

**BOROUGH OF YOUNGWOOD  
WESTMORELAND COUNTY, PENNSYLVANIA**

**PRIMARY GOVERNMENT FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2024**

**Borough of Youngwood**  
**December 31, 2024**  
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### INDEPENDENT AUDITORS' REPORT

The Members of the Borough of Youngwood  
Borough of Youngwood  
Youngwood, Pennsylvania

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Borough of Youngwood, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Borough of Youngwood's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of Borough of Youngwood, as of December 31, 2024, 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.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Borough of Youngwood, and to meet our other 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.

#### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Borough of Youngwood'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 Borough of Youngwood'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 management's discussion and analysis and budgetary comparison information on pages 3 through 5 and 12 and 29 through 30 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.



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June 10, 2025



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Kris Long  
Mayor

Scott Palmquist  
Council President

**BOROUGH OF YOUNGWOOD  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2024**

The Management Discussion and Analysis (MD&A) of the Borough of Youngwood's financial performance provides an overall review of the Borough's financial activities for the calendar year ended December 31, 2024. The MD&A is to provide the reader an insight into management's analysis of the audit and is to be read in conjunction with the Borough's audited financial statements, including the independent auditors' report, financial statements, and notes to the financial statements.

**Using this Annual Report**

This annual report consists of two kinds of financial statements which present differing views of the Borough's finances. The Statement of Net Position and the Statement of Activities (pages six and seven) provide information about the activities of the Borough as a whole and a long-term view of the Borough's finances. The governmental activities statements present how these services were financed in the short term, as well as what remains for future spending.

Fund financial statements begin on page eight. Fund financial statements report the Borough's operations in more detail than the government wide statements by providing information about the Borough's most significant funds. The basic statements also include notes explaining information shown in greater detail on the financial statements.

The statements and notes are followed by required supplementary information that contains data pertaining to the pension plans.

**Overview of the Financial Statements**

The analysis of the Borough begins on page six. The Statement of Net Position and the Statement of Activities report information about all of the assets and liabilities using the accrual basis of accounting, which is similar to the type of accounting used in the private sector. The current year's revenues and expenditures are recorded when identified, not when cash is actually paid or

received. These two statements reflect the financial condition of the Borough. In times of good financial health, net position (the difference between assets and liabilities) should increase. The fluctuation of net position of a government unit occurs on an annual basis with the changes in the economy and activity within the governmental unit. The Borough's net assets have increased by \$389,657 from December 31, 2023, to December 31, 2024. The Borough had an increase in machinery and equipment and buildings and building improvements due to the purchase of additional equipment and upgrades to its facilities.

### **Financial Highlights**

The government-wide financial statements report information about the Borough as a whole using the full accrual basis of accounting.

- The total net position (assets less liabilities) on a government wide basis was \$3,469,873 as of December 31, 2024, compared to \$3,080,216 on December 31, 2023, representing an increase of \$389,657.
- The Borough had a favorable variance in Local Enabling Act taxes in the amount of \$48,231 compared to the budget amount as people are working at higher wages. In addition, through various investment strategies, the interest rates have been increased to give a \$55,467 favorable variance.

### **Governmental Fund Types Financial Statements**

The Governmental Funds financial statements provide more detailed information about the Borough's most significant funds using the modified accrual basis of accounting. Less significant funds are reported in total under "Non-Major Funds."

The Borough of Youngwood's fund types are:

- General Fund – general operating fund of the Borough. Includes all financial resources except those required to be accounted for in another fund.
- Non-Major Funds – Tracks activities relating to Liquid Fuels and Capital Reserves.

Total Governmental Funds  
Financial Highlights

Balance Sheet

- As of December 31, 2024, the Borough's total governmental funds reported fund balance was \$2,704,783, an increase of \$103,456 when compared to 2023.

Statement of Revenues, Expenditures and Changes in Fund Balances

- Taxes, program revenues and other revenues of the Borough's governmental activities amounted to \$1,664,687 in 2024, compared to \$1,640,702 in 2023, representing a \$23,985 increase. Although

there were decreases in permit fees and charges to services, the increase in interest and local enabling taxes offset those costs.

- Total expenses equaled \$1,561,231 in 2024, representing a \$573,882 decrease. The decrease is due to less spending in general government and public works.

### **Budgetary Variances Highlights**

- Total General Fund Revenues were above budget by \$400,009. Budgetary estimates differed in the following areas:
  - Local Enabling Act Taxes were over budget by \$48,231. The budget figures were raised, however, the Borough budgets on the conservative side due to the ever-changing economy.
  - Interest, Rents and Royalties was over budget by \$55,467 due to moving funds to better interest-bearing accounts.
  - Intergovernmental Revenues were over budget by \$115,301 due to transferring of funds from within.
  - Miscellaneous Revenues were over budget by \$193,367. This line item is continuously a variable as it depends on what unknown revenues are received such as funds received for insurance claims. The Borough celebrated it's 125<sup>th</sup> anniversary so monies received for that celebration are included. In addition, the Borough started a Hometown Hero Banner Program so those funds are included.
- Total General Fund Expenditures were over budget at \$376,171. Budgetary estimates differed in the following areas:
  - General Government was over budget by \$279,839 due to ARPA funding received in 2021 and 2022 but expended in 2024. Various upgrades to facilities and additional equipment was purchased.
  - Culture and Recreation were over budget by \$88,939 due to the fact that the wages of the Park & Pool are not part of the Borough's budget as the funding is reimbursed by the Park & Pool.
  - Other Expenditures were over budget by \$27,561 due to the Hometown Heroes Banner program was not budgeted and some employee expenses are included in this expense but are included in the general government and public works expenditures budget.

The Borough completed the year with at \$29,278 deficit due to the ARPA expenditures as explained above.

