership

The following table provides information concerning the types of covered employees and benefit provision for each of the Plans.

	Police Pension Plan	Firemen Pension Plan	Non-Uniformed Pension Plan
Inactive plan members currently receiving benefits	180	207	127
Inactive plan members entitled to but not yet receiving benefits	1	-	4
Active plan members	139	137	120
Total	320	344	251

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan pension payments and member/employer contributions are recognized in the period they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Plan Contributions

Police and firemen are required to contribute 6% of covered payroll for fiscal year 2019. Non-uniformed nonunion employees are required to contribute 3% of covered payroll but not more than $24 per month if hired before July 1, 1987. Non-uniformed nonunion employees shall contribute $22 per month if hired after July 1, 1987 or amounts as determined by ordinance.

NOTE 12: PENSION PLANS - DEFINED BENEFIT (CONT'D)

Plan Contributions (Cont'd)

Pennsylvania Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act of the Commonwealth of Pennsylvania (as amended) ("Act 205") requires that annual contributions be based upon the Minimum Municipal Obligation ("MMO"), which is based on the Plans' biennial actuarial valuation. According to Act 205, actuarial valuations may be made biennially and the most recent valuation for all of the City's plans was completed as of January 1, 2019. The MMO is now defined as the total financial requirement to the pension fund, less funding adjustment and estimated member contribution. The Commonwealth of Pennsylvania provides an allocation of funds which must be used for pension funding. Any financial requirements established by the MMO which exceeds Commonwealth and member contributions must be funded by the City. In accordance with Act 205, the City was required to contribute to the three plans for the year ended December 31, 2020.

Contributions, based on the MMO, in 2020 consisted of the following:

	Police Pension Plan	Firemen Pension Plan	Non-Uniformed Pension Plan	Total
City	$ 2,563,526	$ 4,786,111	$ 1,617	$ 7,351,254
Commonwealth	1,600,420	1,501,944	821,931	3,924,295
Total	$ 4,163,946	$ 6,288,055	$ 823,548	$ 11,275,549

Plan Investments

The long-term expected rate of return on pension plan investments was determined using log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of December 31, 2020 is as follows:

NOTE 12: PENSION PLANS - DEFINED BENEFIT (CONT'D)

Plan Investments (Cont'd)

Asset Class	Target	Long-term Expected Real Rate of Return
US Equity	36.00%	5.00%
International Equity	13.50%	5.10%
Emerging Equity	5.50%	5.40%
Core Fixed Income	20.00%	1.30%
Intermediate Inv. Grade Corp.	10.00%	1.70%
High Yield	5.00%	3.50%
Emerging Debt	5.00%	3.60%
Cash	5.00%	(.10%)
Total Net Blended Return		3.57%

* Excludes 2.50% inflation assumption.

Long-term Expected Rate of Return (Including Inflation)	6.07%

For the year ended December 31, 2020, the annual money weighted rate of return on pension plan investments, net of investment expense was 14.58%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Method Used to Value Investments

Investments are reported at fair-value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6.25%) or one-percentage point higher (8.25%) than the current rate:

NOTE 12: PENSION PLANS - DEFINED BENEFIT (CONT'D)

Net Pension Liability	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Police Pension Plan	$ 22,289,794	$ 13,812,359	$ 6,610,236
Firemen Pension Plan	$ 42,796,117	$ 34,853,833	$ 28,030,992
Non-Uniformed Pension Plan	$ 3,884,910	$ 2,986,419	$ 2,206,903

City's Recognition of the Net Pension Liability, Pension Expense, and Deferred Outflows/ Inflows of Resources

As allowed by GASB Statement No. 68, the City is reporting on its government-wide financial statements, its net pension liability, and related deferred outflows of resources and inflows of resources using information from the City's pension plans measured as of December 31, 2020. The City's pension plans' total pension liability as of December 31, 2020 was $173,591,420, less the City pension plans' fiduciary net position of $121,938,809 resulting in a net pension liability of $51,652,611 at December 31, 2020. Accordingly, as of December 31, 2020, the City reported a net pension liability in the government-wide statement of net position. For the year ended December 31, 2020, the City recognized net pension gain of approximately $7,200,000. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the City pension plans from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience:		
Police pension plan	$ -	$ (3,363,959)
Firemen pension plan	-	(81,259)
Non-uniformed pension plan	-	(533,232)
Change in assumptions:		
Police pension plan	-	(5,238,978)
Firemen pension plan	-	(1,151,960)
Non-uniformed pension plan	290,404	-

NOTE 12: PENSION PLANS - DEFINED BENEFIT (CONT'D)

City's Recognition of the Net Pension Liability, Pension Expense, and Deferred Outflows/ Inflows of Resources (Cont'd)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments		
Police pension plan	-	(5,053,405)
Firemen pension plan	-	(3,518,351)
Non-uniformed pension plan	157,474	-
	$ 447,878	$ (18,941,144)

Amounts reported as deferred outflows (inflows) of resources will be recognized in the pension expense as follows:

Year Ending December 31,	Police Pension Plan	Firemen Pension Plan	Non-Uniform Pension Plan
2021	$ (6,023,266)	$ (3,293,788)	$ (284,741)
2022	(4,852,555)	(330,357)	118,994
2023	(1,892,816)	(1,014,280)	(7,459)
2024	(887,705)	(259,157)	87,852
2025	-	146,012	-
	$ (13,656,342)	$ (4,751,570)	$ (85,354)

NOTE 13: PENSION PLAN - DEFINED CONTRIBUTION

The City contributes to a union sponsored, multi-employer plan for certain employees. The Plan is not administered by the City and contributions are determined in accordance with labor contracts. For the year ended December 31, 2020, the City contributed $477,922 to this plan.

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City sponsors three Health and Welfare Plans (the "H & W Plans"). The H & W Plans are single-employer defined benefit healthcare plans administered by the City as an other post-employment benefit plan ("OPEB"). The H & W Plans provide medical coverage to eligible retirees and their dependents who meet specific criteria.

