

**BOROUGH OF YOUNGWOOD
WESTMORELAND COUNTY, PENNSYLVANIA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2023**

**Borough of Youngwood
December 31, 2023
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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, 2023, 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, 2023, 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.

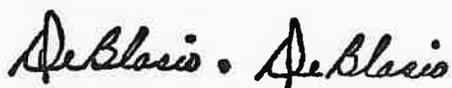
In performing an audit in accordance with generally accepted auditing standards, we:

- 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.



DeBlasio & DeBlasio Associates
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June 13, 2024



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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, 2023**

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, 2023. 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 \$189,136 from December 31, 2022, to December 31, 2023.

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 \$3,080,216 as of December 31, 2023, compared to \$2,893,030 on December 31, 2022, representing an increase of \$187,186.
- The Borough still had a favorable variance in Local Enabling Act taxes in the amount of \$64,557 compared to the budget amount as people are working at higher wages. In addition, the interest rates have been increased to give a \$48,866 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, 2023, the Borough's total governmental funds reported fund balance was \$2,061,327, a decrease of \$494,411 when compared to 2022.

Statement of Revenues, Expenditures and Changes in Fund Balances

- Taxes, program revenues and other revenues of the Borough's governmental activities amounted to \$1,640,702 in 2023, compared to \$1,504,457 in 2022, representing a \$136,245 increase. Most of the change was due to transfers from intergovernmental revenues due to the purchase of the Public Works Facility.

- Total expenses equaled \$2,135,113 in 2023, representing a \$915,453 increase. The increase is due to the purchase of the Public Works Facility, the purchase of a street sweeper, the purchase of a zero-turn mower, and an increase in Solicitor and Engineer fees.

Budgetary Variances Highlights

- Total General Fund Revenues were above budget by \$469,225. Budgetary estimates differed in the following areas:
 - Local Enabling Act Taxes were over budget by \$64,557. The budget figures were raised, however, due to higher wages and more people working there was an increase.
 - Interest, Rents and Royalties was over budget by \$48,866 due to moving funds to better interest-bearing accounts.
 - Intergovernmental Revenues were over budget by \$212,955 due to receiving reimbursement for the purchase of the street sweeper.
 - Charges for Services was over budget by \$6,428 due to an increase in building permits for the year.
 - Miscellaneous Revenues was over budget by \$134,267 due an insurance claim for property damage and donations for the 125th Anniversary.
- Total General Fund Expenditures were over budget at \$1,051,167. Budgetary estimates differed in the following areas:
 - General Government was over budget by \$613,050 due to increase in Solicitor fees, Engineering fees, Wages for Ordinance Enforcement and Building Inspector,
 - Public Works was over budget by \$356,725 due to an increase in traffic signal expense (money expended in 2023 grant reimbursement in 2024), and a street project that was completed in 2022 but paid for in 2023.
 - Culture and Recreation were over budget by \$83,951 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.

When comparing the surplus of \$567,133 in 2022 to the deficit of \$575,297 in 2023 you will see the sometimes the timing of receiving funds and then expending the funds creates fluctuations which causes the budget line items to be over budget or at times, under budget. In addition, the interfund transfers can create similar situations. Finally, when projects are started in one year and then finished in the next year, additional fluctuation can be experienced.

