

# **Borough of Franklin Park**

## Financial Statements and Required Supplementary and Supplementary Information

Year Ended December 31, 2023  
with Independent Auditor's Report

**MaherDuessel**

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# BOROUGH OF FRANKLIN PARK

YEAR ENDED DECEMBER 31, 2023

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YEAR ENDED DECEMBER 31, 2023

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## Independent Auditor's Report

**Borough Council  
Borough of Franklin Park**

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Franklin Park (Borough), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough'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, business-type activities, each major fund, and the aggregate remaining fund information of the Borough, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough, 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'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.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not 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 the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough'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 required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Mahe Duessel*

Pittsburgh, Pennsylvania  
August 7, 2024

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023**

### **INTRODUCTION**

This discussion and analysis of the Borough of Franklin Park's (Borough) financial performance provides an overall review of the Borough's financial activities for the year ended December 31, 2023. The intent of the Management's Discussion and Analysis (MD&A) is to provide readers with an appreciation for the financial status of the Borough, the challenges faced, and accomplishments achieved. The reader should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Borough's financial performance.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2023 are as follows:

- The Borough's governmental activities net position decreased \$358,081 in 2023 to \$8,237,841. The Borough's business-type activities (Clover Hill Golf Fund) net position increased \$72,564 in 2023 to \$658,711.
- Unrestricted net position for the Borough's governmental and business-type activities was \$4,984,390 and \$241,352, respectively, as of December 31, 2023.
- The Borough's governmental funds fund balance increased from \$5,499,269 at December 31, 2022 to \$6,167,170 at December 31, 2023 (12%).

### **USING THE ANNUAL FINANCIAL REPORT**

The Annual Financial Report consists of the MD&A (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Borough as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are the government-wide financial statements – the Statement of Net Position and the Statement of Activities. These provide both long-term and short-term information about the Borough's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the Borough's operations in more detail than the government-wide statements. The governmental funds statements tell how general Borough services were financed in the short term as well as what remains for future spending. Fiduciary fund statements provide information about financial relationships where the Borough acts solely as a trustee or agent for the benefit of others to whom the resources in question belong. The police pension and general employees' pension funds comprise the Borough's fiduciary funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Figure A-1 shows how the required parts of the Financial Section are arranged and relate to one another:

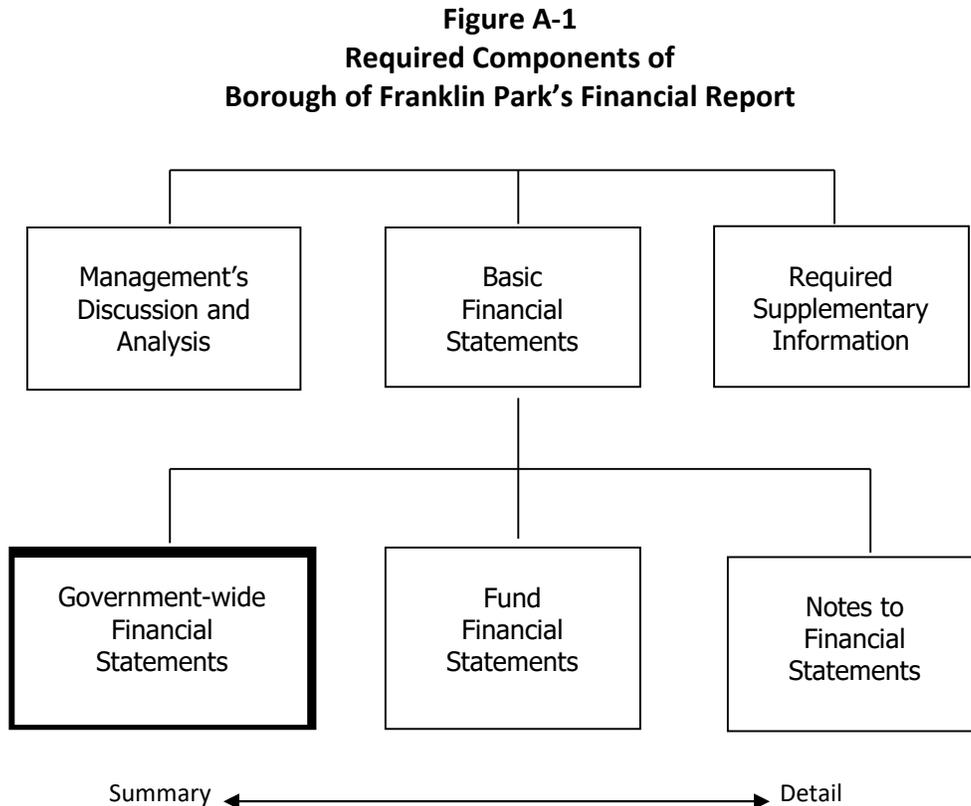


Figure A-2 summarizes the major features of the Borough's financial statements, including the portion of the Borough they cover and the types of information they contain. The remainder of this overview section of management discussion and analysis explains the structure and contents of each of the statements.

