



EBENSBURG, PENNSYLVANIA

Financial Statements

December 31, 2023

BOROUGH OF EBENSBURG
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Borough Council
Borough of Ebensburg
Ebensburg, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Ebensburg, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough of Ebensburg's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Ebensburg, as of December 31, 2023, and the respective changes in financial position-modified cash basis thereof for the year then ended on the basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Ebensburg and meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not an absolute level of assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Ebensburg's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Ebensburg's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 43 and 44 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management 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 financial statements is not affected by this missing information.

WESSEL & COMPANY
Certified Public Accountants

February 14, 2024

BOROUGH OF EBENSBURG
 GOVERNMENT-WIDE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 DECEMBER 31, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 2,923,800	\$ 818,445	\$ 3,742,245
Total Assets	<u>\$ 2,923,800</u>	<u>\$ 818,445</u>	<u>\$ 3,742,245</u>
LIABILITIES AND NET POSITION:			
Current Liabilities			
Accrued payroll taxes and withholdings	\$ 23,268	\$ -	\$ 23,268
Total Liabilities	<u>23,268</u>	<u>-</u>	<u>23,268</u>
Net Position			
Net Position - restricted	79,065	-	79,065
Net Position - unrestricted	<u>2,821,467</u>	<u>818,445</u>	<u>3,639,912</u>
Total Net Position	<u>2,900,532</u>	<u>818,445</u>	<u>3,718,977</u>
Total Liabilities and Net Position	<u>\$ 2,923,800</u>	<u>\$ 818,445</u>	<u>\$ 3,742,245</u>

See Independent Auditor's Report and
 Accompanying Notes to Financial Statements

BOROUGH OF EBENSBURG
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 219,973	\$ 203,435	\$ 146,811	\$ -	\$ 130,273	\$ -	\$ 130,273
Public safety	687,645	43,817	-	-	(643,828)	-	(643,828)
Codes enforcement	3,250	-	-	-	(3,250)	-	(3,250)
Planning and zoning	1,633	-	-	-	(1,633)	-	(1,633)
Public works - Sanitation	150,152	234,379	-	-	84,227	-	84,227
Public works - Highways & Streets	318,278	41,095	7,500	112,637	(157,046)	-	(157,046)
Public works - Other	50,826	-	-	-	(50,826)	-	(50,826)
Airport	32,906	-	-	28,293	(4,613)	-	(4,613)
Parking facilities	14,200	-	-	-	(14,200)	-	(14,200)
Culture and recreation	807,962	369,428	211,655	15,225	(211,654)	-	(211,654)
Economic development	91,266	-	-	-	(91,266)	-	(91,266)
Capital expenditures	69,042	-	-	-	(69,042)	-	(69,042)
Total Governmental Activities	2,447,133	892,154	365,966	156,155	(1,032,858)	-	(1,032,858)
Business-type Activities:							
Sewer	2,623,383	1,869,949	-	9,650	-	(743,784)	(743,784)
Water	1,843,802	2,126,038	-	15,050	-	297,286	297,286
Stormwater	387,177	212,854	-	-	-	(174,323)	(174,323)
Total Business-type Activities	4,854,362	4,208,841	-	24,700	-	(620,821)	(620,821)
Total Primary Government	\$ 7,301,495	\$ 5,100,995	\$ 365,966	\$ 180,855	\$ (1,032,858)	\$ (620,821)	\$ (1,653,679)
General Revenues:							
Taxes:							
Property taxes					\$ 567,838	\$ -	\$ 567,838
Local enabling taxes					570,253	-	570,253
Licenses and permits					61,922	-	61,922
Transfers in/(out) primary government					599,727	(599,727)	-
Unrestricted investment earnings					40,081	73,456	113,537
Proceeds from asset disposal					42,239	-	42,239
Debt service					(186,964)	(1,209,277)	(1,396,241)
Intergovernmental reimbursement					-	606,966	606,966
Other revenues					151,043	-	151,043
Total General Revenues and Transfers					1,846,139	(1,128,582)	717,557
Change in Net Position					813,281	(1,749,403)	(936,122)
Net Position - Beginning of Year					2,087,251	2,567,848	4,655,099
Net Position - End of Year					\$ 2,900,532	\$ 818,445	\$ 3,718,977

BOROUGH OF EBENSBURG
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
DECEMBER 31, 2023

	Governmental Fund Types			Totals
	General	Highway Aid Fund	Capital Projects	
	ASSETS			
Cash	\$ 2,844,735	\$ 46,251	\$ 32,814	\$ 2,923,800
Total Assets	\$ 2,844,735	\$ 46,251	\$ 32,814	\$ 2,923,800
	LIABILITIES AND FUND BALANCE			
Liabilities				
Accrued payroll taxes and withholdings	\$ 23,268	\$ -	\$ -	\$ 23,268
Total Liabilities	23,268	-	-	23,268
Fund Balance				
Restricted	-	46,251	32,814	79,065
Assigned	1,010,966	-	-	1,010,966
Unassigned	1,810,501	-	-	1,810,501
Total Fund Balance	2,821,467	46,251	32,814	2,900,532
Total Liabilities and Fund Balance	\$ 2,844,735	\$ 46,251	\$ 32,814	\$ 2,923,800

See Independent Auditor's Report and
Accompanying Notes to Financial Statements

BOROUGH OF EBENSBURG
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Governmental Fund Types			Totals
	General	Highway Aid Fund	Capital Projects	
<u>Revenues:</u>				
Real estate taxes	\$ 567,838	\$ -	\$ -	\$ 567,838
Local enabling taxes	570,253	-	-	570,253
State liquid fuel tax	7,500	110,357	-	117,857
Licenses and permits	61,922	-	-	61,922
Fines, forfeits and costs	43,817	-	-	43,817
Grant revenue	358,466	2,280	28,293	389,039
Interest	37,111	2,970	-	40,081
Charges for services	863,562	-	-	863,562
Miscellaneous revenue	151,043	-	-	151,043
	<u>2,661,512</u>	<u>115,607</u>	<u>28,293</u>	<u>2,805,412</u>
<u>Expenditures:</u>				
General government	219,973	-	-	219,973
Public safety	687,645	-	-	687,645
Codes enforcement	3,250	-	-	3,250
Planning and zoning	1,633	-	-	1,633
Public works - Sanitation	150,152	-	-	150,152
Public works - Highways & Streets	188,278	130,000	-	318,278
Public works - Other	50,826	-	-	50,826
Airport	-	-	32,906	32,906
Parking facilities	14,200	-	-	14,200
Culture and recreation	807,962	-	-	807,962
Economic development	91,266	-	-	91,266
Capital expenditures	69,042	-	-	69,042
	<u>2,284,227</u>	<u>130,000</u>	<u>32,906</u>	<u>2,447,133</u>

Excess/(Deficiency) of Revenues Over Expenditures	<u>377,285</u>	<u>(14,393)</u>	<u>(4,613)</u>	<u>358,279</u>
Other Financing Sources/(Uses):				
Sale of a capital asset	42,239	-	-	42,239
Debt service	(186,964)	-	-	(186,964)
Operating transfers in	699,727	-	-	699,727
Operating transfers (out)	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Total Other Financing Sources/(Uses)	<u>455,002</u>	<u>-</u>	<u>-</u>	<u>455,002</u>
Excess/(Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	832,287	(14,393)	(4,613)	813,281
Fund Balances - Beginning of Year	<u>1,989,180</u>	<u>60,644</u>	<u>37,427</u>	<u>2,087,251</u>
Fund Balance - End of Year	<u>\$ 2,821,467</u>	<u>\$ 46,251</u>	<u>\$ 32,814</u>	<u>\$ 2,900,532</u>