Diane M. Schaefer

Diane M. Schaefer
Borough Manager

Primary Government Financial Statements

**Borough of Youngwood
Statement of Net Position
December 31, 2023**

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 2,636,682	\$ 32,539	\$ 2,669,221
Taxes Receivable	42,690	-	42,690
Prepaid Insurance	26,680	-	26,680
Other Receivable	34,746	-	34,746
Total Current Assets	<u>2,740,798</u>	<u>32,539</u>	<u>2,773,337</u>
Noncurrent Assets			
Net Pension Asset	63,660	-	63,660
Capital Assets			
Land	34,459	-	34,459
Land Improvements	293,510	-	293,510
Machinery and Equipment	901,537	-	901,537
Buildings and Building Improvements	1,980,899	-	1,980,899
Furniture and Equipment	80,251	10,900	91,151
Accumulated Depreciation	<u>(1,229,899)</u>	<u>(5,749)</u>	<u>(1,235,648)</u>
Total Capital Assets	<u>2,060,757</u>	<u>5,151</u>	<u>2,065,908</u>
Total Noncurrent Assets	<u>2,124,417</u>	<u>5,151</u>	<u>2,129,568</u>
Total Assets	<u>4,865,215</u>	<u>37,690</u>	<u>4,902,905</u>
Deferred Outflows of Resources			
Deferred Outflows Related to Pension	94,280	-	94,280
Unamortized Loss on Refunding	22,312	-	22,312
Total Deferred Outflows of Resources	<u>116,592</u>	<u>-</u>	<u>116,592</u>
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Expenses	102,976	20,149	123,125
Current Portion of Bond Payable	75,544	-	75,544
Total Current Liabilities	<u>178,520</u>	<u>20,149</u>	<u>198,669</u>
Noncurrent Liabilities			
Noncurrent Portion of Bond Payable	1,709,798	-	1,709,798
Total Liabilities	<u>1,888,318</u>	<u>20,149</u>	<u>1,908,467</u>
Deferred Inflow of Resources			
Deferred Inflows Related to Pension	30,814	-	30,814
Net Position			
Net Invested in Capital Assets	-	5,151	5,151
Restricted	154,081	4,025	158,106
Unrestricted	2,908,594	8,365	2,916,959
Total Net Position	<u>\$ 3,062,675</u>	<u>\$ 17,541</u>	<u>\$ 3,080,216</u>

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

**Borough of Youngwood
Statement of Activities
For the Year Ended December 31, 2023**

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
Governmental Activities						
General Government	\$ 295,006	\$ 51,575	\$ 232,256	\$ (11,175)	\$ -	\$ (11,175)
Public Safety	66,377	-	15,798	(50,579)	-	(50,579)
Public Works	786,991	627	108,608	(677,756)	-	(677,756)
Culture and Recreation	132,285	-	-	(132,285)	-	(132,285)
Other	17,026	-	-	(17,026)	-	(17,026)
Interest on Debt	43,494	-	-	(43,494)	-	(43,494)
Depreciation	104,103	-	-	(104,103)	-	(104,103)
Total Governmental Activities	<u>1,445,282</u>	<u>52,202</u>	<u>356,662</u>	<u>(1,036,418)</u>	<u>-</u>	<u>(1,036,418)</u>
Business Type Activities						
Cemetery Fund	20,192	18,242	-	-	(1,950)	(1,950)
Total Business-Type Activities	<u>20,192</u>	<u>18,242</u>	<u>-</u>	<u>-</u>	<u>(1,950)</u>	<u>(1,950)</u>
Total Primary Government	<u>\$ 1,465,474</u>	<u>\$ 70,444</u>	<u>\$ 356,662</u>	<u>(1,036,418)</u>	<u>(1,950)</u>	<u>(1,038,368)</u>
General Revenues						
Taxes:						
Property taxes, levied for general purposes, net				460,711	-	460,711
Taxes levied for specific purposes				480,557	-	480,557
Licenses permits, fines and forfeits				77,297	-	77,297
Investment Earnings				71,362	-	71,362
Miscellaneous				135,627	-	135,627
Total General Revenues				<u>1,225,554</u>	<u>-</u>	<u>1,225,554</u>
Change in Net Position				189,136	(1,950)	187,186
Net Position at December 31, 2022				<u>2,873,539</u>	<u>19,491</u>	<u>2,893,030</u>
Net Position, Ending				<u>\$ 3,062,675</u>	<u>\$ 17,541</u>	<u>\$ 3,080,216</u>