*Diane M. Schaefer*

Diane M. Schaefer  
Borough Manager

## **Primary Government Financial Statements**

**Borough of Youngwood  
Statement of Net Position  
December 31, 2024**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 2,825,483	\$ 39,127	\$ 2,864,610
Taxes Receivable	41,014	-	41,014
Prepaid Insurance	32,444	-	32,444
Other Receivable	<u>24,200</u>	<u>-</u>	<u>24,200</u>
<b>Total Current Assets</b>	<u>2,923,141</u>	<u>39,127</u>	<u>2,962,268</u>
<b>Noncurrent Assets</b>			
Net Pension Asset	<u>157,161</u>	<u>-</u>	<u>157,161</u>
<b>Capital Assets</b>			
Land	34,459	-	34,459
Land Improvements	293,510	-	293,510
Machinery and Equipment	1,111,622	-	1,111,622
Buildings and Building Improvements	2,041,948	-	2,041,948
Furniture and Equipment	97,284	10,900	108,184
Accumulated Depreciation	<u>(1,370,159)</u>	<u>(6,176)</u>	<u>(1,376,335)</u>
<b>Total Capital Assets</b>	<u>2,208,664</u>	<u>4,724</u>	<u>2,213,388</u>
<b>Total Noncurrent Assets</b>	<u>2,365,825</u>	<u>4,724</u>	<u>2,370,549</u>
<b>Total Assets</b>	<u>5,288,966</u>	<u>43,851</u>	<u>5,332,817</u>
<b>Deferred Outflows of Resources</b>			
Deferred Outflows Related to Pension	46,562	-	46,562
Unamortized Loss on Refunding	<u>21,127</u>	<u>-</u>	<u>21,127</u>
<b>Total Deferred Outflows of Resources</b>	<u>67,689</u>	<u>-</u>	<u>67,689</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable and Accrued Expenses	181,365	24,069	205,434
Current Portion of Bond Payable	<u>80,544</u>	<u>-</u>	<u>80,544</u>
<b>Total Current Liabilities</b>	<u>261,909</u>	<u>24,069</u>	<u>285,978</u>
<b>Noncurrent Liabilities</b>			
Noncurrent Portion of Bond Payable	<u>1,629,254</u>	<u>-</u>	<u>1,629,254</u>
<b>Total Liabilities</b>	<u>1,891,163</u>	<u>24,069</u>	<u>1,915,232</u>
<b>Deferred Inflow of Resources</b>			
Deferred Inflows Related to Pension	<u>15,401</u>	<u>-</u>	<u>15,401</u>
<b>Net Position</b>			
Net Invested in Capital Assets	-	4,724	4,724
Restricted	229,546	4,073	233,619
Unrestricted	<u>3,220,545</u>	<u>10,985</u>	<u>3,231,530</u>
<b>Total Net Position</b>	<u>\$ 3,450,091</u>	<u>\$ 19,782</u>	<u>\$ 3,469,873</u>

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

**Borough of Youngwood**  
**Statement of Activities**  
**For the Year Ended December 31, 2024**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Government Activities	Business-Type Activities	Total
<b>Governmental Activities</b>						
General Government	\$ 466,657	\$ 48,179	\$ 68,061	\$ (350,417)	\$ -	\$ (350,417)
Public Safety	65,747	-	15,987	(49,760)	-	(49,760)
Public Works	369,604	399	105,295	(263,910)	-	(263,910)
Culture and Recreation	159,901	-	72,600	(87,301)	-	(87,301)
Other	33,561	-	-	(33,561)	-	(33,561)
Interest on Debt	41,394	-	-	(41,394)	-	(41,394)
Depreciation	140,260	-	-	(140,260)	-	(140,260)
<b>Total Governmental Activities</b>	<u>1,277,124</u>	<u>48,578</u>	<u>261,943</u>	<u>(966,603)</u>	<u>-</u>	<u>(966,603)</u>
<b>Business Type Activities</b>						
Cemetery Fund	22,347	24,588	-	-	2,241	2,241
<b>Total Business-Type Activities</b>	<u>22,347</u>	<u>24,588</u>	<u>-</u>	<u>-</u>	<u>2,241</u>	<u>2,241</u>
<b>Total Primary Government</b>	<u>\$ 1,299,471</u>	<u>\$ 73,166</u>	<u>\$ 261,943</u>	<u>(966,603)</u>	<u>2,241</u>	<u>(964,362)</u>
<b>General Revenues</b>						
Taxes:						
Property taxes, levied for general purposes, net				458,911	-	458,911
Taxes levied for specific purposes				516,231	-	516,231
Licenses permits, fines and forfeits				67,125	-	67,125
Investment Earnings				117,427	-	117,427
Miscellaneous				194,325	-	194,325
<b>Total General Revenues</b>				<u>1,354,019</u>	<u>-</u>	<u>1,354,019</u>
<b>Change in Net Position</b>				387,416	2,241	389,657
<b>Net Position at December 31, 2023</b>				<u>3,062,675</u>	<u>17,541</u>	<u>3,080,216</u>
<b>Net Position, Ending</b>				<u>\$ 3,450,091</u>	<u>\$ 19,782</u>	<u>\$ 3,469,873</u>

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

**Borough of Youngwood  
Balance Sheet  
Governmental Funds  
December 31, 2024**

	<b>General</b>	<b>Capital Projects</b>	<b>Non Major Funds</b>	<b>Total Gov. Funds</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$ 2,166,184	\$ 388,943	\$ 270,356	\$ 2,825,483
Taxes Receivable	41,014	-	-	41,014
Other Receivables	24,200	-	-	24,200
Prepaid Insurance	<u>32,444</u>	<u>-</u>	<u>-</u>	<u>32,444</u>
<b>Total Assets</b>	<b><u>\$ 2,263,842</u></b>	<b><u>\$ 388,943</u></b>	<b><u>\$ 270,356</u></b>	<b><u>\$ 2,923,141</u></b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 177,520	\$ -	\$ 3,845	\$ 181,365
Deferred Revenue	<u>36,993</u>	<u>-</u>	<u>-</u>	<u>36,993</u>
<b>Total Liabilities</b>	<b><u>\$ 214,513</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,845</u></b>	<b><u>\$ 218,358</u></b>
<b>Fund Balances</b>				
Nonspendable	\$ 32,444	\$ -	\$ -	\$ 32,444
Restricted	3,000	-	226,546	229,546
Committed	-	388,943	39,965	428,908
Unassigned	<u>2,013,885</u>	<u>-</u>	<u>-</u>	<u>2,013,885</u>
<b>Total Fund Balances</b>	<b><u>2,049,329</u></b>	<b><u>388,943</u></b>	<b><u>266,511</u></b>	<b><u>2,704,783</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,263,842</u></b>	<b><u>\$ 388,943</u></b>	<b><u>\$ 270,356</u></b>	<b><u>\$ 2,923,141</u></b>