See Independent Auditor's Report and
Accompanying Notes to Financial Statements

BOROUGH OF EBENSBURG
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds (page 9)	\$ 813,281
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of the differences in the treatment of long-term debt on the statement of activities.	-
The net effect of various transactions involving capital assets, (i.e. purchases, disposals, etc.) is to increase net assets	-
Change in net position of governmental activities (page 6)	<u>\$ 813,281</u>

See Independent Auditor's Report and
 Accompanying Notes to Financial Statements

BOROUGH OF EBENSBURG
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 DECEMBER 31, 2023

	<u>ASSETS</u>			
	<u>Enterprise Sewer Fund</u>	<u>Enterprise Water Fund</u>	<u>Enterprise Stormwater Fund</u>	<u>Total</u>
Current Assets:				
Cash	<u>\$ 420,028</u>	<u>\$ 15,251</u>	<u>\$ 383,166</u>	<u>\$ 818,445</u>
Total Current Assets	<u><u>\$ 420,028</u></u>	<u><u>\$ 15,251</u></u>	<u><u>\$ 383,166</u></u>	<u><u>\$ 818,445</u></u>
<u>LIABILITIES AND NET POSITION</u>				
Current Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:				
Unrestricted	<u>420,028</u>	<u>15,251</u>	<u>383,166</u>	<u>818,445</u>
Total Net Position	<u>420,028</u>	<u>15,251</u>	<u>383,166</u>	<u>818,445</u>
Total Liabilities and Net Position	<u><u>\$ 420,028</u></u>	<u><u>\$ 15,251</u></u>	<u><u>\$ 383,166</u></u>	<u><u>\$ 818,445</u></u>

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BOROUGH OF EBENSBURG
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET POSITION - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Sewer Fund	Water Fund	Stormwater Fund	Total
Operating Revenues:				
Sewage service fees	\$ 1,869,949	\$ -	\$ -	\$ 1,869,949
Water service fees	-	2,126,038	-	2,126,038
Stormwater service fees	-	-	212,854	212,854
Total Operating Revenues	1,869,949	2,126,038	212,854	4,208,841
Operating Expenses:				
Personnel services	274,758	275,058	-	549,816
Operating expense	1,031,697	900,125	386,264	2,318,086
Utilities	13,557	91,579	-	105,136
Capital expenditures	1,303,371	577,040	913	1,881,324
Total Operating Expenses	2,623,383	1,843,802	387,177	4,854,362
Operating Income	(753,434)	282,236	(174,323)	(645,521)
Non-Operating Revenues/(Expenses):				
Sewer tap-ins	9,650	-	-	9,650
Water tap-ins	-	15,050	-	15,050
Interest income	36,728	36,728	-	73,456
Debt service	(594,007)	(615,270)	-	(1,209,277)
Intergovernmental reimbursement	(5,150)	612,116	-	606,966
Transfer (out)	(1,303,371)	(627,601)	(128,715)	(2,059,687)
Transfer in	1,305,634	154,326	-	1,459,960
Total Non-Operating Revenues/(Expenses)	(550,516)	(424,651)	(128,715)	(1,103,882)
Change in Net Position	(1,303,950)	(142,415)	(303,038)	(1,749,403)
Net Position - Beginning of Year	1,723,978	157,666	686,204	2,567,848
Net Position - End of Year	<u>\$ 420,028</u>	<u>\$ 15,251</u>	<u>\$ 383,166</u>	<u>\$ 818,445</u>

See Independent Auditor's Report and
 Accompanying Notes to Financial Statements

BOROUGH OF EBENSBURG
 FIDUCIARY FUND
 STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
 DECEMBER 31, 2023

	<u>Police Pension Trust Fund</u>	<u>Non-Uniform Pension Trust Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Investments	<u>\$ 1,908,723</u>	<u>\$ 2,407,615</u>	<u>\$ 4,316,338</u>
Total Assets	<u>\$ 1,908,723</u>	<u>\$ 2,407,615</u>	<u>\$ 4,316,338</u>
<u>LIABILITIES AND NET POSITION</u>			
Current Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:			
Held in trust for employee pension benefits	<u>1,908,723</u>	<u>2,407,615</u>	<u>4,316,338</u>
Total Net Position	<u>1,908,723</u>	<u>2,407,615</u>	<u>4,316,338</u>
Total Liabilities and Net Position	<u>\$ 1,908,723</u>	<u>\$ 2,407,615</u>	<u>\$ 4,316,338</u>

See Independent Auditor's Report and
 Accompanying Notes to Financial Statements

BOROUGH OF EBENSBURG
 FIDUCIARY FUND
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Police Pension Trust Fund	Non-Uniform Pension Trust Fund	Total
<u>Additions</u>			
Contributions - employee	\$ 6,892	\$ 13,213	\$ 20,105
Contributions - employer	-	(8,337)	(8,337)
State Contribution	16,401	100,157	116,558
Net appreciation/(depreciation) in fair value of investments	148,189	111,954	260,143
Investment Income	76,729	96,954	173,683
Total Additions	<u>248,211</u>	<u>313,941</u>	<u>562,152</u>
<u>Deductions</u>			
Withdrawals/administrative expenses	<u>58,646</u>	<u>101,281</u>	<u>159,927</u>
Total Deductions	<u>58,646</u>	<u>101,281</u>	<u>159,927</u>
Change in Net Position	189,565	212,660	402,225
Net Position Held in Trust for Employee Pension Benefits:			
Beginning of the Year	<u>1,719,158</u>	<u>2,194,955</u>	<u>3,914,113</u>
End of the Year	<u>\$ 1,908,723</u>	<u>\$ 2,407,615</u>	<u>\$ 4,316,338</u>

See Independent Auditor's Report and
 Accompanying Notes to Financial Statements

BOROUGH OF EBENSBURG
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Borough of Ebensburg, the Borough, was incorporated under the Commonwealth of Pennsylvania Municipalities Act. The Borough operates under the Mayor-Council form of government whereby the mayor and council are elected officials.

a. *Basis of Accounting*

The accompanying financial statement has been prepared on the modified cash basis of accounting, a special purpose framework. Under this basis, the only asset recognized is cash and only liabilities due at year end are recognized. All transactions are recognized as either cash receipts or disbursements, and non-cash transactions are not recognized. The modified cash basis differs from generally accepted accounting principles primarily because the effects of accounts receivable, capital assets and related depreciation, deferred inflows, accounts payable, long-term debt obligations, other liabilities, and deferred outflows are not included in the financial statement.

b. *Basis of Presentation*

The Borough's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

As described in Note 6, the Borough participates in two (2) defined benefit pension plans, the Police pension plan and the Non-Uniform pension plan, and as reported in the Schedule of Changes in Net Pension Liability and Related Ratios, the most recent actuarial valuations performed as of January 1, 2021, reflect an excess of assets over actuarial accrued liability approximating \$403,747 for the Police plan and unfunded pension obligations approximating \$224,213 for the Non-Uniform plan.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Borough as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities that are governmental and those that are considered business-type activities.

The statement of net position presents the financial position of the governmental and business-type activities of the Borough at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Borough's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods and services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Borough, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business-type activity is self-financing or draws from the general revenues of the Borough.