Under the police, firemen, and clerical labor contracts, the City is responsible for providing health insurance to retirees and spouses for the remainder of their lives if the employee was hired or retired prior to December 31, 1993. Employees hired after December 31, 1993, are not eligible for these benefits. The City's contribution for retiree health insurance is equal to the cost in effect in 1993 plus 75% of any increase above that cost. The retiree pays the other 25%.

Under the public works labor contract, the City will provide health insurance to retirees and spouses only from age 62 to 65. The City's contribution is equal to the cost in effect in 1994 plus 75% of any increase above those costs. The retiree pays the other 25%.

Plan Membership

The following employees were covered by the benefit terms at December 31, 2020:

	Police H & W Plan	Firemen H & W Plan	Non-Uniformed H & W Plan
Inactive employees or beneficiaries currently receiving benefits	170	206	100
Active employees, fully eligible	11	23	22
Active employees, not fully eligible	135	114	174
Total	316	343	296

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements. As of December 31, 2020, no trust has been established for the funding of the H & W Plan's post-employment benefit obligation.

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, calculated using a discount rate and healthcare trend rate that is one-percentage point lower, and one-percentage point higher than the current discount rate and healthcare cost trend rate, respectively:

		Discount Rate	
OPEB Liability	1% Decrease .93%	Current Rate 1.93%	1% Increase 2.93%
Police OPEB Plan	$ 117,581,523	$ 104,173,070	$ 92,988,632
Firemen OPEB Plan	$ 106,869,862	$ 95,766,985	$ 86,432,584
Non-Uniformed OPEB Plan	$ 40,235,142	$ 36,653,998	$ 33,601,631

		Healthcare Cost Rate	
OPEB Liability	1% Decrease	Current Trend Rates	1% Increase
Police OPEB Plan	$ 91,623,284	$ 104,173,070	$ 119,098,162
Firemen OPEB Plan	$ 85,590,389	$ 95,766,985	$ 107,811,214
Non-Uniformed OPEB Plan	$ 33,247,484	$ 36,653,998	$ 40,583,994

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

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience:		
Police OPEB	$ -	$ (4,640,170)
Firemen OPEB	-	(2,057,620)
Non-uniformed OPEB	-	(280,166)

NOTE 14: OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions:		
Police OPEB	13,609,180	-
Firemen OPEB	10,588,239	-
Non-uniformed OPEB	3,955,551	-
	$ 28,152,970	$ (6,977,956)

Amounts reported as deferred outflows (inflows) of resources will be recognized in the health insurance expense as follows:

Year Ending December 31,	Police OPEB	Firemen OPEB	Non-Uniform OPEB
	$ 2,285,478	$ 3,028,424	$ 1,198,610
2021	2,285,478	3,103,592	1,198,610
2022	2,752,192	2,398,603	1,045,497
2023	1,645,862	-	232,668
2024			
	$ 8,969,010	$ 8,530,619	$ 3,675,385

NOTE 15: FUND BALANCE

The following is a summary of the governmental fund balances of the City at December 31, 2020:

General Fund:	
Restricted:	
Employee healthcare	$ 578,993
Assigned	5,347,364
Unassigned	7,969,317
	13,895,674

NOTE 15: FUND BALANCE (CONT'D)

OECD Fund:	
Restricted:	
Community development	1,063,919
Revolving loan fund	1,470,556
	2,534,475
Special Cities Fund:	
Restricted:	
Other externally imposed restrictions	3,823,931
Debt collateral	16,634,229
Unassigned	(1,984)
	20,456,176
Non-major Funds:	
Non-spendable:	
Property held for resale	96,769
Restricted:	
Roads and streets	1,486,278
Other externally imposed restrictions	544,506
Assigned:	
Debt payments	76,248
Unassigned	(535,327)
	1,668,474
Total Governmental Fund Balance	$ 38,554,799

NOTE 16: CREDIT AND MARKET RISK

The City uses its authority to levy certain general purpose taxes. Major taxing revenue sources include real estate, earned income, mercantile, and business privilege taxes. These taxes account for approximately 85% of the total taxes collected by the City in 2020. Although the City has a diversified taxing base, its citizens' ability to honor their taxing obligations is substantially dependent upon the general economic condition of the region. The market value of the City's investments is subject to fluctuations in the prevailing market prices of those investments.

NOTE 17: RELATED PARTY TRANSACTIONS

The City paid $943,111 to the Single Tax Office to subsidize certain operating costs of this entity. The Single Tax Office collected approximately $38 million of tax revenues on behalf of the City in 2020.

NOTE 18: COMMITMENTS AND CONTINGENCIES

On March 11, 2020, the World Health Organization declared, a novel strain of coronavirus disease ("COVID-19") a pandemic. The extent of COVID-19's effect on the City's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape.

Management currently believes that it has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with COVID-19 for twelve months from the date of this report.

Litigation

The City is named as a party in legal proceedings and investigations that occur in the normal course of governmental operations. Although the ultimate outcome of these legal proceedings and investigations is unknown, the City is vigorously defending its position in each case. All amounts in connection with lawsuits in which a loss is probable have been included within the financial statements as of December 31, 2020.

Collective Bargaining Agreements

Substantially all of the City's non-management employees are covered by collective bargaining agreements between the City and various unions.

NOTE 19: DISTRESSED MUNICIPALITY STATUS

In 1992, the Pennsylvania Department of Community and Economic Development ("DCED") declared the City a distressed municipality under the Financially Distressed Municipalities Act (the "Act"). DCED then appointed the Pennsylvania Economy League ("PEL") as a coordinator to administer a recovery plan for the City pursuant to this Act.

NOTE 19: DISTRESSED MUNICIPALITY STATUS (CONT'D)

Pursuant to an act of the Pennsylvania General Assembly, Act 199 of 2014 (the "Act 199") which amended Act 47, a financially distressed municipality may adopt a three-year exit plan. On July 27, 2017, the Scranton City Council adopted by ordinance the Act 47 Exit Plan for the City of Scranton (the "Exit Plan") prepared by PEL. The Mayor signed and the Council adopted the ordinance on July 28, 2017. Act 199 requires that before the end of the City's three-year Exit Plan, PEL will make a written recommendation to the Secretary of DCED (the "Secretary") recommending the Secretary make a determination to terminate the City's financially distressed status or a determination that a fiscal emergency exists. In July 2020, the City approved an 18 month extension to the Exit Plan and officially exited distressed status on January 27, 2022.