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

**Borough of Youngwood  
Reconciliation of the Governmental Funds Balances Sheet  
to the Statement of Net Position  
December 31, 2024**

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**Total Fund Balances - Governmental Funds** \$ 2,704,783

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

Revenue that is deferred in the funds financial statement because it is not available and recognized as revenue in the government-wide financial statements 36,993

Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds

Land	\$	34,459	
Land Improvements		293,510	
Machinery and Equipment		1,111,622	
Building and Building Improvements		2,041,948	
Furniture and Equipment		97,284	
Accumulated Depreciation		<u>(1,370,159)</u>	
			2,208,664
Net Pension Asset			157,161

Pension related deferred outflows of resources and deferred inflow of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:

Unamortized Loss on Refunding		21,127	
Deferred Outflows Related to Pension		46,562	
Deferred Inflows Related to Pension		<u>(15,401)</u>	
			52,288

Bonds payable obligations are not due and payable in the current period and are not reported in the funds:

Bond Premium		(9,798)	
General Obligation Bond Payable		<u>(1,700,000)</u>	
			<u>(1,709,798)</u>

**Total Net Position - Governmental Activities** **\$ 3,450,091**

**Borough of Youngwood**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2024**

	General	Capital Projects	Non Major Fund	Total Governmental Funds
<b>Revenues</b>				
Real Property Taxes	\$ 458,415	\$ -	\$ -	\$ 458,415
Local Enabling Act Taxes	516,231	-	-	516,231
Licenses and Permits	64,037	-	-	64,037
Fines and Forfeits	3,088	-	-	3,088
Interest, Rents and Royalties	85,467	23,040	8,920	117,427
Intergovernmental Revenues	156,649	-	105,295	261,944
Charges for Services	7,203	-	41,375	48,578
Miscellaneous	<u>194,967</u>	<u>-</u>	<u>-</u>	<u>194,967</u>
<b>Total Revenue</b>	<u>1,486,057</u>	<u>23,040</u>	<u>155,590</u>	<u>1,664,687</u>
<b>Expenses</b>				
General Government	761,966	-	-	761,966
Public Safety	65,747	-	-	65,747
Public Works	381,912	-	41,750	423,662
Culture and Recreation	102,639	-	57,262	159,901
Other Expenditures	33,561	-	-	33,561
Debt Service:				
Principal	75,000	-	-	75,000
Interest	<u>41,394</u>	<u>-</u>	<u>-</u>	<u>41,394</u>
<b>Total Expenditures</b>	<u>1,462,219</u>	<u>-</u>	<u>99,012</u>	<u>1,561,231</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>23,838</u>	<u>23,040</u>	<u>56,578</u>	<u>103,456</u>
<b>Other Financing Sources/(Uses)</b>				
Operating Transfers In	-	53,116	-	53,116
Operating Transfers Out	<u>(53,116)</u>	<u>-</u>	<u>-</u>	<u>(53,116)</u>
<b>Total Other Financing Sources(Uses)</b>	<u>(53,116)</u>	<u>53,116</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(29,278)	76,156	56,578	103,456
<b>Beginning Fund Balance</b>	<u>2,078,607</u>	<u>312,787</u>	<u>209,933</u>	<u>2,601,327</u>
<b>Ending Fund Balance</b>	<u>\$ 2,049,329</u>	<u>\$ 388,943</u>	<u>\$ 266,511</u>	<u>\$ 2,704,783</u>

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

**Borough of Youngwood  
 Reconciliation of the Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 to the Statement of Activities  
 For the Year Ended December 31, 2024**

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**Net Change in Fund Balances - Governmental Funds** \$ 103,456

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the period.

Capital Outlays	\$	288,167
Depreciation Expense		(140,260)

Some revenues not collected as of the year ended are not considered available revenues in the governmental funds. This is the change in the amounts that were not considered available in the current year.		497
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Amortization of Bond Premiums		(640)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Pension Expense		61,196
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Repayment of long-term bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the government-wide statement of net position		75,000
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		<u>283,960</u>
<b>Change in net position of governmental activities</b>		<b>\$ <u>387,416</u></b>

**Borough of Youngwood**  
**Statement of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual - General Fund**  
**For the Year Ended December 31, 2024**

<b>Revenues</b>	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b> <b><u>Favorable</u></b> <b><u>(Unfavorable)</u></b>
Real Property Taxes	\$ 470,000	\$ 458,415	\$ (11,585)
Local Enabling Act Taxes	468,000	516,231	48,231
Licenses and Permits	63,300	64,037	737
Fines and Forfeits	3,000	3,088	88
Interest, Rents and Royalties	30,000	85,467	55,467
Intergovernmental Revenues	41,348	156,649	115,301
Charges for Services	8,800	7,203	(1,597)
Miscellaneous	<u>1,600</u>	<u>194,967</u>	<u>193,367</u>
<b>Total Revenue</b>	<b><u>1,086,048</u></b>	<b><u>1,486,057</u></b>	<b><u>400,009</u></b>
<b>Expenses</b>			
General Government	482,127	761,966	(279,839)
Public Safety	95,276	65,747	29,529
Public Works	373,676	381,912	(8,236)
Culture and Recreation	13,700	102,639	(88,939)
Other Expenditures	6,000	33,561	(27,561)
Debt Service:			
Principal	75,000	75,000	-
Interest	<u>40,269</u>	<u>41,394</u>	<u>(1,125)</u>
<b>Total Expenditures</b>	<b><u>1,086,048</u></b>	<b><u>1,462,219</u></b>	<b><u>(376,171)</u></b>
Excess/(Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>23,838</u>	<u>23,838</u>
Operating Transfers Out	<u>-</u>	<u>(53,116)</u>	<u>(53,116)</u>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(29,278)</b>	<b>(29,278)</b>
<b>Fund Balance, January 1</b>		<u>2,078,607</u>	
<b>Fund Balance, December 31</b>		<b><u>\$ 2,049,329</u></b>	