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

**Borough of Youngwood
Balance Sheet
Governmental Funds
December 31, 2023**

	General	Capital Projects	Non Major Funds	Total Gov. Funds
Assets				
Current Assets				
Cash	\$ 2,113,907	\$ 312,787	\$ 209,988	\$ 2,636,682
Taxes Receivable	42,690	-	-	42,690
Other Receivables	34,746	-	-	34,746
Prepaid Insurance	<u>26,680</u>	<u>-</u>	<u>-</u>	<u>26,680</u>
Total Assets	<u>\$ 2,218,023</u>	<u>\$ 312,787</u>	<u>\$ 209,988</u>	<u>\$ 2,740,798</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 102,920	\$ -	\$ 55	\$ 102,975
Deferred Revenue	<u>36,496</u>	<u>-</u>	<u>-</u>	<u>36,496</u>
Total Liabilities	<u>\$ 139,416</u>	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ 139,471</u>
Fund Balances				
Nonspendable	\$ 26,680	\$ -	\$ -	\$ 26,680
Restricted	-	-	154,081	154,081
Committed	-	312,787	55,852	368,639
Unassigned	<u>2,051,927</u>	<u>-</u>	<u>-</u>	<u>2,051,927</u>
Total Fund Balances	<u>2,078,607</u>	<u>312,787</u>	<u>209,933</u>	<u>2,601,327</u>
Total Liabilities and Fund Balances	<u>\$ 2,218,023</u>	<u>\$ 312,787</u>	<u>\$ 209,988</u>	<u>\$ 2,740,798</u>

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, 2023**

Total Fund Balances - Governmental Funds **\$ 2,601,327**

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 36,496

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		901,537	
Building and Building Improvements		1,980,899	
Furniture and Equipment		80,251	
Accumulated Depreciation		<u>(1,229,899)</u>	
			2,060,757

Net Pension Asset 63,660

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		22,312	
Deferred Outflows Related to Pension		94,280	
Deferred Inflows Related to Pension		<u>(30,814)</u>	
			85,778

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

Bond Premium		(10,343)	
General Obligation Bond Payable		<u>(1,775,000)</u>	
			<u>(1,785,343)</u>

Total Net Position - Governmental Activities **\$ 3,062,675**

Borough of Youngwood
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023

	General	Capital Projects	Non Major Fund	Total Governmental Funds
Revenues				
Real Property Taxes	\$ 466,356	\$ -	\$ -	\$ 466,356
Local Enabling Act Taxes	480,557	-	-	480,557
Licenses and Permits	74,090	-	-	74,090
Fines and Forfeits	3,206	-	-	3,206
Interest, Rents and Royalties	56,866	12,600	1,895	71,361
Intergovernmental Revenues	248,054	805	107,804	356,663
Charges for Services	15,579	-	36,623	52,202
Miscellaneous	<u>136,267</u>	<u>-</u>	<u>-</u>	<u>136,267</u>
Total Revenue	<u>1,480,975</u>	<u>13,405</u>	<u>146,322</u>	<u>1,640,702</u>
Expenses				
General Government	1,037,490	-	-	1,037,490
Public Safety	66,377	-	-	66,377
Public Works	730,579	-	37,862	768,441
Culture and Recreation	97,951	-	34,334	132,285
Other Expenditures	17,026	-	-	17,026
Debt Service:				
Principal	70,000	-	-	70,000
Interest	<u>43,494</u>	<u>-</u>	<u>-</u>	<u>43,494</u>
Total Expenditures	<u>2,062,917</u>	<u>-</u>	<u>72,196</u>	<u>2,135,113</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(581,942)</u>	<u>13,405</u>	<u>74,126</u>	<u>(494,411)</u>
Other Financing Sources/(Uses)				
Operating Transfers In	6,645	-	-	6,645
Operating Transfers Out	<u>-</u>	<u>(6,645)</u>	<u>-</u>	<u>(6,645)</u>
Total Other Financing Sources(Uses)	<u>6,645</u>	<u>(6,645)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(575,297)	6,760	74,126	(494,411)
Beginning Fund Balance	<u>2,653,904</u>	<u>306,027</u>	<u>135,807</u>	<u>3,095,738</u>
Ending Fund Balance	<u>\$ 2,078,607</u>	<u>\$ 312,787</u>	<u>\$ 209,933</u>	<u>\$ 2,601,327</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, 2023