NOTE 20: TAX ABATEMENTS

As of December 31, 2020, the City provides tax abatements through a Local Economic Revitalization Tax Assistance ("LERTA") program. The City established a local LERTA to provide property tax abatements that encourage revitalization of existing land and buildings on all residential, commercial, and industrial properties located within the City. LERTA approved projects will receive a 10-year, 100% tax abatement on owner improvements to properties within the City. The exemption will begin in the year immediately following the year in which the building permit is issued. Tax exemption applies to the improvements to the land or building only and are subject to standard tax rates and terms. For the year ended December 31, 2020, the City was not able to determine the amount of taxes abated.

NOTE 21: SEWER AUTHORITY

During the year ended December 31, 2016, the Sewer Authority was sold to Pennsylvania American Water Company ("PAWC") for $195,000,000. The City received $66,519,986 as part of the sale in addition to escrow deposits and wind-down funds held back of $17,840,000, which are held by a third-party, and $67,065,588 was used to pay off the defeased Sewer Authority debt. Additionally, the Borough of Dunmore, Pennsylvania ("Dunmore") received $16,626,366 for their share of the sale and $4,460,000 of escrow deposits.

As part of the agreement, the City agreed to assume certain liabilities which were estimated to be less than the escrow deposit amount. However, if certain liabilities exceed the escrow deposits, the City would be liable for its proportionate share. Management believes that the escrow will be sufficient to extinguish all liabilities. Additionally, the City agreed to share in the up keep of certain storm water assets with the seller and Dunmore. Management believes such upkeep will be de minimis to the City.

NOTE 22: SUBSEQUENT EVENTS

In January 2021, the City issued a tax anticipation note in the amount of $12,200,000. The note required monthly interest payments at 1.201% through December 31, 2021, the maturity date of the loan. The loan was repaid before the maturity date.

In July 2021, the City leased three trucks. The lease requires annual lease payments of $49,921 through September 2023.

In October 2021, the City repaid in full the General Obligation Notes, Series of 2018 with proceeds from the 2016 sale of the Scranton Sewer Authority. The proceeds, which were held in a restricted account in the special cities fund, had been used as collateral for the notes.

In 2021, the City settled two lawsuits which allege illegal and arbitrary actions taken by former City employees regarding licensing, permits and condemnations. The settlements totaled $415,000 and $285,000, respectively and will be paid with City funds, as there is no insurance coverage.

A third lawsuit involving the Scranton Police Department was settled for $75,000, and will also be paid with City funds.

In January 2022, the City issued a tax anticipation note in the amount of $10,000,000. The note requires monthly interest payments at .830% through December 31, 2022, the maturity date of the loan.

CITY OF SCRANTON, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION PLAN
UNAUDITED
DECEMBER 31, 2020

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:							
Service cost	$ 1,166,860	$ 1,116,612	$ 1,109,820	$ 1,062,029	$ 1,300,741	$ 1,238,801	$ 1,093,805
Interest	5,593,207	5,502,284	5,569,195	5,475,400	7,797,729	7,519,247	7,050,809
Differences between expected and actual experience	-	(1,580,091)	-	(7,477,628)	-	(218,430)	-
Change in assumptions	-	1,864,184	-	(20,511,936)	-	3,149,169	-
Benefit payments, including refunds of member contributions	(5,495,991)	(5,334,064)	(5,330,472)	(5,338,761)	(5,334,183)	(5,343,755)	(5,385,590)
Net Change in Total Pension Liability	1,264,076	1,568,925	1,348,543	(26,790,896)	3,764,287	6,345,032	2,758,670
Total Pension Liability - Beginning	78,728,823	77,159,898	75,811,350	102,602,246	98,837,959	92,492,927	89,734,257
Total Pension Liability - Ending	$ 79,992,899	$ 78,728,823	$ 77,159,893	$ 75,811,350	$ 102,602,246	$ 98,837,959	$ 92,492,927
Plan Fiduciary Net Position:							
Contributions - Employer	$ 2,563,526	$ 2,100,737	$ 12,903,789	$ 6,647,833	$ 5,006,025	$ 4,041,361	$ 3,975,175
Contributions - State Aid	1,600,420	1,757,264	1,522,058	1,348,946	1,268,647	1,129,200	1,107,586
Contributions - Member	654,294	652,255	643,578	645,078	754,378	420,859	350,984
Net investment income	8,710,285	8,676,068	(1,841,689)	4,364,702	2,556,892	115,460	1,754,307
Benefit payments, including refunds of member contributions	(5,495,991)	(5,332,669)	(5,330,472)	(5,338,761)	(5,334,183)	(5,343,755)	(5,385,989)
Administrative expense	(44,836)	(52,225)	(48,449)	(64,224)	(56,185)	(42,686)	(44,009)
Net Change in Plan Fiduciary Net Position	7,987,698	7,801,430	7,848,815	7,603,574	4,195,574	320,439	1,758,054
Total Plan Fiduciary Net Position - Beginning	58,192,842	50,391,412	42,542,597	34,939,023	30,743,449	30,423,010	28,664,956
Total Plan Fiduciary Net Position - Ending	$ 66,180,540	$ 58,192,842	$ 50,391,412	$ 42,542,597	$ 34,939,023	$ 30,743,449	$ 30,423,010
Plan's Net Pension Liability	$ 13,812,359	$ 20,535,981	$ 26,768,481	$ 33,268,753	$ 67,663,223	$ 68,094,510	$ 62,069,917
Plan fiduciary net position as a percentage of the total pension liability	82.7%	73.9%	65.3%	56.1%	34.1%	31.1%	32.9%
Covered employee payroll	$ 12,800,000	$ 11,000,000	$ 10,800,000	$ 11,000,000	$ 10,100,000	$ 9,700,000	$ 8,700,000
Plan's net pension liability as a percentage of the covered employee payroll	107.9%	186.7%	247.9%	302.4%	669.9%	702.0%	713.4%