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

**Borough of Youngwood  
Statement of Net Position  
Proprietary Funds  
December 31, 2024**

	<u>Enterprise Funds</u>
	<u>Cemetery Fund</u>
<b>Assets</b>	
<b>Current Assets</b>	
Cash	\$ 35,054
Investments	<u>4,073</u>
<b>Total Current Assets</b>	<u>39,127</u>
<b>Noncurrent Assets</b>	
Property, Plant & Equipment	10,900
Accumulated Depreciation	<u>(6,176)</u>
<b>Total Noncurrent Assets</b>	<u>4,724</u>
<b>Total Assets</b>	<u>\$ 43,851</u>
<b>Liabilities and Net Position</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ <u>24,069</u>
<b>Total Current Liabilities</b>	<u>24,069</u>
<b>Net Position</b>	
Net Invested in Capital Assets	4,724
Restricted	4,073
Unrestricted	<u>10,985</u>
<b>Total Net Position</b>	<u>19,782</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 43,851</u>

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

**Borough of Youngwood**  
**Statement of Revenues, Expenditures and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2024**

**Enterprise Funds**

**Cemetery Fund**

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<b>Revenues</b>	
Miscellaneous	\$ 4,662
Ground Opening	<u>18,700</u>
<b>Total Revenue</b>	<u>23,362</u>
<b>Expenses</b>	
Operating Expenses	<u>22,347</u>
<b>Total Expenditures</b>	<u>22,347</u>
Operating Income (Loss)	1,015
<b>Non-Operating Revenues (Expenses):</b>	
Interest Revenue	<u>1,226</u>
<b>Net Income (Loss)</b>	<u>2,241</u>
<b>Beginning Net Position</b>	<u>17,541</u>
<b>Ending Net Position</b>	<u>\$ 19,782</u>

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

**Borough of Youngwood  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2024**

	<u><b>Enterprise Funds</b></u>
	<u><b>Cemetery Fund</b></u>
<b>Cash Flows from Operating Activities:</b>	
Cash Received from Other Sources	\$ 23,322
Interest Received	1,226
Cash Paid to Suppliers and Employees	<u>(18,000)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>6,548</u>
<b>Cash Flow from Investing Activities:</b>	
Gain/(Loss) on Investment	<u>40</u>
<b>Net Cash Provided (Used) by Investing Activities:</b>	<u>40</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	6,588
<b>Cash and Cash Equivalents, January 1</b>	<u>32,539</u>
<b>Cash and Cash Equivalents, December 31</b>	<u><u>\$ 39,127</u></u>

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

**Borough of Youngwood  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2024**

	<u>Enterprise Funds</u>
	<u>Cemetery Fund</u>
<b>Reconciliation of Excess of Revenues Over (Under) Expenses to Net Cash Provided (Used) by Operating Activities</b>	
<b>Excess of Revenues Over (Under) Expenses</b>	\$ 2,241
<b>Adjustments to Reconcile Excess of Revenues Over (Under) Expenses to Net Cash Provided (Used) by Operating Activities:</b>	
Depreciation Expense	427
<b>Changes in Assets and Liabilities:</b>	
Increase (Decrease) in Accounts Payable	3,920
(Increase) Decrease in Investments	<u>(40)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 6,548</u>
 <b>Supplemental Disclosure of Cash Flow Information</b>	
Cash paid during the year for interest	\$ <u>-</u>

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

**Notes to Primary Government Financial Statements**

**Borough of Youngwood**  
**Notes to the Financial Statements**  
**December 31, 2024**

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

The financial statements of the Borough have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Borough's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds and similar component units apply Financial Accounting Standard Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The more significant of the government's accounting policies are described below.

A) Reporting Entity

The Borough of Youngwood (Borough) is a governmental entity which accepted the provisions of the Act of May 4, 1927 (P.L. 519) known as "The Borough Code". The general supervision of the affairs of the Borough is in the hands of seven registered electors of the Borough, who are Borough Council Persons. The following services are provided: highways and streets, public safety, health and social, culture-recreation, education, public improvements, planning and zoning, and general administrative.

B) Basis of Presentation

The accounts of the Borough are organized on the basis of funds, each of which is considered a separate fiscal and accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types as follows:

Governmental Fund Types

General Fund –

The General Fund is the general operating fund of the Borough. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Special Revenue Funds –

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Fund Types

Enterprise Fund –

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing services, to the general public on a continuing basis is financed through user charges.

**Borough of Youngwood**  
**Notes to the Financial Statements**  
**December 31, 2024**

C) Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases, (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The accrual basis of accounting is used by all governmental fund types and agency funds. Under the accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

D) Total Columns on Combined Statements

Total columns on the Combined Statements are captioned “Memorandum Only” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

E) Cash and Cash Equivalents

Various restrictions on deposits and investments are imposed by state statutes. These are summarized as follows:

Deposits:

The Borough is required by Act 72 of the Commonwealth of Pennsylvania, dated August 6, 1971, to maintain deposits that are properly collateralized. Collateralization is permitted to be on a “pooled” basis.

Investments:

The Borough is authorized to invest in U.S. Treasury Bills and short term obligations of the Federal Government or its instrumentality obligations.