Fund Financial Statements

During the year, the Borough segregates transactions related to certain Borough functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Borough at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Fiduciary funds are reported by type.

c. *Fund Accounting*

The Borough uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three (3) categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those which most governmental functions of the Borough are financed. The Governmental funds follow the modified cash basis of accounting.

The following are the funds maintained by the Borough:

Major Funds:

General Fund – The General Fund is the general operating fund of the Borough. It is used to account for all financial resources not accounted for and reported in another fund.

Highway Aid Fund – Revenue recorded within this special revenue fund is received annually by virtue of the Commonwealth of Pennsylvania Liquid Fuels Tax Act and expenditures are restricted to certain appropriations for highway purposes as approved by the Pennsylvania Department of Transportation. Unexpended allocations of such revenues are available for carryover and reappropriation to the succeeding year.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources that are restricted, committed, or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets other than those financed by the Proprietary Fund.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, and financial position. Typically, proprietary funds may be used to account for any activity for which a fee is charged to external users for goods or services.

The following are the Borough's major proprietary funds:

Enterprise Fund (Sewer, Water, and Stormwater Funds) – The Borough's Sewer, Water, and Stormwater Funds are enterprise funds. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - 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.

The Borough applies all GASB pronouncements and all Financial Accounting Standards Board (FASB) Accounting Standards Codification, unless they conflict with GASB pronouncements.

Fiduciary Funds (Trust and Agency Funds)

Fiduciary Funds account for assets held by a government unit in a trustee capacity and/or as an agent for individuals, private organizations, other governmental units and/or other funds. These include (a) expendable trust funds, (b) non-expendable trust funds, (c) pension trust funds, and (d) agency funds. The modified cash basis of accounting is utilized for fiduciary funds. The Borough's fiduciary fund is a pension trust fund, which consists of the Police and the Non-Uniform Pension Plans.

d. Budgets

The administration submits to the Borough Council proposed operating budgets in accordance with the Administrative Code. Prior to the inception of the calendar year, the budgets are legally enacted by the Council Members through passage of budget resolutions. All transfers of budgeted amounts between departments, as well as all budget amendments, require the approval of Council.

The budgets are prepared on the cash receipts and disbursements basis of accounting, for the following funds:

- General Fund
- Special Revenue
 - Highway Aid Fund
- Capital Projects Fund
- Proprietary Fund
 - Sewer Fund
 - Water Fund
 - Stormwater Fund

Formal budgetary integration is employed as a management control device on a cash receipts and disbursements basis of accounting during the year for the aforementioned funds. However, since the budgets are not adopted on a basis consistent with generally accepted accounting principles (GAAP), the budgetary comparisons presented in this report are on a non-GAAP budgetary basis. In this instance, however, the comparison is not materially by the different bases. The individual financial statements of the budgetary funds of the Borough present comparisons of non-GAAP budgets to actual results.

e. Encumbrances

Encumbrance accounting is not utilized by the Borough. This is the procedure under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Reservations of fund balances are, therefore, not provided for in the financial statements.

f. *Reporting Entity*

The Borough follows the Statement of Governmental Accounting Standards Board No. 61, "The Financial Reporting Entity." The criteria for including organizations as component units within the Borough's reporting entity include whether:

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

Based on the aforementioned criteria, the Borough has the following component unit:

Ebensburg Municipal Authority

Selected financial information from the most recently issued report of Ebensburg Municipal Authority is presented below. Complete financial statements are available from the Authority.

Condensed Statement of Net Position

	<u>December 31, 2023</u>
Assets:	
Current Assets	\$ 195,330
Non-Current Assets	<u>22,206,840</u>
Total Assets	<u>\$ 22,402,170</u>
Liabilities:	
Current Liabilities	\$ 1,217,911
Non-Current Liabilities	<u>12,127,188</u>
Total Liabilities	<u>\$ 13,345,099</u>
Net Position:	
Unrestricted	\$ 199,875
Invested in Capital Assets	<u>8,857,196</u>
Total Net Position	<u>\$ 9,075,071</u>

Condensed Statement of Activities

	<u>December 31, 2023</u>
Lease revenue	\$ 9,540
Operating income – Borough of Ebensburg	<u>1,240,919</u>
 Total Operating Revenues	 <u>1,250,459</u>
Depreciation expense	947,124
Other operating expense	<u>62,554</u>
 Total Operating Expenses	 <u>1,009,678</u>
Intergovernmental reimbursement	(612,116)
Interest income	5,432
Interest expense	(188,364)
Capital grants and contributions	<u>169,475</u>
 Total Non-Operating Expense	 <u>(625,573)</u>
 Change in Net Position	 (384,792)
Beginning Net Position	<u>9,441,863</u>
Ending Net Position	<u><u>\$ 9,057,071</u></u>

g. Net Position

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Borough or through external restrictions imposed by creditors, grantors, or laws or other regulations of other governments.

The Borough's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

h. Fund Balance

The Borough follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement required the governmental funds' fund balances to be reclassified into the following five (5) categories:

Nonspendable - fund balance permanently restricted and unavailable for current operations

Restricted - fund balance temporarily restricted for specified purposes stipulated by constitution, external resource providers, or through enabling legislation

Committed - fund balance temporarily restricted for specified purposes established by a formal action by the Borough Council. Formal action by Borough Council is also necessary to modify or rescind a fund balance commitment

Assigned - fund balance intended for specific purpose that does not meet the criteria to be classified as restricted or committed. Borough Council has authorized the Borough Manager as the official authorized to assign fund balance to a specific purpose.

Unassigned - fund balance available for operations without any restriction

Borough Council will spend the most restricted dollars before less restricted in the order as defined above.

The Borough reports the following fund balance classifications:

General Fund

Assigned:

Unanticipated Expenditures	\$ 878,852
Sidewalk Improvements	<u>132,114</u>
	<u>\$ 1,010,966</u>

Other Governmental Fund Types

The Highway Aid Fund maintains a restricted fund balance of \$46,251 for expenditures for highway purposes as approved by the Pennsylvania Department of Transportation.

The Capital Projects Fund maintains a restricted fund balance of \$32,814 for future construction projects and capital improvements.

i. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the Borough, these revenues are sewer and water service fees. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise funds.

j. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

k. Implementation of New Accounting Pronouncements

GASB Statement No. 91, *Conduit Debt Obligations*, is effective for periods beginning after December 15, 2022. The adoption of this Statement had no effect on previously reported amounts.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, is effective for periods beginning after June 15, 2022. The adoption of this Statement had no effect on previously reported amounts.

GASB Statement No. 96, *Subscription-Based Technology Arrangements*, is effective for periods beginning after June 15, 2022. The adoption of this Statement had no effect on previously reported amounts.

GASB Statement No. 99, *Omnibus 2022*, is effective for periods beginning after June 15, 2022. The adoption of this Statement had no effect on previously reported amounts.

I. Pending Changes in Accounting Principles

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The Borough is required to adopt Statement No. 100 for its 2024 financial statements.

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

In June 2022, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The Borough is required to adopt Statement No. 102 for its 2025 financial statements.

The Borough has not completed the various analysis required to estimate the financial statement impact of these new pronouncements.

NOTE 2 CASH AND INVESTMENTS

The Borough has a policy that requires all deposits and investments, other than U.S. government obligations, to be covered by Federal insurance or to be fully collateralized by the financial institution issuing the investment or acquiring the deposit. Deposits that are not insured by the Federal Deposit Insurance Corporation are collateralized using the pooled asset method to one hundred percent (100%) of value as required by Pennsylvania Law.