Net Change in Fund Balances - Governmental Funds \$ (494,411)

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	\$	736,321
Depreciation Expense		(104,103)

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.		(5,644)
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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		(12,387)
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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

	<u>70,000</u>	
		<u>683,547</u>

Change in net position of governmental activities		\$ <u>189,136</u>
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Borough of Youngwood
Statement of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - General Fund
For the Year Ended December 31, 2023

Revenues	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Real Property Taxes	\$ 470,000	\$ 466,356	\$ (3,644)
Local Enabling Act Taxes	416,000	480,557	64,557
Licenses and Permits	66,500	74,090	7,590
Fines and Forfeits	5,000	3,206	(1,794)
Interest, Rents and Royalties	8,000	56,866	48,866
Intergovernmental Revenues	35,099	248,054	212,955
Charges for Services	9,151	15,579	6,428
Miscellaneous	<u>2,000</u>	<u>136,267</u>	<u>134,267</u>
Total Revenue	<u>1,011,750</u>	<u>1,480,975</u>	<u>469,225</u>
Expenses			
General Government	424,440	1,037,490	(613,050)
Public Safety	84,962	66,377	18,585
Public Works	373,854	730,579	(356,725)
Culture and Recreation	14,000	97,951	(83,951)
Other Expenditures	1,000	17,026	(16,026)
Debt Service:			
Principal	70,000	70,000	-
Interest	<u>43,494</u>	<u>43,494</u>	<u>-</u>
Total Expenditures	<u>1,011,750</u>	<u>2,062,917</u>	<u>(1,051,167)</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(581,942)</u>	<u>(581,942)</u>
Operating Transfers In	-	6,645	6,645
Total Other Financing Sources(Uses)	<u>-</u>	<u>6,645</u>	<u>6,645</u>
Net Change in Fund Balance	-	(575,297)	(575,297)
Fund Balance, January 1		<u>2,653,904</u>	
Fund Balance, December 31		<u>\$ 2,078,607</u>	

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

**Borough of Youngwood
Statement of Net Position
Proprietary Funds
December 31, 2023**

	<u>Enterprise Funds</u>
	<u>Cemetery Fund</u>
Assets	
Current Assets	
Cash	\$ 28,514
Investments	<u>4,025</u>
Total Current Assets	<u>32,539</u>
Noncurrent Assets	
Property, Plant & Equipment	10,900
Accumulated Depreciation	<u>(5,749)</u>
Total Noncurrent Assets	<u>5,151</u>
Total Assets	<u>\$ 37,690</u>
Liabilities and Net Position	
Liabilities	
Current Liabilities	
Accounts Payable	\$ <u>20,149</u>
Total Current Liabilities	<u>20,149</u>
Net Position	
Net Invested in Capital Assets	5,151
Restricted	4,025
Unrestricted	<u>8,365</u>
Total Net Position	<u>17,541</u>
Total Liabilities and Net Position	<u>\$ 37,690</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, 2023

	<u>Enterprise Funds</u>
	<u>Cemetery Fund</u>
<hr/>	
Revenues	
Miscellaneous	\$ 3,350
Ground Opening	<u>14,450</u>
Total Revenue	<u>17,800</u>
Expenses	
Operating Expenses	<u>20,192</u>
Total Expenditures	<u>20,192</u>
Operating Income (Loss)	(2,392)
Non-Operating Revenues (Expenses):	
Interest Revenue	<u>442</u>
Net Income (Loss)	<u>(1,950)</u>
Beginning Net Position	<u>19,491</u>
Ending Net Position	<u>\$ 17,541</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, 2023**