**Borough of Youngwood**  
**Notes to the Financial Statements**  
**December 31, 2024**

Custodial Credit Risk:

Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. The Borough does not have a formal deposit policy regarding custodial credit risk. As of December 31, 2024, \$2,573,415 of the Borough's bank balance of \$2,863,712 was exposed to custodial credit, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. As of December 31, 2024, \$290,296 of the Borough's bank balances were covered by FDIC insurance.

Interest Rate Risk:

Interest rate risk arises from investments and is defined as "The risk that changes in interest rates will adversely affect the fair value of the investment." During the year and at year end, December 31, 2024, the Borough's investments consisted of deposits with financial institutions and had no significant interest rate risk.

F) Budget

The Borough follows the budget procedures required by Public Law.

Each September, all Borough departments are required to submit their annual budget requests for the ensuing year. In early October, preliminary budgets are prepared. Once all of the departmental budget requests have been reviewed, a proposed cash basis budget is presented to the Borough Council. The proposed budget reflects, as nearly as possible, the estimated cash basis revenues and expenditures for the upcoming year.

Once approved by the Borough Council, the budget is summarized in a format prescribed by the Pennsylvania Department of Community and Economic Development. The proposed budget is then made available for public inspection, by public notice, for at least twenty days prior to the date set for adoption. Likewise, the date set for final action on the budget is made a matter of public notice for at least ten days. The proposed budget, as amended, is adopted no later than December 31 for the following year. Appropriations lapse at year end. Subsequent to published public notice, should any proposed revisions to the budget increase estimated expenditures in the proposed budget by more than 10% in the aggregate or more and than 25% in any function over the proposed budget made available for public inspection, the revised budget must be made available again for public inspection before adoption. Once adopted, the approval of the Borough Council is required to amend the total appropriation.

G) Interfund Transactions

During the course of normal operations, the Borough has transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. Loans are reported as receivables or payables as appropriate and are subject to elimination upon consolidation. The accompanying financial statements reflect all other such transactions as transfers.

**Borough of Youngwood**  
**Notes to the Financial Statements**  
**December 31, 2024**

H) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I) Deferred Outflows/ Inflows of Resources

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 expense of expenditure until then. In addition to liabilities, the statement of financial position 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 assets that applies to a future periods and so will not be recognized as an inflow of resources until that time.

J) Fund Equity

The Borough has implemented GASB Statement No. 54. GASB Statement No. 54 establishes standards for fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Additionally, the definitions of the general fund, special revenue fund type, capital projects fund type and permanent fund type are clarified by the provisions in the Statement. Interpretations of certain terms within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definition of other governmental fund types also have been modified for clarity and consistency.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance.* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance.* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Town Council the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the town council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Borough of Youngwood**  
**Notes to the Financial Statements**  
**December 31, 2024**

*Assigned fund balance.* This classification reflects the amounts constrained by the Township's "intent" to be used for specific purposes, but are neither restricted nor committed. The Township's Supervisors and Manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance.* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use externally restricted resources first, the unrestricted resources - committed, assigned, and unassigned - in order as needed.

K) Financial Reporting for Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pennsylvania Municipal Retirement System (PMRS) and additions to/ deductions from PMRS' fiduciary net position have been determined on the same basis as they are reported by PMRS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Borough's employer contributions are recognized when due and the Borough has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of PMRS. Investments are reported at fair value.

**NOTE 2: PROPERTY TAXES**

The Borough's property taxes are levied and receivable on March 1, based on the assessed (taxable) value as of the prior January 1, for all general property located in the Borough. All taxes are due and payable by May 31 and are considered delinquent effective June 1. Annually, as of December 31, all delinquent taxes are submitted to the County Tax Claim Bureau for collection.

**NOTE 3: NON-UNIFORMED PENSION PLAN**

A) Plan Description

General. The Youngwood Borough pension plan is a single-employer defined benefit pension plan controlled by the provisions of Ordinance No.490 adopted pursuant to Act 15 of 1974. The plan participates in the Pennsylvania Municipal Retirement System (PMRS) which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained by contacting the PMRS accounting office. The Borough also has a police pension plan with PMRS. The borough is no longer contributing to this plan and the adjustment for the pension is immaterial to the financial statements, therefore that plan is not reflected in these financial statements.

**Borough of Youngwood**  
**Notes to the Financial Statements**  
**December 31, 2024**

Plan Membership. Membership of the plan consisted of the following at December 31, 2024:

Active plan members	4
Retirees and beneficiaries currently receiving benefits	8
Terminated plan members entitled to but not yet receiving benefits	5
Total	17

Benefit Provisions. The plan provides retirement, disability and death benefits to plan members and their beneficiaries. Cost-of-living allowances are provided at the discretion of the plan.

**B) Summary of Significant Accounting Policies**

**Basis of Accounting.** The plan’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due, in accordance with Act 205, as amended. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments.** Investments are reported at fair value. The plan’s assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by Statement No. 3 of the Governmental Accounting Standards Board for aggregate PMRS investments are included in PMRS’s separately issued CAFR.

**C) Contributions**

Act 205 requires that annual contributions be based upon the plan’s minimum municipal obligation (MMO). The MMO is based upon the plan’s biennial actuarial valuation.

In accordance with the plans’ governing Ordinance, members are required to contribute 4.5 percent to the plan.

The plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205.

Administrative costs, including the investment manager, custodial trustee and actuarial services are charged to the plan and funded through investment earnings.

**Net Pension Liability -** The Employees' Retirement net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the Borough of Youngwood at December 31, 2024, were as follows:

**Borough of Youngwood**  
**Notes to the Financial Statements**  
**December 31, 2024**

Total Pension Liability	\$ 1,732,407
Employee's Retirement Plan Fiduciary Net Position	<u>(1,889,568)</u>
Borough's Net Pension Asset	<u>\$ (157,161)</u>

Employee's Retirement Plan Net Position as a  
Percentage of Total Pension Liability 109.07%

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality Rates - Were based on the Mortality Improvement Scale MP-2018.