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS (CONT'D)
POLICE PENSION PLAN
UNAUDITED
DECEMBER 31, 2020

Notes to Schedule:

Assumption Changes:

- In 2015, the mortality assumption was changed from the Blue Collar RP-2000 Table to the Blue Collar RP-2000 Table projected to 2015 using Scale AA.
- In 2017, the mortality assumption was changed from the Blue Collar RP-2000 Table projected to 2015 to the Blue Collar RP-2000 Table projected to 2017 using Scale AA.
- In 2017, the interest rate assumption was changed from 8.0% to 7.5% per annum, salary rates changed from 5.0% to 4.5%, cost of living adjustment assumption was removed.
- In 2019, the interest rate assumption was decreased from 7.5% to 7.25%.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
FIREMEN PENSION PLAN
UNAUDITED
DECEMBER 31, 2020

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:							
Service Cost	$ 1,022,441	$ 978,412	$ 985,136	$ 942,714	$ 998,710	$ 951,152	$ 877,594
Interest	5,841,596	5,818,493	5,842,733	5,826,106	8,107,968	7,914,310	7,523,591
Differences between expected and actual experience	-	357,621	-	(3,178,426)	-	(784,286)	-
Change in assumptions	-	1,779,419	-	(23,063,685)	-	3,694,635	-
Benefit payments, including refunds of member contributions	(6,523,487)	(6,521,054)	(6,691,385)	(6,487,711)	(6,465,804)	(6,518,785)	(6,483,409)
Net Change in Total Pension Liability	340,550	2,412,891	136,484	(25,961,002)	2,640,874	5,257,026	1,917,776
Total Pension Liability - Beginning	82,813,042	80,400,151	80,263,667	106,224,669	103,583,795	98,326,769	96,408,993
Total Pension Liability - Ending	$ 83,153,592	$ 82,813,042	$ 80,400,151	$ 80,263,667	$106,224,669	$103,583,795	$ 98,326,769
Plan Fiduciary Net Position:							
Contributions - Employer	$ 4,786,111	$ 4,242,540	$ 14,893,060	$ 8,262,627	$ 6,087,485	$ 5,011,978	$ 4,928,939
Contributions - State Aid	1,501,944	1,542,204	1,400,263	1,238,828	1,023,667	1,011,575	1,006,897
Contributions - Member	642,137	643,576	603,523	612,845	751,112	378,642	325,302
Net investment income	5,901,756	6,269,069	(1,314,210)	2,792,721	1,522,810	67,227	1,031,379
Benefit payments, including refunds of member contributions	(6,523,487)	(6,521,054)	(6,691,385)	(6,487,711)	(6,465,804)	(6,518,785)	(6,483,409)
Administrative expense	(45,005)	(50,615)	(46,409)	(57,437)	(48,494)	(42,078)	(50,368)
Net Change in Plan Fiduciary Net Position	6,263,456	6,125,720	8,844,842	6,361,873	2,870,776	(91,441)	758,740
Total Plan Fiduciary Net Position - Beginning	42,036,303	35,910,583	27,065,741	20,703,868	17,833,092	17,924,533	17,165,793
Total Plan Fiduciary Net Position - Ending	$ 48,299,759	$ 42,036,303	$ 35,910,583	$ 27,065,741	$ 20,703,868	$ 17,833,092	$ 17,924,533
Plan's Net Pension Liability	$ 34,853,833	$ 40,776,739	$ 44,489,568	$ 53,197,926	$ 85,520,801	$ 85,750,703	$ 80,402,236
Plan fiduciary net position as a percentage of the total pension liability	58.1%	50.8%	44.7%	33.7%	19.5%	17.2%	18.2%
Covered employee payroll	$ 11,800,000	$ 10,700,000	$ 10,500,000	$ 10,500,000	$ 9,100,000	$ 9,000,000	$ 7,800,000
Plan's net pension liability as a percentage of the covered employee payroll	295.4%	381.1%	423.7%	506.6%	939.8%	952.8%	1,030.8%

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS (CONT'D)
FIREMEN PENSION PLAN
UNAUDITED
DECEMBER 31, 2020

Notes to Schedule:

Assumption Changes:

- In 2015, the mortality assumption was changed from the Blue Collar RP-2000 Table to the Blue Collar RP-2000 Table projected to 2015 using Scale AA.
- In 2017, the mortality assumption was changed from the Blue Collar RP-2000 Table projected to 2015 to the Blue Collar RP-2000 Table projected to 2017 using Scale AA.
- In 2017, the interest rate assumption was changed from 8.0% to 7.5% per annum, salary rates changed from 5.0% to 4.5%, cost of living adjustment assumption was removed.
- In 2019, the interest rate assumption was decreased from 7.5% to 7.25%.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
NON-UNIFORMED PENSION PLAN
UNAUDITED
DECEMBER 31, 2020