	<u>Enterprise Funds</u>
	<u>Cemetery Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Residents	\$ -
Cash Received from Other Sources	17,714
Interest Received	442
Cash Paid to Suppliers and Employees	<u>(17,000)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,156</u>
Cash Flow from Investing Activities:	
Gain/(Loss) on Investment	<u>86</u>
Net Cash Provided (Used) by Investing Activities:	<u>86</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,242
Cash and Cash Equivalents, January 1	<u>31,297</u>
Cash and Cash Equivalents, December 31	<u>\$ 32,539</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, 2023**

	<u>Enterprise Funds</u>
	<u>Cemetery Fund</u>
Reconciliation of Excess of Revenues Over (Under) Expenses to Net Cash Provided (Used) by Operating Activities	
Excess of Revenues Over (Under) Expenses	\$ (1,950)
Adjustments to Reconcile Excess of Revenues Over (Under) Expenses to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	427
Changes in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	<u>2,765</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,242</u>
 Supplemental Disclosure of Cash Flow Information	
Cash paid during the year for interest	\$ <u>-</u>

Notes to Primary Government Financial Statements

Borough of Youngwood
Notes to the Financial Statements
December 31, 2023

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, 2023

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, 2023

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, 2023, \$2,443,937 of the Borough's bank balance of \$2,749,716 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, 2023, \$305,779 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, 2023, 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, 2023

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 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, 2023

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 townships 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, 2023**

Plan Membership. Membership of the plan consisted of the following at December 31, 2023:

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

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, 2023, 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, 2023, were as follows:

Borough of Youngwood
Notes to the Financial Statements
December 31, 2023

Total Pension Liability	\$ 1,703,332
Employee's Retirement Plan Fiduciary Net Position	<u>(1,766,992)</u>
Borough's Net Pension Asset	<u>\$ (63,660)</u>

Employee's Retirement Plan Net Position as a
Percentage of Total Pension Liability 103.74%

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2023, 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 - 2.8% 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, 2023, the Borough recognized pension expense of \$(11,015). At December 31, 2023, 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	\$ 30,814	\$ -
Changes in assumptions	-	11,774
Net difference between projected and actual earnings on pension plan investments	-	71,491
Contributions subsequent to the measurement date	-	<u>11,015</u>
Total	<u>\$ 30,814</u>	<u>\$ 94,280</u>

The \$11,015 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, 2023. 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>
2023	\$ (40,905)
2024	2,462
2025	24,671
2026	66,223

Borough of Youngwood
Notes to the Financial Statements
December 31, 2023

Changes in Net Pension Liability - Changes in the Employees' Retirement net pension liability for the year ended December 31, 2023 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c)
Balances at 12/31/2022	\$ 1,720,308	\$ 2,086,850	\$ (366,542)
Changes for the year:			
Service Costs	23,390	-	23,390
Interest	88,946	-	88,946
Changes of benefits	-	-	-
Differences between expected and actual experience	(30,803)	-	(30,803)
Contributions - employer	-	16,468	(16,468)
Contributions - PMRS assessment	-	60	(60)
Contributions - member	-	9,342	(9,342)
PMRS investment income	-	89,024	(89,024)
Market Value investment income	-	(331,119)	331,119
Benefit payments	(98,509)	(98,509)	-
PMRS administrative expense	-	(420)	420
Additional administrative expense	-	(4,704)	4,704
Net Change	(16,976)	(319,858)	302,882
Balances at 12/31/2023	\$ 1,703,332	\$ 1,766,992	\$ (63,660)

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:

	Discount Rate	Net Pension Liability
1% decrease	4.25	\$ 139,646
Current discount rate	5.25	\$ (63,660)
1% increase	6.25	\$ (234,975)