Investment Rate of Return - 5.25 % compounded annually, net of expenses.

Cost of Living - 2.2% per year, subject to plan limitation

Discount Rate - The discount rate used to measure the total pension liability was 5.25%.

For the year ended December 31, 2024, the Borough recognized pension expense of \$15,480. At December 31, 2024, the reported deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

	Deferred Inflow of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 15,401	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	31,082
Contributions subsequent to the measurement date	<u>-</u>	<u>15,480</u>
Total	<u>\$ 15,401</u>	<u>\$ 46,562</u>

The \$15,480 reported as deferred outflows of resources related to pensions results from contributions made by the Borough prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	<u>Amount</u>
2024	\$ (16,957)
2025	5,252
2026	46,804
2027	(19,418)

**Borough of Youngwood**  
**Notes to the Financial Statements**  
**December 31, 2024**

Changes in Net Pension Liability - Changes in the Employees' Retirement net pension liability for the year ended December 31, 2024 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c)
<b>Balances at 12/31/2023</b>	<b>\$ 1,703,332</b>	<b>\$ 1,766,992</b>	<b>\$ (63,660)</b>
<b>Changes for the year:</b>			
Service Costs	28,830	-	28,830
Interest	88,573	-	88,573
Contributions - employer	-	16,294	(16,294)
Contributions - PMRS assessment	-	40	(40)
Contributions - member	-	11,734	(11,734)
PMRS investment income	-	91,253	(91,253)
Market Value investment income	-	97,094	(97,094)
Benefit payments	(88,328)	(88,328)	-
PMRS administrative expense	-	(400)	400
Additional administrative expense	-	(5,111)	5,111
<b>Net Change</b>	<b>29,075</b>	<b>122,576</b>	<b>(93,501)</b>
<b>Balances at 12/31/2024</b>	<b>\$ 1,732,407</b>	<b>\$ 1,889,568</b>	<b>\$ (157,161)</b>

Sensitivity of the Net Pension Liability to Changes in Discount Rate - The following presents the net pension liability of the Township, calculated using the discount rate of 5.25%, as well as what the Borough's net pension would be if it were calculated using a discount rate that is 1 percentage point lower (4.25%) or 1 percentage point higher (6.25%) than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	4.25	\$ 49,615
Current discount rate	5.25	\$ (157,161)
1% increase	6.25	\$ (331,401)

**NOTE 4: CASH EQUIVALENTS**

Cash Equivalents include highly liquid investments with original maturities of three months or less.

**Borough of Youngwood**  
**Notes to the Financial Statements**  
**December 31, 2024**

**NOTE 5: GOVERNMENT FUND REPORTING**

<u>Classification/Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable		
General Fund	Prepaid Items	\$ 32,444
Restricted		
Non Major	Highway	226,546
General	Playground	3,000
Committed		
Non Major	Recreation Fund	39,965
Capital Fund	Capital Improvements	388,943
Unassigned		
General Fund		<u>2,013,885</u>
Total Fund Balance		<u>\$ 2,704,783</u>

**NOTE 6: PROPERTY, PLANT, AND EQUIPMENT**

A) Enterprise Fund

Fixed assets of the enterprise fund are capitalized at cost when purchased or constructed. When fixed assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts, and the gain or loss on disposition is reflected in operations. Maintenance and repair costs are charged to operations as incurred and renewals and improvement are added to asset accounts. Depreciation is provided over the estimated useful lives using the straight-line method.

B) Governmental Fund

General fixed assets acquired for general governmental purposes are recorded as expenditures in the governmental fund when purchased or constructed. Assets received as gifts or donations are recorded at fair market value at the time of receipt. Interest costs incurred during construction periods related to major construction projects are capitalized as part of the cost of the related asset, if material.

**Borough of Youngwood**  
**Notes to the Financial Statements**  
**December 31, 2024**

Primary Government capital asset activity for the year ended is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Governmental Activities</b>				
Nondepreciable Assets				
Land	\$ 34,459	\$ -	\$ -	\$ 34,459
Total Nondepreciable	<u>34,459</u>	<u>-</u>	<u>-</u>	<u>34,459</u>
Depreciable Assets:				
Land Improvements	293,510	-	-	293,510
Buildings	1,980,899	61,049	-	2,041,948
Furniture and Equipment	80,251	17,033	-	97,284
Machinery	<u>901,537</u>	<u>210,085</u>	<u>-</u>	<u>1,111,622</u>
Total Depreciable	<u>3,256,197</u>	<u>288,167</u>	<u>-</u>	<u>3,544,364</u>
Accumulated Depreciation:				
Land Improvements	(146,485)	(18,570)	-	(165,055)
Buildings	(404,870)	(48,815)	-	(453,685)
Furniture and Equipment	(67,351)	(1,844)	-	(69,195)
Machinery	<u>(611,193)</u>	<u>(71,031)</u>	<u>-</u>	<u>(682,224)</u>
Total Accumulated Depreciation	<u>(1,229,899)</u>	<u>(140,260)</u>	<u>-</u>	<u>(1,370,159)</u>
Net Depreciable Capital Assets	<u>2,026,298</u>	<u>147,907</u>	<u>-</u>	<u>2,174,205</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,060,757</u>	<u>\$ 147,907</u>	<u>\$ -</u>	<u>\$ 2,208,664</u>
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Business-Type Activities</b>				
Depreciable Assets:				
Buildings	\$ 10,900	\$ -	\$ -	\$ 10,900
Total	<u>10,900</u>	<u>-</u>	<u>-</u>	<u>10,900</u>
Accumulated Depreciation:				
Buildings	<u>(5,749)</u>	<u>(427)</u>	<u>-</u>	<u>(6,176)</u>
Total	<u>(5,749)</u>	<u>(427)</u>	<u>-</u>	<u>(6,176)</u>
Net Capital Assets	<u>\$ 5,151</u>	<u>\$ (427)</u>	<u>\$ -</u>	<u>\$ 4,724</u>

**NOTE 7: DEFERRED COMPENSATION PLAN**

Employees of the Borough of Youngwood may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

**Borough of Youngwood**  
**Notes to the Financial Statements**  
**December 31, 2024**

The deferred compensation plan is available to all employees of the Borough. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency.