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:							
Service Cost	$ 75,250	$ 72,010	$ 78,810	$ 75,416	$ 82,437	$ 78,511	$ 81,737
Interest	735,818	738,607	747,109	747,856	954,145	954,216	937,975
Differences between expected and actual experience	-	13,053	-	(2,557,705)	-	13,368	-
Change in assumptions	-	215,631	-	498,678	-	267,267	-
Benefit payments, including refunds of member contributions	(880,218)	(824,422)	(818,735)	(854,513)	(997,346)	(1,077,747)	(1,110,468)
Net Change in Total Pension Liability	(69,150)	214,879	7,184	(2,090,268)	39,236	235,615	(90,756)
Total Pension Liability - Beginning	10,514,079	10,299,200	10,292,016	12,382,284	12,343,048	12,107,433	12,198,189
Total Pension Liability - Ending	$ 10,444,929	$ 10,514,079	$ 10,299,200	$ 10,292,016	$ 12,382,284	$ 12,343,048	$ 12,107,433
Plan Fiduciary Net Position:							
Contributions - Employer	$ -	$ -	$ 2,307,517	$ 276,383	$ 43,056	$ 245,284	$ 271,319
Contributions - State Aid	821,931	679,159	759,299	1,036,945	979,014	862,584	836,499
Contributions - Member	33,686	41,916	42,478	35,253	36,606	37,141	37,752
Net investment income	83,233	1,110,568	(238,160)	470,219	270,237	12,956	200,183
Benefit payments, including refunds of member contributions	(880,218)	(824,422)	(818,735)	(854,513)	(997,346)	(1,077,747)	(1,110,468)
Administrative expense	(49,511)	(67,831)	(66,719)	(111,870)	(109,478)	(92,284)	(48,723)
Net Change in Plan Fiduciary Net Position	9,121	939,390	1,985,680	852,417	222,089	(12,066)	186,562
Total Plan Fiduciary Net Position - Beginning	7,449,389	6,509,999	4,524,319	3,671,902	3,449,813	3,461,879	3,275,317
Total Plan Fiduciary Net Position - Ending	$ 7,458,510	$ 7,449,389	$ 6,509,999	$ 4,524,319	$ 3,671,902	$ 3,449,813	$ 3,461,879
Plan's Net Pension Liability	$ 2,986,419	$ 3,064,690	$ 3,789,201	$ 5,767,697	$ 8,710,382	$ 8,893,235	$ 8,645,554
Plan fiduciary net position as a percentage of the total pension liability	71.4%	70.9%	63.2%	44.0%	29.7%	27.9%	28.6%
Covered employee payroll	$ 6,000,000	$ 5,900,000	$ 5,800,000	$ 5,800,000	$ 5,400,000	$ 5,300,000	$ 5,300,000
Plan's net pension liability as a percentage of the covered employee payroll	49.80%	51.90%	65.3%	99.4%	161.3%	167.8%	163.1%

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS (CONT'D)
NON-UNIFORMED PENSION PLAN
UNAUDITED
DECEMBER 31, 2020

Notes to Schedule:

Assumption Changes:

- In 2015, the mortality assumption was changed from the RP-2000 Table to the RP-2000 Table projected to 2015 using Scale AA.
- In 2017, the mortality assumption was changed from the RP-2000 Table projected to 2015 to the RP-2000 Table projected to 2017 using Scale AA.
- In 2017, the interest rate assumption was changed from 8.0% to 7.5% per annum, salary rates changed from 5.0% to 4.5%.
- In 2019, the interest rate assumption was decreased from 7.5% to 7.25%.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

SCHEDULE OF CITY CONTRIBUTIONS
PENSION PLANS
LAST 7 FISCAL YEARS
UNAUDITED
DECEMBER 31, 2020

	2020	2019	2018**	2017	2016	2015	2014
Police Pension Plan							
Actuarially determined contribution	$ 4,163,946	$ 3,858,001	$ 4,042,020	$ 7,996,779	$ 6,274,672	$ 5,170,561	$ 5,082,761
Contributions in relation to the actuarially determined contribution	4,163,946	3,858,001	4,042,020	7,996,779	6,274,672	5,170,561	5,082,761
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 12,800,000	$ 11,000,000	$ 10,800,000	$ 11,000,000	$ 10,100,000	$ 9,700,000	$ 8,700,000
Contributions as a percentage of covered-employee payroll	35.53%	35.0%	37.40%	72.7%	62.1%	53.3%	58.4%

**Excludes bond proceeds of $10,383,827 deposited on December 17, 2018 and December 20, 2018.

Firemen Pension Plan							
Actuarially determined contribution	$ 6,288,055	$ 5,784,744	$ 5,909,496	$ 9,501,455	$ 7,111,152	$ 6,023,553	$ 5,935,833
Contributions in relation to the actuarially determined contribution	6,288,055	5,784,744	5,909,496	9,501,455	7,111,152	6,023,553	5,935,833
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 11,800,000	$ 10,700,000	$ 10,500,000	$ 10,500,000	$ 9,100,000	$ 9,000,000	$ 7,800,000
Contributions as a percentage of covered-employee payroll	53.29%	54.06%	56.28%	90.49%	78.14%	66.93%	76.10%

**Excludes bond proceeds of $10,383,827 deposited on December 17, 2018 and December 20, 2018.

See independent auditors' report and note to required supplementary information.

CITY OF SCRANTON, PENNSYLVANIA

SCHEDULE OF CITY CONTRIBUTIONS (CONT'D)
PENSION PLANS
LAST 7 FISCAL YEARS
UNAUDITED
DECEMBER 31, 2020

	2020	2019	2018**	2017	2016	2015	2014
Non-Uniformed Pension Plan							
Actuarially determined contribution	$ 821,931	$ 679,159	$ 754,924	$ 1,313,328	$ 1,014,228	$ 1,107,868	$ 1,107,818
Contributions in relation to the actuarially determined contribution	821,931	679,159	754,924	1,313,328	1,014,228	1,107,868	1,107,818
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 6,000,000	$ 5,900,000	$ 5,800,000	$ 5,800,000	$ 5,400,000	$ 5,300,000	$ 5,300,000
Contributions as a percentage of covered-employee payroll	13.70%	11.51%	13.02%	22.64%	18.78%	20.90%	20.90%

**Excludes bond proceeds of $2,307,517 deposited on December 17, 2018 and December 20, 2018.

See independent auditors' report and note to required supplementary information.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
POLICE, FIREMEN, AND NON-UNIFORMED PENSION PLANS
DECEMBER 31, 2020