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, 2023

NOTE 5: GOVERNMENT FUND REPORTING

<u>Classification/Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable		
General Fund	Prepaid Items	\$ 26,680
Restricted		
Non Major	Highway	154,081
Committed		
Non Major	Recreation Fund	55,852
Capital Fund	Capital Improvements	312,787
Unassigned		
General Fund		<u>2,051,927</u>
Total Fund Balance		<u>\$ 2,601,327</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, 2023

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Nondepreciable Assets				
Land	\$ 1	\$ 34,458	\$ -	\$ 34,459
Total Nondepreciable	<u>1</u>	<u>34,458</u>	<u>-</u>	<u>34,459</u>
Depreciable Assets:				
Land Improvements	269,210	24,300	-	293,510
Buildings	1,554,597	426,302	-	1,980,899
Furniture and Equipment	67,351	12,900	-	80,251
Machinery	<u>663,173</u>	<u>238,364</u>	<u>-</u>	<u>901,537</u>
Total Depreciable	<u>2,554,331</u>	<u>701,866</u>	<u>-</u>	<u>3,256,197</u>
Accumulated Depreciation:				
Land Improvements	(128,538)	(17,947)	-	(146,485)
Buildings	(363,635)	(41,235)	-	(404,870)
Furniture and Equipment	(67,351)	-	-	(67,351)
Machinery	<u>(566,271)</u>	<u>(44,922)</u>	<u>-</u>	<u>(611,193)</u>
Total Accumulated Depreciation	<u>(1,125,795)</u>	<u>(104,104)</u>	<u>-</u>	<u>(1,229,899)</u>
Net Depreciable Capital Assets	<u>1,428,536</u>	<u>597,762</u>	<u>-</u>	<u>2,026,298</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,428,537</u>	<u>\$ 632,220</u>	<u>\$ -</u>	<u>\$ 2,060,757</u>
Business-Type Activities				
Depreciable Assets:				
Buildings	\$ 10,900	\$ -	\$ -	\$ 10,900
Total	<u>10,900</u>	<u>-</u>	<u>-</u>	<u>10,900</u>
Accumulated Depreciation:				
Buildings	(5,322)	(427)	-	(5,749)
Total	<u>(5,322)</u>	<u>(427)</u>	<u>-</u>	<u>(5,749)</u>
Net Capital Assets	<u>\$ 5,578</u>	<u>\$ (427)</u>	<u>\$ -</u>	<u>\$ 5,151</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, 2023

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, 2023:

General Obligation Bonds, Series of 2020

General Obligation Bonds		
Series of 2020	\$	1,775,000
Less: Current Portion		(75,000)
Less: Current Portion Premium		(544)
Plus: Premium		<u>10,342</u>
Total	\$	<u>1,709,798</u>

The maximum amount for future maturities of loan principal at December 31, 2023 is summarized below:

December 31	Principal	Interest	Total
2024	\$ 75,000	\$ 41,394	\$ 116,394
2025	80,000	39,144	119,144
2026	75,000	36,744	111,744
2027	85,000	35,244	120,244
2028-2033	430,000	150,813	580,813
2033-2037	480,000	102,925	582,925
2038-2042	<u>550,000</u>	<u>43,444</u>	<u>593,444</u>
Total	<u>\$ 1,775,000</u>	<u>\$ 449,708</u>	<u>\$ 2,224,708</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 \$1,775,000 at December 31, 2023.

**Borough of Youngwood
Notes to the Financial Statements
December 31, 2023**

During 2023, 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	\$ 1,845,000	\$ -	\$ 70,000	\$ 1,775,000	\$ 75,000
Add:					
Unamortized Bond Premium	10,887	-	545	10,342	544
Total Debt	<u>\$ 1,855,887</u>	<u>\$ -</u>	<u>\$ 70,545</u>	<u>\$ 1,785,342</u>	<u>\$ 75,544</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, 2023
(Unaudited)