The deferred compensation plan is administered by an unrelated financial institution. Under the terms of the IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the Borough. As part of its fiduciary role, the Borough has an obligation of due care in selecting the third-party administrator. In the opinion of the Borough legal counsel, the Borough has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

**NOTE 8: LONG-TERM DEBT**

Long-term debt consists of the following at December 31, 2024:

**General Obligation Bonds, Series of 2020**

General Obligation Bonds	
Series of 2020	\$ 1,700,000
Less: Current Portion	(80,000)
Less: Current Portion Premium	(544)
Plus: Premium	<u>9,798</u>
Total	<u>\$ 1,629,254</u>

The maximum amount for future maturities of loan principal at December 31, 2024 is summarized below:

December 31	Principal	Interest	Total
2025	\$ 80,000	\$ 39,144	\$ 119,144
2026	75,000	36,744	111,744
2027	85,000	35,244	120,244
2028	80,000	33,544	113,544
2029-2033	440,000	141,994	581,994
2034-2038	495,000	92,113	587,113
2039-2042	<u>445,000</u>	<u>29,531</u>	<u>474,531</u>
Total	<u>\$ 1,700,000</u>	<u>\$ 408,314</u>	<u>\$ 2,108,314</u>

On February 20, 2020, the Borough issued \$2,065,000 of General Obligation Bonds 2020 Series, of which the final maturity is November 1, 2042. Proceeds of the 2020 bond were used to refund the Series 2012 bonds. The Borough received cash of \$115,776 from the Series 2020 bonds after all issue costs and refundings were complete. These proceeds of the bond issue will be utilized for capital projects. The interest rates of the new issue vary from 2.000% to 3.000% per annum. The balance on the bond was \$1,700,000 at December 31, 2024.

**Borough of Youngwood  
Notes to the Financial Statements  
December 31, 2024**

During 2024, general long-term debt changed as follows:

	<u>Principal Outstanding January</u>	<u>New Issues</u>	<u>Debt Retired</u>	<u>Principal Outstanding December 31</u>	<u>Amounts Due Within One Year</u>
Obligation Bonds					
Series of 2020	\$ 1,775,000	\$ -	\$ 75,000	\$ 1,700,000	\$ 80,000
Add:					
Unamortized Bond Premium	<u>10,342</u>	<u>-</u>	<u>544</u>	<u>9,798</u>	<u>544</u>
Total Debt	<u>\$ 1,785,342</u>	<u>\$ -</u>	<u>\$ 75,544</u>	<u>\$ 1,709,798</u>	<u>\$ 80,544</u>

**NOTE 9: SUBSEQUENT EVENT**

Subsequent events have been evaluated through the Independent Auditors' Report date which is the date the financial statements were available to be issued.

## **Supplementary Information**

**Youngwood Borough Nonuniformed Pension Plan**  
**Schedule of Changes in Net Pension Liability and Schedule of Employer Contributions**  
**As of December 31, 2024**  
**(Unaudited)**

**Schedule of Changes in Net Pension Liability**

<b><u>Total Pension Liability</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Service Costs (beginning of year)	\$ 28,830	\$ 23,390	\$ 27,264	\$ 29,102	\$ 24,404
Interest (includes interest on service cost)	88,573	88,946	88,110	86,315	85,433
Differences between expected and actual experience	-	(30,803)	-	(30,848)	-
Change in assumptions	-	-	-	47,093	-
Change in benefits	-	-	-	-	-
Benefit payments, including refunds of member contributions	<u>(88,328)</u>	<u>(98,509)</u>	<u>(92,132)</u>	<u>(99,057)</u>	<u>(96,374)</u>
<b>Net change in total pension liability</b>	<b>29,075</b>	<b>(16,976)</b>	<b>23,242</b>	<b>32,605</b>	<b>13,463</b>
<b>Total pension liability - beginning</b>	<b><u>1,703,332</u></b>	<b><u>1,720,308</u></b>	<b><u>1,697,066</u></b>	<b><u>1,664,461</u></b>	<b><u>1,650,998</u></b>
<b>Total pension asset - ending</b>	<b><u>\$ 1,732,407</u></b>	<b><u>\$ 1,703,332</u></b>	<b><u>\$ 1,720,308</u></b>	<b><u>\$ 1,697,066</u></b>	<b><u>\$ 1,664,461</u></b>
<b><u>Plan fiduciary net position</u></b>					
Contributions - employer	\$ 16,294	\$ 16,468	\$ 16,974	\$ 12,617	\$ 8,498
Contributions - PMRS assessment	40	60	-	20	420
Contributions - member	11,734	9,342	10,327	10,829	9,147
PMRS investment income	91,253	89,024	87,876	85,893	84,946
Market Value investment income	97,094	(331,119)	169,257	111,054	237,136
Benefit payments	(88,328)	(98,509)	(92,132)	(99,057)	(96,374)
PMRS administrative expense	(400)	(420)	(360)	(380)	(420)
Additional administrative expense	<u>(5,111)</u>	<u>(4,704)</u>	<u>(4,977)</u>	<u>(3,742)</u>	<u>(2,936)</u>
<b>Net Change in plan fiduciary net position</b>	<b>\$ 122,576</b>	<b>\$ (319,858)</b>	<b>\$ 186,965</b>	<b>\$ 117,234</b>	<b>\$ 240,417</b>
<b>Plan fiduciary net position - beginning</b>	<b><u>1,766,992</u></b>	<b><u>2,086,850</u></b>	<b><u>1,899,885</u></b>	<b><u>1,782,651</u></b>	<b><u>1,542,234</u></b>
<b>Plan fiduciary net position - ending</b>	<b><u>\$ 1,889,568</u></b>	<b><u>\$ 1,766,992</u></b>	<b><u>\$ 2,086,850</u></b>	<b><u>\$ 1,899,885</u></b>	<b><u>\$ 1,782,651</u></b>
<b>Net Pension Liability Ending</b>	<b><u>\$ (157,161)</u></b>	<b><u>\$ (63,660)</u></b>	<b><u>\$ (366,542)</u></b>	<b><u>\$ (202,819)</u></b>	<b><u>\$ (118,190)</u></b>
<b>Plan fiduciary net position as a percentage of the Total Pension Liability</b>	109.07%	103.74%	121.31%	111.95%	107.10%
<b>Covered employee payroll</b>	196,772	169,605	204,492	215,248	179,715
<b>Net pension liability as a percentage of covered employee payroll</b>	-72.87%	-37.53%	-179.25%	-94.23%	-65.77%