Valuation date	January 1, 2019
Actuarially cost method	Entry Age
Amortization method	Level Dollar
Remaining amortization period:	
Police Pension Plan	14 Years
Firemen Pension Plan	N/A
Non-Uniform Pension Plan	9 Years
Asset valuation method	5 year smoothing method described in IRS revenue procedure 2000-40, approval 16
Inflation	2.25%
Salary increases	4.50%
Investment rate of return	7.25% (Net of pension plan investment expense including inflation)
Retirement age:	
Police Pension Plan	Normal Retirement: Pre 7/1/1987 employee - 25 years of service; Post 6/30/1987 - Age 55 and 25 years of service Vesting: 25 years of service
Firemen Pension Plan	Normal Retirement: Pre 7/1/1987 employee - 25 years of service; Post 6/30/1987 - Age 55 and 25 years of service Vesting: 25 years of service
Non-Uniformed Pension Plan	Normal Retirement: Age 55, 15 years of service and 20 years of contributions Early Retirement: Age 55, 10 years of service and 20 years of contributions Vesting: 10 years of service
Mortality:	
Police Pension Plan	Blue Collar RP-2000 Mortality Table
Firemen Pension Plan	Blue Collar RP-2000 Mortality Table
Non-Uniformed Pension Plan	RP-2000 Mortality Table

SCHEDULE OF CHANGES IN THE CITY'S OPEB LIABILITY AND RELATED RATIOS
POLICE OPEB PLAN
UNAUDITED
DECEMBER 31, 2020

	2020	2019	2018	2017
Total OPEB Liability:				
Service cost	$ 2,687,694	$ 1,936,823	$ 1,944,712	$ 1,860,968
Interest	2,004,096	2,831,526	3,355,732	3,282,304
Differences between expected and actual experience	-	(8,339,434)	-	-
Change in assumptions	14,587,586	4,056,383	-	-
Benefit payments, including refunds of member contributions	(3,340,413)	(3,442,579)	(3,301,054)	(3,236,828)
Net Change in Total OPEB Liability	15,938,963	(2,957,281)	1,999,390	1,906,444
Total OPEB Liability - Beginning	88,234,107	91,191,388	89,191,998	87,285,554
Total OPEB Liability - Ending	$ 104,173,070	$ 88,234,107	$ 91,191,388	$ 89,191,998
Covered Employee Payroll**	$ 11,400,222	$ 10,909,303	$ 11,131,665	$ 10,652,311
Total OPEB liability as a percentage of covered payroll	913.78%	808.80%	819.21%	837.30%

** The 2017 and 2018 Covered Employee Payroll has been corrected, which in turn changes the Net OPEB liability as a percent of payroll for both 2017 and 2018.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, information for those years for which information is available is shown.

See independent auditors' report and note to required supplementary information.

SCHEDULE OF CHANGES IN THE CITY'S OPEB LIABILITY AND RELATED RATIOS
FIREMEN OPEB PLAN
UNAUDITED
DECEMBER 31, 2020

	2020	2019	2018	2017
Total OPEB Liability:				
Service cost	$ 2,314,654	$ 1,683,383	$ 1,667,677	$ 1,595,863
Interest	1,857,665	2,715,315	3,157,210	3,134,550
Differences between expected and actual experience	-	(4,441,610)	-	-
Change in assumptions	12,307,456	3,418,670	-	-
Benefit payments, including refunds of member contributions	(4,685,544)	(4,581,447)	(4,342,091)	(4,053,806)
Net Change in Total OPEB Liability	11,794,231	(1,205,689)	482,796	676,607
Total OPEB Liability - Beginning	83,972,754	85,178,443	84,695,647	84,019,040
Total OPEB Liability - Ending	$ 95,766,985	$ 83,972,754	$ 85,178,443	$ 84,695,647
Covered Employee Payroll**	$ 10,924,838	$ 10,454,391	$ 10,779,911	$ 10,315,704
Total OPEB liability as a percentage of covered payroll	876.60%	803.23%	790.16%	821.04%

** The 2017 and 2018 Covered Employee Payroll has been corrected, which in turn changes the Net OPEB liability as a percent of payroll for both 2017 and 2018.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, information for those years for which information is available is shown.

See independent auditors' report and note to required supplementary information.

SCHEDULE OF CHANGES IN THE CITY'S OPEB LIABILITY AND RELATED RATIOS
NON-UNIFORMED OPEB PLAN
UNAUDITED
DECEMBER 31, 2020

	2020	2019	2018	2017
Total OPEB Liability:				
Service cost	$ 196,958	$ 135,277	$ 176,021	$ 168,441
Interest	714,581	1,092,334	1,253,361	1,275,585
Differences between expected and actual experience	-	(531,108)	-	-
Change in assumptions	4,228,708	1,375,995	-	-
Benefit payments, including refunds of member contributions	(2,171,033)	(2,035,663)	(2,056,734)	(2,031,766)
Net Change in Total OPEB Liability	2,969,214	36,835	(627,352)	(587,740)
Total OPEB Liability - Beginning	33,684,784	33,647,949	34,275,301	34,863,041
Total OPEB Liability - Ending	$ 36,653,998	$ 33,684,784	$ 33,647,949	$ 34,275,301
Covered Employee Payroll	$ 8,491,766	$ 8,126,092	$ 8,750,292	$ 8,373,485
Total OPEB liability as a percentage of covered payroll	431.64%	414.53%	384.54%	409.33%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, information for those years for which information is available is shown.

See independent auditors' report and note to required supplementary information.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
POLICE, FIREMEN, AND NON-UNIFORMED OPEB PLANS
DECEMBER 31, 2020

Valuation date	January 1, 2019
Actuarially cost method	Entry Age Normal
Amortization method	Level Percent of Pay
Asset valuation method	5 year smoothing method described in IRS revenue procedure 2000-40, approval 16
Inflation	2.17%
Salary increases	4.50%
Investment rate of return	There are no invested assets.
Discount rate	1.93%