The securities pledged as collateral are held by the trust department of a financial institution or by its agents in the financial institution's name. When certificates of deposit are purchased, the Borough or its agent either holds the actual certificate of deposit or receives a safekeeping certificate as its proof of ownership.

Pennsylvania Law limits investment and deposit types the Borough may purchase as follows:

- (a) U.S. Treasury bills.
- (b) Short-term obligations of the U.S. government or its agencies.
- (c) Demand, savings and time deposits with institutions insured by the FDIC or the National Credit Union Share Funds or collateralized with securities as provided by law.
- (d) Obligations of the United States or any of its agencies, the Commonwealth of Pennsylvania or any of its agencies or any political subdivision of the Commonwealth of Pennsylvania or any of its agencies providing the obligations are backed by the full faith and credit of the political subdivision.

Deposits include items described in (b) and (c).

A. Deposits

As of December 31, 2023 the carrying amount and the bank balance of the Borough's deposits, excluding the investments in the Stifel Advisors for pension pooled funds as discussed below, totaled \$3,865,931 at two (2) financial institutions. Of the bank balances at the financial institutions as of December 31, 2023, \$250,000 is covered by federal depository insurance at each financial institution. The remaining amount of \$3,365,931 is collateralized using the pooled asset method; however, because funds are not collateralized with securities registered in the Borough's name, they are considered uncollateralized. The amounts are included on the statements of net position as cash and cash equivalents.

B. Investment Pools

Stifel Advisors

The Borough maintains two (2) single-employer defined benefit pension plans, and entered into an agreement with Stifel Advisors. The Plans are governed by the Borough Council which may amend plan provisions, and which are responsible for the management of Plan assets.

Investments in external investment pools or in mutual funds are disclosed by Stifel Advisors but not categorized because they are not evidenced by securities that exist in physical or book entry form. Securities underlying reverse repurchase agreements are also disclosed but not categorized because they are held by the buyer-lender. As of December 31, 2023, the carrying amount and fair value of the Stifel Advisors pooled funds totaled \$4,316,338 which is the same as the value of the pool share.

Investments – Fair Value Measurements

Generally accepted accounting principles define fair value, describe a framework for measuring fair value, and require disclosure about fair value measurements. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. The established framework includes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level input that is significant to the fair value measurement of the asset or liability. Classification of assets and liabilities within the hierarchy considers the markets in which the assets and liabilities are traded and reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available. The levels of the hierarchy and those investments included in each are as follows:

Level 1 – Represented by quoted prices available in an active market. Level 1 securities include highly liquid government bonds, treasury securities, mortgage products and exchange traded equities and mutual funds.

Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data, such as quoted prices for similar securities and quoted prices in inactive markets and estimated using price models or discounted cash flows. Level 2 securities would include U.S. agency

securities, mortgage-based agency securities, obligations of states, and political subdivisions and certain corporate, asset backed securities, swap agreements, and life insurance contracts.

Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity’s own assumptions about the market risk. Level 3 securities would include hedge funds, private equity securities, and those with internally developed values.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value on the statement of fiduciary net position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Mutual Funds: Valued at the closing price reported on the active market on which the securities are traded.

	Fair Value Measurements at Reporting Date		
	Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2023			
Mutual Funds	\$ 4,316,338	\$ ---	\$ ---
	<u>\$ 4,316,338</u>	<u>\$ ---</u>	<u>\$ ---</u>

NOTE 3 SIDEWALK PROJECT AGREEMENTS

At December 31, 2023, the Borough had approximately forty-eight (48) agreements with property owners in the Borough for the payments associated with sidewalks projects at their properties. The balance due to the Borough amounted to approximately \$85,296 at December 31, 2023.

NOTE 4 LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended December 31, 2023, was as follows:

	Outstanding December 31, 2022	Additions	Payments	Outstanding December 31, 2023	Amounts Due Within One (1) Year
Loan	\$ 472,770	\$ ---	\$(178,102)	\$ 294,668	\$ 109,220
Total Obligations	<u>\$ 472,770</u>	<u>\$ ---</u>	<u>\$(178,102)</u>	<u>\$ 294,668</u>	<u>\$ 109,220</u>

In 2022, the Borough entered into a loan for \$550,000 with a term of five (5) years, at an interest rate of 2.39%. Payments of principal and interest totaling \$9,747 are due monthly.

Principal and interest requirements to retire the above long-term obligations are as follows:

	Principal	Interest	Total
2024	\$ 109,220	\$ 7,744	\$ 116,964
2025	111,859	5,105	116,964
2026	73,589	2,402	75,991
Total	<u>\$ 294,668</u>	<u>\$ 15,251</u>	<u>\$ 309,919</u>

NOTE 5 PROPERTY TAXES

The Borough utilizes a two-tier real estate tax assessment. This form of assessment encourages the development of vacant land and does not penalize property owners for improvements made to property.

The current tax rate rates are 36.75 mills on land 11.75 mills per dollar on buildings. This is the equivalent of a 16.75 mill real estate tax assessment. The assessed valuation for 2023 totaled \$34,929,500 which would generate \$585,069 of property tax revenue. The 16.75 mills of real estate tax is used for the following purposes, 11.0 mills for general purposes, 0.5 mills for storm water management purposes, and 1.5 mills for swimming pool expense purposes.

The following is a summary of the tax calendar for the year ended December 31, 2023:

Mailing Date --- March 1, 2023
Discount Period at 2% --- March 1, 2023 to April 30, 2023
Face Period --- May 1, 2023 to June 30, 2023
Penalty Period at 10% --- July 1, 2023
Lien Date --- January 15, 2024

NOTE 6 LIQUID FUELS TAX – HIGHWAY AID FUND

Revenues recorded within this special revenue fund are received annually by virtue of the Commonwealth of Pennsylvania Liquid Fuels Tax Act and expenditures are restricted to certain appropriations for highway purposes as approved by the Pennsylvania Department of Transportation. Unexpended allocations of such revenues are available for carryover and reappropriation to the succeeding year.

NOTE 7 PENSION PLANS

Plan Description

The Borough maintains two (2) single employer defined benefit pension plans, the Police pension plan and the Non-Uniform pension plan. The benefits provided to the employees and beneficiaries under both plans are retirement, disability and death. The pension plans benefit provisions are established and may be amended by the Borough Council. The Borough Council has the authority to manage plan assets. The Borough issues a separate financial report on each pension plan. A copy of these financial reports can be obtained at the Borough Municipal Building.

The Commonwealth of Pennsylvania has enacted the “Municipal Pension Plan Funding and Recovery Act” (Act 205). This act establishes certain standards and requirements for municipal pensions in the areas of: (1) actuarial reporting; (2) employer contribution requirements; and (3) revising the State insurance allocations. The Borough’s actuarial reports for the pension have been changed to meet the reporting requirements of Act 205. The disclosure requirements for the plan are summarized as follows:

Uniform Plan

Plan administration

The Borough of Ebensburg Police Pension Plan is a single-employer defined benefit pension plan. The plan was established effective March 1, 1977, (adopted pursuant to Act 600 of 1956). The plan was amended and restated by Ordinance No. 506, effective January 1, 2001. The plan is governed by the Borough Council of the Borough of Ebensburg which may amend plan provisions, and which is responsible for the management of plan assets. The Borough Council has delegated the authority to manage certain plan assets to Seymour/Pettina Investment Counseling. The plan is required to file Form PC-201C biennially with the Public Employee Retirement Commission (PERC). The most recent filing was as of January 1, 2021.