Schedule of Changes in Net Pension Liability

<u>Total Pension Liability</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Service Costs (beginning of year)	\$ 23,390	\$ 27,264	\$ 29,102	\$ 24,404	\$ 25,308
Interest (includes interest on service cost)	88,946	88,110	86,315	85,433	83,712
Differences between expected and actual experience	(30,803)	-	(30,848)	-	920
Change in assumptions	-	-	47,093	-	-
Change in benefits	-	-	-	-	10,794
Benefit payments, including refunds of member contributions	<u>(98,509)</u>	<u>(92,132)</u>	<u>(99,057)</u>	<u>(96,374)</u>	<u>(77,704)</u>
Net change in total pension liability	(16,976)	23,242	32,605	13,463	43,030
Total pension liability - beginning	<u>1,720,308</u>	<u>1,697,066</u>	<u>1,664,461</u>	<u>1,650,998</u>	<u>1,607,968</u>
Total pension asset - ending	<u>\$ 1,703,332</u>	<u>\$ 1,720,308</u>	<u>\$ 1,697,066</u>	<u>\$ 1,664,461</u>	<u>\$ 1,650,998</u>
<u>Plan fiduciary net position</u>					
Contributions - employer	\$ 16,468	\$ 16,974	\$ 12,617	\$ 8,498	\$ 9,537
Contributions - PMRS assessment	60	-	20	420	40
Contributions - member	9,342	10,327	10,829	9,147	9,127
PMRS investment income	89,024	87,876	85,893	84,946	88,678
Market Value investment income	(331,119)	169,257	111,054	237,136	(234,655)
Benefit payments	(98,509)	(92,132)	(99,057)	(96,374)	(77,704)
PMRS administrative expense	(420)	(360)	(380)	(420)	(360)
Additional administrative expense	<u>(4,704)</u>	<u>(4,977)</u>	<u>(3,742)</u>	<u>(2,936)</u>	<u>(3,957)</u>
Net Change in plan fiduciary net position	\$ (319,858)	\$ 186,965	\$ 117,234	\$ 240,417	\$ (209,294)
Plan fiduciary net position - beginning	<u>2,086,850</u>	<u>1,899,885</u>	<u>1,782,651</u>	<u>1,542,234</u>	<u>1,751,528</u>
Plan fiduciary net position - ending	<u>\$ 1,766,992</u>	<u>\$ 2,086,850</u>	<u>\$ 1,899,885</u>	<u>\$ 1,782,651</u>	<u>\$ 1,542,234</u>
Net Pension Liability Ending	<u>\$ (63,660)</u>	<u>\$ (366,542)</u>	<u>\$ (202,819)</u>	<u>\$ (118,190)</u>	<u>\$ 108,764</u>
Plan fiduciary net position as a percentage of the Total Pension Liability	103.74%	121.31%	111.95%	107.10%	93.41%
Covered employee payroll	169,605	204,492	215,248	179,715	184,605
Net pension liability as a percentage of covered employee payroll	-37.53%	-179.25%	-94.23%	-65.77%	58.92%

Schedule of Employer Contributions

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 14,810	\$ 16,073	\$ 6,251	\$ 8,858	\$ 9,537
Contributions in Relation to the Actuarially Determined Contribution	<u>16,528</u>	<u>16,974</u>	<u>12,637</u>	<u>8,918</u>	<u>9,577</u>
Contribution Deficiency/(Excess)	<u>\$ (1,718)</u>	<u>\$ (901)</u>	<u>\$ (6,386)</u>	<u>\$ (60)</u>	<u>\$ (40)</u>
Covered - Employee Payroll	\$ 169,605	\$ 204,492	\$ 215,248	\$ 179,715	\$ 184,605
Contributions as a percentage of covered employee payroll	9.74%	8.30%	5.87%	4.96%	5.19%

Youngwood Borough Nonuniformed Pension Plan
Schedule of Changes in Net Pension Liability and Schedule of Employer Contributions
As of December 31, 2023
(Unaudited)

Schedule of Changes in Net Pension Liability

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

Schedule of Employer Contributions

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