CITY OF SCRANTON, PENNSYLVANIA

SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2020

	Budget Amounts			Variance from
	Original	Final	Actual	Final Budget
REVENUE:				
Taxes	$ 75,666,674	$ 76,232,646	$ 72,576,837	$ (3,655,809)
Intergovernmental	4,251,066	4,251,066	1,693,677	(2,557,389)
Department earnings	447,000	447,000	482,683	35,683
Refuse disposal fees	6,796,250	6,796,250	5,801,111	(995,139)
Licenses and permits	2,104,664	2,104,664	2,019,774	(84,890)
Cable television franchise revenue	975,000	975,000	1,035,666	60,666
Payments in lieu of taxes	250,000	250,000	276,662	26,662
Other revenues	1,067,300	1,067,300	456,179	(611,121)
Rents and concessions	5,000	5,000	500	(4,500)
Total Revenue	91,562,954	92,128,926	84,343,089	(7,785,837)
EXPENDITURES:				
General government	18,770,483	18,690,483	12,644,263	(6,046,220)
Public safety	50,005,303	49,960,303	46,035,512	(3,924,791)
Public works	14,233,014	14,188,014	11,150,346	(3,037,668)
Culture and recreation	1,599,515	1,599,515	491,087	(1,108,428)
Debt service	17,162,644	17,162,644	16,484,861	(677,783)
Capital outlay	-	-	1,787,008	1,787,008
Total Expenditures	101,770,959	101,600,959	88,593,077	(13,007,882)
Excess (Deficiency) of Revenue Over (Under) Expenditures	(10,208,005)	(9,472,033)	(4,249,988)	5,222,045
Other Financing Sources (Uses):				
Proceeds from tax anticipation note	12,750,000	12,750,000	12,750,000	-
Sale of assets	2,256,796	1,520,824	-	(1,520,824)
Repayment of tax anticipation note	(13,196,250)	(13,196,250)	(12,891,902)	304,348
Court award	(500,000)	(500,000)	(540,057)	(40,057)
Bond issuance	1,100	1,100	-	(1,100)
Operating transfers in	9,398,901	9,398,901	7,662,212	(1,736,689)
Operating transfers out	(502,542)	(502,542)	(400,000)	102,542
Total Other Financing Sources (Uses)	10,208,005	9,472,033	6,580,253	(2,891,780)
CHANGE IN FUND BALANCE	-	-	2,330,265	-
FUND BALANCE - Beginning	-	-	11,565,409	-
FUND BALANCE - Ending	$ -	$ -	$ 13,895,674	$ -

See independent auditors' report.

SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES BUDGET AND ACTUAL - GENERAL FUND (CONT'D) YEAR ENDED DECEMBER 31, 2020

	Budget Amounts			Variance from
	Original	Final	Actual	Final Budget
REVENUE:				
Taxes				
Act 511:				
Wage	$ 28,750,288	$ 28,750,288	$ 27,200,986	$ (1,549,302)
Delinquent wage tax	110,000	110,000	62,048	(47,952)
Real estate transfer	2,751,000	2,751,000	3,981,490	1,230,490
Mercantile	1,250,000	1,250,000	1,272,070	22,070
Business Privilege	-	-	1,070,550	1,070,550
Amusement tax	295,000	295,000	-	(295,000)
Local service tax	4,950,000	4,950,000	4,599,151	(350,849)
Delinquent mercantile	50,000	50,000	59,811	9,811
Delinquent business privilege	175,000	175,000	114,951	(60,049)
Parking tax	1,100,000	1,100,000	-	(1,100,000)
Payroll preparation tax	647,918	647,918	-	(647,918)
Total Act 511	40,079,206	40,079,206	38,361,057	(1,718,149)
Current real estate	13,491,809	13,491,809	20,998,231	7,506,422
Current real estate tax land	18,800,059	19,366,031	9,732,826	(9,633,205)
Delinquent real estate	2,975,000	2,975,000	3,163,439	188,439
Public utility	75,000	75,000	71,524	(3,476)
Penalties and interest	245,600	245,600	249,760	4,160
Total Taxes	75,666,674	76,232,646	72,576,837	(3,655,809)
Intergovernmental:				
Supplemental state assisted pension	3,850,100	3,850,100	-	(3,850,100)
Act 47 grants	15,100	15,100	1,354,276	1,339,176
Fire safety grant	385,866	385,866	339,401	(46,465)
Total Intergovernmental	4,251,066	4,251,066	1,693,677	(2,557,389)
Departmental earnings:				
Parking meters	6,500	6,500	5,000	(1,500)
Pave cuts	355,500	355,500	443,218	87,718
Alarm fees	62,500	62,500	27,400	(35,100)
Zoning	22,500	22,500	7,065	(15,435)
Total Departmental Earnings	447,000	447,000	482,683	35,683

See independent auditors' report.

SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES BUDGET AND ACTUAL - GENERAL FUND (CONT'D) YEAR ENDED DECEMBER 31, 2020

	Budget Amounts			Variance from
	Original	Final	Actual	Final Budget
REVENUE:				
Refuse disposal fees	6,796,250	6,796,250	5,801,111	(995,139)
Licenses and permits	2,104,664	2,104,664	2,019,774	(84,890)
Cable television franchise revenue	975,000	975,000	1,035,666	60,666
Payments in lieu of taxes	250,000	250,000	276,662	26,662
Rents and concessions	5,000	5,000	500	(4,500)
Other revenues:				
Interest income	275,000	275,000	73,309	(201,691)
User fees	40,000	40,000	19,512	(20,488)
Fines and forfeits	551,100	551,100	248,717	(302,383)
Other	201,200	201,200	114,641	(86,559)
Total Revenue	$ 91,562,954	$ 92,128,926	$ 84,343,089	$ (7,785,837)

See independent auditors' report.

SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES BUDGET AND ACTUAL - GENERAL FUND (CONT'D) YEAR ENDED DECEMBER 31, 2020