Method used to value investments

Plan investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan membership

The plan covers all full time employees of the Police Department. As of December 31, 2022, pension plan membership consisted of the following:

Active employees	5
Retirees and beneficiaries currently receiving benefits	2
Terminated employees entitled to benefits but not yet receiving them	<u>0</u>
Total	<u>7</u>

Benefits provided

The plan provides normal retirement, vesting, survivor, and disability benefits to plan members and their beneficiaries in accordance with Ordinance No. 506, as amended. Retirement benefits for plan members are calculated as fifty percent (50%) of the final monthly average salary (total pay excluding task force pay averaged over the final thirty-six (36) months of employment), plus service increment of \$20 for each completed year of service in excess of twenty-five (25) years, to a maximum increment of \$100. Plan members with twenty-five (25) years of service are eligible to retire at age fifty-five (55). The members are vested after twelve (12) years of service.

Survivor benefits before retirement eligibility amount to a refund of contributions, if any, plus interest. Survivor benefits after retirement eligibility are determined as fifty percent (50%) of the amount that the participant was receiving or was eligible to receive, for life. In the event of the spouse’s death, the participant’s dependent children under eighteen (18), or age twenty-three (23) if attending college, will share the benefit.

Disability benefits are only received if the cause is service related and the benefits are determined as fifty percent (50%) of the average monthly salary at the time of disability, offset by any benefits payable under the Social Security Act because of the same injuries. Disability benefits are not provided to participants for incidents that are non-service related.

Contributions

Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for municipal pension plans. Act 205 requires that annual contributions to the pension plan be based upon the minimum municipal obligation (MMO). The MMO is determined from the plan’s latest actuarial valuation report along with estimates of payroll, employee contributions, and administrative costs. For the year ended December 31, 2022, the Borough’s required contribution was \$14,696.

Employees are required to contribute three percent (3%) of covered payroll to the plan. This contribution is governed by the plan’s governing ordinances and collective bargaining. Contributions are currently seven percent (7%) of covered payroll.

Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the plan and funded through the MMO and/or plan earnings.

Investments

The plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The plan’s target asset allocation according to the investment policy adopted July 29, 2013, is as follows:

Asset Class	Range
Cash & Cash Equivalents	2-60%
Bonds	10-60%
Stocks	25-60%
Real Estate	0-20%
Natural Resources/Commodities	0-10%
Equipment Leasing	0-5%
Hedge Funds	0-10%
Preferred Stock	0-20%

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit ratings of the plan’s investments (excluding obligations explicitly guaranteed by the U.S. government) are included on the table below.

Investment Type**	Fair Value	Credit Rating
Money Market Funds	\$ 41,687	Not rated
Fixed Income Mutual Funds	817,146	Not rated
Total	\$ 858,833	

**Several items in this disclosure are provided as of December 31, 2022, the most recent year that was available as of the report date.

Concentrations

Concentration of credit risk is the loss attributed to the magnitude of an investment in a single issuer. The plan places no limits on the amount that may be invested in any one issuer. At December 31, 2022, the plan had no investments (other than U.S. Government and U.S. Government guaranteed obligations, mutual funds or other pooled investments) in any one issuer than represent five percent (5%) of more of fiduciary net position.

Rate of return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was -15.81 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability/(Asset) of the Borough

The components of the net pension liability of the Borough at December 31, 2022, were as follows:

Total Pension Plan Liability	\$ 1,697,850
Plan Fiduciary Net Position	<u>(1,719,158)</u>
Borough's Net Pension (Asset)	<u>\$ (21,308)</u>

Plan fiduciary net position as a percentage of the total pension liability is 101.3%.

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	5.00% including inflation
Investment rate of return	6.75% net of investment expenses not funded through the MMO, and including inflation

Mortality rates were projected from the year 2020 with rates derived from the Long-Range Demographic Assumptions for the Social Security Administration's 2020 Trustee Report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of December 31, 2021, (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
US Equity – Large Cap	4.09% - 7.34%
US Equity – Small/Mid Cap	5.01% - 9.06%
Non-US Equity – Developed	4.62% - 8.26%
Non-US Equity – Emerging	5.65% - 10.49%
US Corporate Bond – Core	0.88% - 2.02%
US Corporate Bond – High Yield	2.80% - 4.96%
Non-US Debt – Developed	0.44% - 1.89%
Non-US Debt – Emerging	2.69% - 4.76%
US Treasuries/Cash	0.07% - 0.53%

Discount rate

The discount rate used to measure the total pension liability/(asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that Borough contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/(asset).

Sensitivity of the net pension liability/(asset) to changes in the discount rate

The following presents the net pension liability/(asset) of the Borough, calculated using the discount rate of 6.75%, as well as what the Borough's net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	-1% (5.75%)	Current Discount Rate (6.75%)	+1% (7.75%)
Borough net pension liability/(asset)	\$165,297	\$(21,308)	\$(177,657)

Borough of Ebsenburg
Police Pension Plan
Schedule of Changes in the Borough's Net Pension
Liability and Related Ratios

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability/(asset)									
Service cost	\$ 52,354	\$ 49,861	\$ 48,801	\$ 46,477	\$ 37,775	\$ 35,976	\$ 26,714	\$ 25,442	\$ 20,552
Interest	108,550	100,689	107,628	100,790	99,056	92,355	89,952	84,286	83,321
Change in benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(194,547)	-	(70,011)	-	(75,006)	-	(59,191)	-
Change in assumptions	-	27,097	-	-	-	104,016	-	-	-
Benefit payments, including refunds of member contributions	(37,081)	(36,125)	(35,652)	(67,611)	(34,459)	(34,328)	(35,479)	(35,444)	(37,924)
Net change in pension liability	123,823	(53,025)	120,777	9,645	102,372	123,013	81,187	15,093	65,949
Total pension liability/(asset) - beginning	1,574,027	1,627,052	1,506,275	1,496,630	1,394,258	1,271,245	1,190,058	1,174,965	1,109,016
Total pension liability/(asset) - ending (A)	\$ 1,697,850	\$ 1,574,027	\$ 1,627,052	\$ 1,506,275	\$ 1,496,630	\$ 1,394,258	\$ 1,271,245	\$ 1,190,058	\$ 1,174,965
Plan fiduciary net position									
General Municipal State Aid	\$ 14,696	\$ 51,042	\$ 37,396	\$ 51,205	\$ 35,699	\$ 26,606	\$ 30,372	\$ 31,367	\$ 23,238
Contributions - employer	-	-	-	-	-	-	-	54,547	62,593
Contributions - member	10,385	9,846	9,380	8,347	8,585	7,452	12,029	15,220	11,943
Net investment income	(324,121)	199,576	115,588	329,298	(110,795)	216,114	91,588	(27,466)	51,723
Benefit payments, including refunds of member contributions	(37,081)	(36,125)	(35,652)	(67,611)	(34,459)	(34,328)	(35,479)	(35,444)	(37,924)
Administrative expenses	(17,313)	(15,096)	(4,125)	(17,411)	(3,200)	(16,394)	(15,711)	(10,697)	(13,918)
Other	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(353,434)	209,243	122,587	303,828	(104,170)	199,450	82,799	27,527	97,655
Plan fiduciary net position - beginning	2,072,592	1,863,349	1,740,762	1,436,934	1,541,104	1,341,654	1,258,855	1,231,328	1,133,673
Plan fiduciary net position - ending (B)	\$ 1,719,158	\$ 2,072,592	\$ 1,863,349	\$ 1,740,762	\$ 1,436,934	\$ 1,541,104	\$ 1,341,654	\$ 1,258,855	\$ 1,231,328
Borough's net pension liability/(asset) - ending (A-B)	\$ (21,308)	\$ (498,565)	\$ (236,297)	\$ (234,487)	\$ 59,696	\$ (146,846)	\$ (70,409)	\$ (68,797)	\$ (56,363)
Plan fiduciary net position as a percentage of the total pension liability	101.25%	131.67%	114.52%	115.57%	96.01%	110.53%	105.54%	105.78%	104.80%
Covered employee payroll	\$ 354,069	\$ 338,096	\$ 321,774	\$ 294,581	\$ 303,603	\$ 255,509	\$ 244,858	\$ 226,264	\$ 200,559
Borough's net pension liability as a percentage of covered employee payroll	-6.02%	-147.46%	-73.44%	-79.60%	19.66%	-57.47%	-28.76%	-30.41%	-28.10%

Notes to Schedule:

Note: The years presented in this schedule are all of the years in which information is available.