**Schedule of Employer Contributions**

	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Actuarially determined contribution	\$ 11,015	\$ 14,810	\$ 16,073	\$ 6,251	\$ 8,858
Contributions in Relation to the Actuarially Determined Contribution	<u>16,334</u>	<u>16,528</u>	<u>16,974</u>	<u>12,637</u>	<u>8,918</u>
Contribution Deficiency/(Excess)	<u>\$ (5,319)</u>	<u>\$ (1,718)</u>	<u>\$ (901)</u>	<u>\$ (6,386)</u>	<u>\$ (60)</u>
Covered - Employee Payroll	\$ 196,772	\$ 169,605	\$ 204,492	\$ 215,248	\$ 179,715
Contributions as a percentage of covered employee payroll	8.30%	9.74%	8.30%	5.87%	4.96%

**Youngwood Borough Nonuniformed Pension Plan**  
**Schedule of Changes in Net Pension Liability and Schedule of Employer Contributions**  
**As of December 31, 2024**  
**(Unaudited)**

**Schedule of Changes in Net Pension Liability**

<b><u>Total Pension Liability</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Service Costs (beginning of year)	\$ 25,308	\$ 29,525	\$ 28,402	\$ 42,209	\$ 47,194
Interest (includes interest on service cost)	83,712	81,854	81,235	77,889	73,545
Changes of benefit terms	10,794				
Differences between expected and actual experience	920	-	(6,019)	(1,130)	(2,871)
Change in assumptions	-	-	43,050	6,286	(28,789)
Benefit payments, including refunds of member contributions	(77,704)	(65,681)	(65,613)	(38,812)	-
<b>Net change in total pension liability</b>	<b>43,030</b>	<b>45,698</b>	<b>81,055</b>	<b>86,442</b>	<b>89,079</b>
<b>Total pension liability - beginning</b>	<b><u>1,607,968</u></b>	<b><u>1,562,270</u></b>	<b><u>1,481,215</u></b>	<b><u>1,394,773</u></b>	<b><u>1,305,694</u></b>
<b>Total pension asset - ending</b>	<b><u>\$ 1,650,998</u></b>	<b><u>\$ 1,607,968</u></b>	<b><u>\$ 1,562,270</u></b>	<b><u>\$ 1,481,215</u></b>	<b><u>\$ 1,394,773</u></b>
<b><u>Plan fiduciary net position</u></b>					
Contributions - employer	\$ 9,537	\$ 8,771	\$ 18,639	\$ 18,503	\$ 20,724
Contributions - PMRS assessment	40	20	40	20	-
Contributions - member	9,127	10,260	10,348	15,027	16,558
PMRS investment income	88,678	85,101	78,921	80,159	77,054
Market Value investment income	(234,655)	182,113	52,144	(87,281)	(1,233)
Benefit payments	(77,704)	(65,681)	(65,613)	(38,812)	(28,789)
PMRS administrative expense	(360)	(360)	(360)	(360)	(340)
Additional administrative expense	(3,957)	(3,914)	(3,866)	(3,342)	(2,955)
<b>Net Change in plan fiduciary net position</b>	<b>\$ (209,294)</b>	<b>\$ 216,310</b>	<b>\$ 90,253</b>	<b>\$ (16,086)</b>	<b>\$ 81,019</b>
<b>Plan fiduciary net position - beginning</b>	<b><u>1,751,528</u></b>	<b><u>1,535,218</u></b>	<b><u>1,444,965</u></b>	<b><u>1,461,051</u></b>	<b><u>1,380,032</u></b>
<b>Plan fiduciary net position - ending</b>	<b><u>\$ 1,542,234</u></b>	<b><u>\$ 1,751,528</u></b>	<b><u>\$ 1,535,218</u></b>	<b><u>\$ 1,444,965</u></b>	<b><u>\$ 1,461,051</u></b>
<b>Net Pension Liability Ending</b>	<b><u>\$ 108,764</u></b>	<b><u>\$ (143,560)</u></b>	<b><u>\$ 27,052</u></b>	<b><u>\$ 36,250</u></b>	<b><u>\$ (66,278)</u></b>
<b>Plan fiduciary net position as a percentage of the Total Pension Liability</b>	93.41%	108.93%	98.27%	97.55%	104.75%
<b>Covered employee payroll</b>	184,605	218,772	218,618	309,977	325,570
<b>Net pension liability as a percentage of covered employee payroll</b>	58.92%	-65.62%	12.37%	11.69%	-20.36

**Schedule of Employer Contributions**

	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Actuarially determined contribution	\$ 9,537	\$ 8,535	\$ 17,371	\$ 18,503	\$ 18,703
Contributions in Relation to the Actuarially Determined Contribution	9,577	8,791	18,679	18,523	20,724
Contribution Deficiency/(Excess)	\$ (40)	\$ (256)	\$ (1,308)	\$ (20)	\$ (2,021)
Covered - Employee Payroll	\$ 184,605	\$ 218,772	\$ 218,618	\$ 309,977	\$ 325,570
Contributions as a percentage of covered employee payroll	5.19%	4.02%	8.54%	5.98%	6.37%