	Budget Amounts			Variance from
	Original	Final	Actual	Final Budget
EXPENDITURES				
General Government:				
Salaries and wages	$ 3,316,320	$ 3,236,320	$ 2,815,115	$ (421,205)
Employee benefits	5,191,729	5,191,729	3,265,610	(1,926,119)
Workers' compensation	3,109,811	3,109,811	1,135,000	(1,974,811)
General insurance	1,270,000	1,270,000	1,160,137	(109,863)
Office supplies and expenses	170,375	170,375	89,813	(80,562)
Professional fees	1,005,198	1,005,198	1,367,150	361,952
Telephone	245,000	245,000	260,532	15,532
Equipment	833,750	833,750	745,290	(88,460)
Utilities	710,000	710,000	623,189	(86,811)
Other	2,918,300	2,918,300	1,182,427	(1,735,873)
Total General Government	18,770,483	18,690,483	12,644,263	(6,046,220)
Public Safety:				
Salaries and wages	24,511,313	24,466,313	25,081,512	615,199
Employee benefits	24,101,470	24,101,470	20,098,645	(4,002,825)
Supplies	87,250	87,250	85,666	(1,584)
Equipment	906,000	906,000	378,722	(527,278)
Training	156,750	156,750	135,107	(21,643)
Professional fees	173,150	173,150	190,933	17,783
Other	69,370	69,370	64,927	(4,443)
Total Public Safety	50,005,303	49,960,303	46,035,512	(3,924,791)
Public Works:				
Salaries and wages	4,896,188	4,851,188	4,493,537	(357,651)
Employee benefits	3,105,414	3,105,414	2,506,558	(598,856)
Supplies	367,750	367,750	299,194	(68,556)
Professional fees	89,500	89,500	81,941	(7,559)
Equipment	1,526,895	1,526,895	989,786	(537,109)
Landfill fees	1,410,000	1,410,000	1,600,206	190,206
Road resurfacing	860,000	860,000	8,564	(851,436)
Flood Protection	250,000	250,000	17,716	(232,284)
Salt	475,000	475,000	259,261	(215,739)
Street lighting	899,767	899,767	883,685	(16,082)
Training	2,500	2,500	108	(2,392)
Other	350,000	350,000	9,790	(340,210)
Total Public Works	14,233,014	14,188,014	11,150,346	(3,037,668)

See independent auditors' report.

SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES BUDGET AND ACTUAL - GENERAL FUND (CONT'D) YEAR ENDED DECEMBER 31, 2020

	Budget Amounts			Variance from
	Original	Final	Actual	Final Budget
Culture and Recreation:				
Salaries and wages	656,325	656,325	448,481	(207,844)
Employee benefits	2,940	2,940	2,520	(420)
Supplies	43,500	43,500	43,453	(47)
Programs	21,750	21,750	14,723	(7,027)
Equipment	875,000	875,000	(18,090)	(893,090)
Total Culture and Recreation	1,599,515	1,599,515	491,087	(1,108,428)
Debt Service payments	17,162,644	17,162,644	16,484,861	(677,783)
Capital outlay	-	-	1,787,008	1,787,008
Total Expenditures	101,770,959	101,600,959	88,593,077	(13,007,882)
Excess (Deficiency) of Revenue Over (Under) Expenditures	(10,208,005)	(9,472,033)	(4,249,988)	5,222,045
Other Financing Sources (Uses):				
Proceeds from tax anticipation notes	12,750,000	12,750,000	12,750,000	-
Sale of assets	2,256,796	1,520,824	-	(1,520,824)
Repayments of tax anticipation notes	(13,196,250)	(13,196,250)	(12,891,902)	304,348
Court award	(500,000)	(500,000)	(540,057)	(40,057)
Bond issuance	1,100	1,100	-	(1,100)
Operating transfers out	(502,542)	(502,542)	(400,000)	102,542
Operating transfers in from:				
Other funds	7,059,450	7,059,450	5,982,667	(1,076,783)
Liquid fuels fund	2,339,451	2,339,451	1,679,545	(659,906)
Net Other Financing Sources (Uses)	10,208,005	9,472,033	6,580,253	(2,891,780)
CHANGE IN FUND BALANCE	-	-	2,330,265	2,330,265
FUND BALANCE - Beginning	-	-	11,565,409	-
FUND BALANCE - Ending	$ -	$ -	$ 13,895,674	$ -

See independent auditors' report.

CITY OF SCRANTON, PENNSYLVANIA

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Liquid Fuels	Redevelopment Authority	Debt Service	Total Non-major Governmental Funds
ASSETS:				
Cash and cash equivalents	$ 1,486,278	$ 548,806	$ -	$ 2,035,084
Loans receivable, net	-	26,306	-	26,306
Restricted cash and cash equivalents	-	-	76,248	76,248
Property held for resale	-	96,769	-	96,769
Total Assets	$ 1,486,278	$ 671,881	$ 76,248	$ 2,234,407
LIABILITIES:				
Accounts payable	$ -	$ 24	$ -	$ 24
Due to other funds	-	539,603	-	539,603
Total Liabilities	-	539,627	-	539,627
DEFERRED INFLOW OF RESOURCES:				
Unavailable revenues	-	26,306	-	26,306
FUND BALANCE:				
Non-spendable	-	96,769	-	96,769
Restricted for externally imposed restrictions	1,486,278	544,506	-	2,030,784
Assigned	-	-	76,248	76,248
Unassigned	-	(535,327)	-	(535,327)
Total Fund Balance	1,486,278	105,948	76,248	1,668,474
	$ 1,486,278	$ 671,881	$ 76,248	$ 2,234,407

See independent auditors' report.

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2020

	Liquid Fuels	Redevelopment Authority	Debt Service	Total Non-major Funds
Revenues:				
Intergovernmental	$ 2,320,105	$ 9,660	$ -	$ 2,329,765
Interest income	5,458	184	437	6,079
Other revenues	-	1,936	-	1,936
Rents	-	3,700	-	3,700
Total Revenues	2,325,563	15,480	437	2,341,480
Expenditures:				
Current:				
Community development	-	20,063	-	20,063
Debt service:				
Principal	-	-	335,000	335,000
Interest	-	-	95,269	95,269
Total Expenditures	-	20,063	430,269	450,332
Excess (Deficiency) of Revenues Over/Under Expenditures	2,325,563	(4,583)	(429,832)	1,891,148
Other Financing Sources (Uses):				
Operating transfers in	67,168	-	400,000	467,168
Operating transfers out	(1,746,713)	-	-	(1,746,713)
Total Other Financing Sources (Uses)	(1,679,545)	-	400,000	(1,279,545)
CHANGE IN FUND BALANCE	646,018	(4,583)	(29,832)	611,603
FUND BALANCE - Beginning	840,260	110,531	106,080	1,056,871
FUND BALANCE - Ending	$ 1,486,278	$ 105,948	$ 76,248	$ 1,668,474

See independent auditors' report.