Borough of Ebensburg
Police Pension Plan
Schedule of Borough's Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 14,696	\$ 51,042	\$ 37,396	\$ 42,356	\$ 35,699	\$ 21,312	\$ 13,567	\$ 85,914	\$ 85,831
Contributions in relation to the actuarially determined contributions	14,696	51,042	37,396	51,205	35,699	26,606	30,372	85,914	85,831
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ (8,849)	\$ -	\$ (5,294)	\$ (16,805)	\$ -	\$ -
Covered employee payroll	\$ 354,069	\$ 338,096	\$ 321,774	\$ 294,581	\$ 303,603	\$ 255,509	\$ 244,858	\$ 226,264	\$ 200,559
Borough's contribution as a percentage of covered employee payroll	4.15%	15.10%	11.62%	17.38%	11.76%	10.41%	12.40%	37.97%	42.80%

Notes to Schedule:

Valuation Date: 1/1/2021

Methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, open
Remaining amortization period	16 years (aggregate)
Asset valuation method	Fair value
Inflation	2.50%
Salary increases	5.0% include inflation
Investment rate of return	6.75%, net of investment expenses not funded through the MMO, and including inflation
Retirement age	See accompanying footnotes to the financial statements
Mortality	See accompanying footnotes to the financial statements

Other:

Note: The years presented in this schedule are all of the years in which information is available.

Borough of Ebensburg
Police Pension Plan
Schedule of Investment Return

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	<u>-15.81%</u>	<u>10.78%</u>	<u>7.26%</u>	<u>23.43%</u>	<u>-6.50%</u>	<u>16.32%</u>	<u>7.35%</u>	<u>-2.23%</u>	<u>4.60%</u>

Note: The years presented in this schedule are all of the years in which information is available.

Non-Uniform Plan

Plan Administration

The Borough of Ebensburg Non-Uniformed Employees' Pension Plan is a single-employer defined benefit pension plan. The plan was established effective March 27, 1972. The plan was amended and restated by Ordinance No. 606, effective January 1, 2013. The plan is governed by the Borough Council of the Borough of Ebensburg which may amend plan provisions, and which is responsible for the management of plan assets. The Borough Council has delegated the authority to manage certain plan assets to Seymour/Pettina Investment Counseling. The plan is required to file Form PC-203C biennially with the Public Employee Retirement Commission (PERC). The most recent filing was as of January 1, 2021.

Method Used to Value Investments

Plan investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Membership

The plan covers all full-time, non-uniform employees. As of December 31, 2022, pension plan membership consisted of the following:

Active employees	11
Retirees and beneficiaries currently receiving benefits	11
Terminated employees entitled to benefits but not yet receiving them	<u>5</u>
Total	<u>27</u>

Benefits Provided

The plan provides normal retirement, early retirement, vesting, survivor, and disability benefits to plan members and their beneficiaries in accordance with Ordinance No. 606. Retirement benefits for plan members are calculated as 1.2% of average monthly pay multiplied by years of service completed prior to January 1, 2007, plus 1.5% of average monthly pay multiplied by years of service completed after January 1, 2007. Average monthly pay is the monthly pay averaged over the five (5) consecutive plan years out of last ten (10) which gives the highest average. Normal retirement is at age sixty-five (65).

Plan members with ten (10) years of service are eligible to retire at age fifty-five (55). The accrued benefit at the date of actual retirement is payable at normal retirement. The benefit may be elected early but will be reduced by 6 2/3% for each of the first five (5) years plus 3 1/3% for each additional year by which commencement precedes normal retirement date.

Survivor benefits before early retirement eligibility amount to a refund of contributions, if any. Survivor benefits after early retirement eligibility but before retirement are determined as fifty percent (50%) of the amount the participant would have received had they retired the day before death and elected immediate commencement of benefits in the form of a joint and fifty percent (50%) survivor annuity. Survivor benefits after retirement are determined as the form of benefit payment in force for the participant at the time the death occurs.

Disability benefits for total and permanent disablement and qualification for social security disability benefits are calculated as a monthly benefit equal to the accrued benefit at the date of disablement payable following date of disablement until normal retirement date at which time the normal retirement benefit will commence. The accrued benefit is equal to the prospective normal retirement benefit based on years of service and average monthly pay at date of disability.

Contributions

Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for municipal pension plans. Act 205 requires that annual contributions to the pension plan be based upon the minimum municipal obligation (MMO). The MMO is determined from the plan’s latest actuarial valuation report along with estimates of payroll, employee contributions, and administrative costs. For the year ended December 31, 2022, the Borough’s required contribution was \$99,638.

Employees are required to contribute to the plan in an amount to be determined from time to time. This contribution is governed by the plan’s governing ordinances and collective bargaining. Contributions are currently three percent (3%) of covered payroll.

Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the plan and funded through the MMO and/or plan earnings.

Investments

The plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The plan’s target asset allocation according to the investment policy adopted October 27, 2008, is as follows:

Asset Class	Range
Cash & Cash Equivalents	2-60%
Bonds	10-60%
Stocks	25-60%
Real Estate	0-20%
Natural Resources	0-10%
Equipment Leasing	0-5%
Hedge Funds	0-10%
Preferred Stock	0-20%

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit ratings of the plan’s investments (excluding obligations explicitly guaranteed by the U.S. government) are included on the table below.

Investment Type**	Fair Value	Credit Rating
Money Market Funds	\$ 30,324	Not rated
Fixed Income Mutual Funds	1,069,481	Not rated
Total	\$ 1,099,805	

**Several items in this disclosure are provided as of December 31, 2022, the most recent year that was available as of the report date.

Concentrations

Concentration of credit risk is the loss attributed to the magnitude of an investment in a single issuer. The plan places no limits on the amount that may be invested in any one issuer. At December 31, 2022, the plan had no investments (other than U.S. Government and U.S. Government guaranteed obligations, mutual funds or other pooled investments) in any one issuer than represent five percent (5%) of more of fiduciary net position.

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was -15.74 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Borough

The components of the net pension liability of the Borough at December 31, 2022, were as follows:

Total Pension Plan Liability	\$ 2,822,825
Plan Fiduciary Net Position	<u>(2,173,862)</u>
Borough's Net Pension Liability	<u>\$ 648,963</u>

Plan fiduciary net position as a percentage of the total pension liability is 77.0%.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	4.00% including inflation
Investment rate of return	6.75% net of investment expenses not funded through the MMO, and including inflation

Mortality rates projected from the year 2020 with rates derived from the Long-Range Demographic Assumptions for the Social Security Administration's 2020 Trustee Report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of December 31, 2022, (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
US Equity – Large Cap	4.09% - 7.34%
US Equity – Small/Mid Cap	5.01% - 9.06%
Non-US Equity – Developed	4.62% - 8/26%
Non-US Equity – Emerging	5.65% - 0.49%
US Corporate Bond – Core	0.88% - 2.02%
US Corporate Bond – High Yield	2.80% - 4.96%
Non-US Debt – Developed	0.44% - 1.89%
Non-US Debt – Emerging	2.69% - 4.76%
US Treasuries/Cash	0.07% - 0.53%

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Borough contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability/(asset) of the Borough, calculated using the discount rate of 6.75%, as well as what the Borough's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	-1% (5.75%)	Current Discount Rate (6.75%)	+1% (7.75%)
Borough net pension liability	\$943,105	\$648,963	\$396,744

Borough of Ebsenburg
Non-Uniform Pension Plan
Schedule of Changes in the Borough's Net Pension
Liability and Related Ratios

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	\$ 68,853	\$ 66,205	\$ 73,763	\$ 70,756	\$ 67,353	\$ 64,607	\$ 58,142	\$ 58,565	\$ 60,509
Interest	183,719	178,267	188,815	177,215	164,517	154,670	136,733	128,322	126,960
Change in benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(214,557)	-	29,674	-	22,121	-	(108,200)	-
Change in assumptions	-	31,005	-	-	-	245,325	-	-	-
Benefit payments, including refunds of member contributions	(162,661)	(169,928)	(87,038)	(83,548)	(83,548)	(79,228)	(85,212)	(63,808)	(54,683)
Net change in pension liability	89,911	(109,008)	175,540	194,097	148,322	407,495	109,663	14,879	132,786
Total pension liability/(asset) - beginning	2,732,914	2,841,922	2,666,382	2,472,285	2,323,963	1,916,468	1,806,805	1,791,926	1,659,140
Total pension liability/(asset) - ending (A)	\$ 2,822,825	\$ 2,732,914	\$ 2,841,922	\$ 2,666,382	\$ 2,472,285	\$ 2,323,963	\$ 1,916,468	\$ 1,806,805	\$ 1,791,926
Plan fiduciary net position									
General Municipal State Aid	\$ 94,102	\$ 52,770	\$ 80,766	\$ 71,687	\$ 62,673	\$ 59,647	\$ 56,870	\$ 50,971	\$ 50,343
Contributions - employer	5,536	89,182	58,578	66,829	60,832	15,746	13,888	32,212	35,124
Contributions - member	14,207	15,921	18,237	21,343	20,184	12,674	17,980	19,219	19,280
Net investment income	(413,976)	256,266	187,065	389,457	(113,947)	240,774	109,241	(28,389)	68,605
Benefit payments, including refunds of member contributions	(162,661)	(169,928)	(87,038)	(83,548)	(83,548)	(79,228)	(85,212)	(63,809)	(54,683)
Administrative expenses	(21,797)	(19,917)	(21,638)	(19,851)	(16,576)	(6,441)	(18,905)	(13,044)	(12,769)
Other	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(484,589)	224,294	235,970	445,917	(70,382)	243,172	93,862	(2,840)	105,900
Plan fiduciary net position - beginning	2,658,451	2,434,157	2,198,187	1,752,270	1,822,652	1,579,480	1,485,618	1,488,458	1,382,558
Plan fiduciary net position - ending (B)	\$ 2,173,862	\$ 2,658,451	\$ 2,434,157	\$ 2,198,187	\$ 1,752,270	\$ 1,822,652	\$ 1,579,480	\$ 1,485,618	\$ 1,488,458
Borough's net pension liability/(asset) - ending (A-B)	\$ 648,963	\$ 74,463	\$ 407,765	\$ 468,195	\$ 720,015	\$ 501,311	\$ 336,988	\$ 321,187	\$ 303,468
Plan fiduciary net position as a percentage of the total pension liability	77.01%	97.28%	85.65%	82.44%	70.88%	78.43%	82.42%	82.22%	83.06%
Covered employee payroll	\$ 498,223	\$ 482,444	\$ 599,804	\$ 730,395	\$ 692,232	\$ 671,241	\$ 638,271	\$ 607,893	\$ 687,287
Borough's net pension liability as a percentage of covered employee payroll	130.26%	15.43%	67.98%	64.10%	104.01%	74.68%	52.80%	52.84%	44.15%

Notes to Schedule:

Note: The years presented in this schedule are all of the years in which information is available.

Borough of Ebensburg
Non-Uniform Pension Plan
Schedule of Borough's Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 99,638	\$ 141,952	\$ 139,344	\$ 130,508	\$ 123,505	\$ 75,393	\$ 70,758	\$ 83,183	\$ 85,467
Contributions in relation to the actuarially determined contributions	99,638	141,952	139,344	138,516	123,505	75,393	70,758	83,183	85,467
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ (8,008)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 498,223	\$ 482,444	\$ 599,804	\$ 730,395	\$ 692,232	\$ 671,241	\$ 638,271	\$ 607,893	\$ 687,287
Borough's contribution as a percentage of covered employee payroll	20.00%	29.42%	23.23%	18.96%	17.84%	11.23%	11.09%	13.68%	12.44%

Notes to Schedule:

Valuation Date: 1/1/2021

Methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, open
Remaining amortization period	7 years (aggregate)
Asset valuation method	Fair value
Inflation	2.50%
Salary increases	4.00% include inflation
Investment rate of return	6.75%, net of investment expenses not funded through the MMO, and including inflation
Retirement age	See accompanying footnotes to the financial statements
Mortality	See accompanying footnotes to the financial statements

Other:

Note: The years presented in this schedule are all of the years in which information is available.

Borough of Ebensburg
 Non-Uniform Pension Plan
 Schedule of Investment Return

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	<u>-15.74%</u>	<u>10.76%</u>	<u>8.60%</u>	<u>22.42%</u>	<u>-6.31%</u>	<u>16.29%</u>	<u>7.48%</u>	<u>-1.93%</u>	<u>5.00%</u>

Note: The years presented in this schedule are all of the years in which information is available.

GASB Statement 45 – Post Employment Benefits

The Borough does not provide any other post-retirement benefits (OPEB) other than pension benefits; therefore GASB 45 does not apply.

NOTE 8 DEFERRED COMPENSATION PLAN

The Borough offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits them to defer a portion of their salary until further years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan complies with Section 457 of the Internal Revenue Code, whereby, trust provisions are incorporated so that plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. As a result, as of December 31, 2023, the assets and liabilities of the deferred compensation plan are not included in the accompanying financial statements. Additionally, the plan is not included as a fiduciary fund under GASB 84 as the financial statements are prepared on the modified cash basis of accounting, a special purpose framework.

Plan activity for the year ended December 31, 2023, was as follows:

Fair market value at December 31, 2022	\$ 138,282
Contributions	11,969
Loss on investments	<u>(15,829)</u>
Fair market value at December 31, 2023	<u>\$ 134,422</u>

NOTE 9 RELATED PARTY TRANSACTIONS

Ebensburg Municipal Authority

In December 2017, the Borough entered into an Operating Agreement, amending a prior agreement dated November 2012, with the Municipal Authority of the Borough of Ebensburg, whereby the Borough is authorized to manage and operate the day to day operations of the sewer and water systems and to employ Borough personnel in connection with all routine procedures.

The Borough remits both principal and interest costs related to all Municipal Authority loans, in addition to payments for certain other Authority obligations. In 2023 payments made by the Borough amounted to \$1,237,409. The Borough also made payments of \$1,117,504 to the Municipal Authority in 2023 for the Waste Water Project and other expenses. See Note 10 for additional information.

In connection with the Pennsylvania Municipal Authorities' Act, the Borough appoints all members of the Authority board. However, the Authority retains all powers regarding the establishment of rates, regulations and major policies.

Ebensburg Main Street Partnership

In July 2020, the Borough entered into a five (5) year operating agreement, replacing a prior agreement dated July 2012, with the Ebensburg Main Street Partnership. Under the terms of the agreement, the Borough provides staff assistance, office space, and other administrative support to the Partnership. The agreement will be automatically extended for an additional five (5) year term.

The Ebensburg Main Street Partnership pays the Borough for half of the Community Development Director's salary, which amounted to \$32,500 for the year ended December 31, 2023. The Partnership contributed \$13,814 to the Borough for community projects for 2023.

NOTE 10 COMMITMENTS AND CONTINGENCIES

Litigation

In the normal course of operations, the Borough is involved in various disputes and grievances. Management is of the opinion that any outcome resulting from these actions would not have a material effect on the Borough's financial position.

Grant Programs

The Borough participates in various state and federal grant programs which are subject to program compliance audits by the grantors or their representatives. Although the Borough believes it has complied with applicable rules and regulations of the grants, it is potentially liable for any expenditures which may be disallowed pursuant to the terms of the grants.

As a result of COVID-19 and the American Rescue Plan Act of 2021, the Borough was allocated funds through the Pennsylvania COVID-19 ARPA Local Fiscal Recovery Fund. A total of \$319,660 was allocated to and received by the Borough. As of December 31, 2023, all of these funds had been expended. Under this program, the Borough had until December 31, 2024 to expend the full allocation.

Ebensburg Municipal Authority Loan Guarantees

Currently the Borough guarantees eight (8) Municipal Authority loans, summarized as follows:

	<u>Principal Balance As of December 31, 2023</u>	<u>Year of Maturity</u>
2004 PENNVEST Loan	\$ 479,901	2025
2007 PENNVEST Loan	\$ 502,547	2028
2008 PENNVEST Loan	\$ 152,956	2028
2012 PENNVEST Loan	\$ 2,564,936	2033
2018 PENNVEST Loan	\$ 7,573,880	2044
2022 PENNVEST Loan	\$ 1,180,544	2044
2007 Pennsylvania D.C.E.D. Loan	\$ 194,819	2027
Ameriserv Loan	\$ 557,346	2028

NOTE 11 SUBRECIPIENTS

As part of their ongoing operations, the Borough submits funding requests to Pennsylvania Department of Community & Economic Development ("DCED") for federal and state program funding that is passed through to Ebensburg Downtown Partners and the Ebensburg Airport (sub recipients). The Borough performs subrecipient monitoring procedures over this program activity throughout the course of the year. In addition, it has been the regular practice of the Borough to have closeout audits performed to satisfy any federal or state audit requirements. The Borough also acts as a grant sponsor for projects done at the Ebensburg Airport. For the year ended December 31, 2023, the Borough paid project expenditures in the amount of \$32,814, which was funded from the State Block Grant Program and the State Aviation Development Program, a federal program. These projects were completed in 2023.

NOTE 12 OPERATING LEASES

Lessor

The Borough has various operating leases for the lease of property to tenants. The leases generally contain renewal options, as well as escalation provisions.

The future minimum rentals on such leases as of December 31, 2023, are approximately as follows:

2024	\$ <u>26,745</u>
	\$ <u>26,745</u>

Lessee

The Borough entered into a lease agreement for the leasing of a copier. The future minimal rentals on this lease as of December 31, 2023, are approximately as follows:

2024	\$ 4,500
2025	4,500
2026	4,500
2027	4,500
2028	<u>1,125</u>
	\$ <u>19,125</u>

NOTE 13 SUBSEQUENT EVENTS

Subsequent events were considered through February 14, 2024, the date the financial statements were available to be issued. The Borough is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

BOROUGH OF EBENSBURG
GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real estate taxes	\$ 581,200	\$ 581,200	\$ 567,838	\$ (13,362)
Local enabling taxes	536,000	536,000	570,253	34,253
State liquid fuels tax	7,500	7,500	7,500	-
Licenses and permits	62,700	62,700	61,922	(778)
Fines, forfeitures and costs	34,000	34,000	43,817	9,817
Grant revenue	6,600	6,600	358,466	351,866
Interest	27,500	27,500	37,111	9,611
Charges for services	878,950	878,950	863,562	(15,388)
Miscellaneous revenue	166,720	166,720	151,043	(15,677)
Total Revenues	<u>2,301,170</u>	<u>2,301,170</u>	<u>2,661,512</u>	<u>360,342</u>
Expenditures - Operating:				
General government	277,060	277,060	219,973	57,087
Public safety	693,770	693,770	687,645	6,125
Codes enforcement	3,250	3,250	3,250	-
Planning and zoning	6,200	6,200	1,633	4,567
Public works - Sanitation	149,780	149,780	150,152	(372)
Public works - Highways & Streets	247,700	247,700	188,278	59,422
Public works - Other	59,780	59,780	50,826	8,954
Parking facilities	13,200	13,200	14,200	(1,000)
Culture and recreation	562,645	562,645	807,962	(245,317)
Economic development	97,735	97,735	91,266	6,469
Capital expenditures	92,050	92,050	69,042	23,008
Total Expenditures - Operating	<u>2,203,170</u>	<u>2,203,170</u>	<u>2,284,227</u>	<u>(81,057)</u>
Excess/(Deficiency) of Revenues Over Expenditures	98,000	98,000	377,285	279,285
Other Financing Sources/(Uses):				
Sale of a capital asset	-	-	42,239	42,239
Debt service	(117,000)	(117,000)	(186,964)	(69,964)
Operating transfers in	-	-	699,727	699,727
Operating transfers (out)	-	-	(100,000)	(100,000)
Total Other Financing Sources	<u>(117,000)</u>	<u>(117,000)</u>	<u>455,002</u>	<u>572,002</u>
Excess/(Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ (19,000)</u>	<u>\$ (19,000)</u>	832,287	<u>\$ 851,287</u>
Fund Balance - Beginning of Year			<u>1,989,180</u>	
Fund Balance - End of Year			<u>\$ 2,821,467</u>	

BOROUGH OF EBENSBURG
HIGHWAY AID FUND
REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State liquid fuel tax	\$ 108,130	\$ 108,130	\$ 110,357	\$ 2,227
Act 32	2,280	2,280	2,280	-
Interest	1,500	1,500	2,970	1,470
Total Revenues	<u>111,910</u>	<u>111,910</u>	<u>115,607</u>	<u>3,697</u>
Expenditures - Operating:				
Public works - Capital expenditures	145,000	145,000	130,000	15,000
Total Expenditures - Operating	<u>145,000</u>	<u>145,000</u>	<u>130,000</u>	<u>15,000</u>
Excess/(Deficiency) of Revenues Over Expenditures	(33,090)	(33,090)	(14,393)	18,697
Other Financing Sources/(Uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess/(Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ (33,090)</u>	<u>\$ (33,090)</u>	(14,393)	<u>\$ 18,697</u>
Fund Balance - Beginning of Year			<u>60,644</u>	
Fund Balance - End of Year			<u>\$ 46,251</u>	