**Figure A-2:  
Major Features of the Borough of Franklin Park  
Government-Wide and Fund Financial Statements**

	<b>Government-wide Financial Statements</b>	<b><u>Fund Financial Statements</u></b>	
		<b><u>Governmental</u></b>	<b><u>Fiduciary</u></b>
Scope	Entire Borough (except fiduciary funds)	The activities of the Borough that are not proprietary or fiduciary, such as public safety, public works, and general administration.	Instances in which the Borough is the trustee or agent to someone else's resources – Pension Funds
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, short-term and long-term
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during year, regardless of when cash is received or paid

## **OVERVIEW OF FINANCIAL STATEMENTS**

### **Government-Wide Financial Statements**

The government-wide statements report information about the Borough as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The government-wide statements report the Borough's net position and how it has changed. Net position, the difference between the Borough's assets and deferred outflows of resources and liabilities and deferred inflows of resources, are one way to measure the Borough's financial health. Over time, increases or decreases in the Borough's net position is an indication of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the Borough, you need to consider additional non-financial factors, such as changes in the Borough's property tax base and the condition of the Borough's infrastructure (roads and sewers).

The government-wide financial statements of the Borough consist of the following categories:

- Governmental activities – All of the Borough's basic services are included here, such as general administration, public safety, and public works. Property and Act 511 taxes and state grants finance most of these activities.
- Business-type activities – The Borough operates a golf course and charges user fees to cover the costs of operating the Clover Hill Golf Course.

### **Fund Financial Statements**

The Borough's fund financial statements, which begin on page 3, provide detailed information about the most significant funds – not the Borough as a whole. The general and highway aid funds are required by state law.

The Borough has three kinds of funds:

- *Governmental funds* – Most of the Borough's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Borough's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Borough's programs. The relationship (or differences) between governmental

activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

- *Proprietary Funds* – The Borough operates a 9-hole golf course, Clover Hill.
- *Fiduciary Funds* – The Borough is the trustee, or fiduciary, for the police and general employees’ pension funds. All of the Borough’s fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on Pages 10 and 11. The Borough excludes these activities from the other financial statements because the Borough cannot use these assets to finance its operations.

## **FINANCIAL ANALYSIS OF THE BOROUGH AS A WHOLE**

The Borough’s net position as of December 31, 2023 and 2022 is presented below:

**Table A-1**  
**Summary of Statement of Net Position**  
**Years Ended December 31, 2023 and 2022**

	December 31, 2023			December 31, 2022		
	Governmental Activities	Business-Type Activities	2023 Total	Governmental Activities	Business-Type Activities	2022 Total
Current assets	\$ 7,385,305	\$ 263,112	\$ 7,648,417	\$ 7,411,360	\$ 162,649	\$ 7,574,009
Capital assets	7,340,750	417,359	7,758,109	7,954,724	442,051	8,396,775
Deferred outflows	897,488	-	897,488	1,954,922	-	1,954,922
<b>Total Assets and Deferred Outflows</b>	<b>15,623,543</b>	<b>680,471</b>	<b>16,304,014</b>	<b>17,321,006</b>	<b>604,700</b>	<b>17,925,706</b>
Current liabilities	742,544	21,760	764,304	1,377,443	18,553	1,395,996
Noncurrent liabilities	5,931,944	-	5,931,944	6,910,717	-	6,910,717
Deferred inflows	711,214	-	711,214	436,924	-	436,924
<b>Total Liabilities and Deferred Inflows</b>	<b>7,385,702</b>	<b>21,760</b>	<b>7,407,462</b>	<b>8,725,084</b>	<b>18,553</b>	<b>8,743,637</b>
Net Position:						
Net investment in capital assets	3,253,451	417,359	3,670,810	3,507,633	442,051	3,949,684
Restricted	8,321	-	8,321	-	-	-
Unrestricted	4,976,069	241,352	5,217,421	5,088,289	144,096	5,232,385
<b>Total Net Position</b>	<b>\$ 8,237,841</b>	<b>\$ 658,711</b>	<b>\$ 8,896,552</b>	<b>\$ 8,595,922</b>	<b>\$ 586,147</b>	<b>\$ 9,182,069</b>

The results of this year’s operations as a whole are reported in the Statement of Activities on Page 2. All expenses are reported in the first column. Specific charges, grants, revenues, and subsidies that directly relate to specific expense categories are represented to determine the final amount of the Borough’s activities that are supported by other general revenues. The largest general revenues are local taxes assessed to and derived from community taxpayers.

Table A-2 takes the information from the Statement of Activities, rearranges it slightly, so you can see the Borough's total revenues, expenses, and change to the net position for 2023 and 2022.

**Table A-2**  
**Condensed Statements of Activities**  
**Years Ended December 31, 2023 and 2022**

	December 31, 2023			December 31, 2022		
	Governmental Activities	Business-Type Activities	2023 Total	Governmental Activities	Business-Type Activities	2022 Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,092,867	\$ 596,888	\$ 1,689,755	\$ 953,341	\$ 560,440	\$ 1,513,781
Grants and contributions	1,920,397	-	1,920,397	1,812,872	-	1,812,872
General revenues:						
Real estate taxes	2,293,975	-	2,293,975	2,337,121	-	2,337,121
Other taxes	6,548,746	-	6,548,746	6,148,281	-	6,148,281
Interest	108,762	1,782	110,544	44,890	1,486	46,376
Miscellaneous	158,707	-	158,707	208,350	-	208,350
<b>Total revenues</b>	<b>12,123,454</b>	<b>598,670</b>	<b>12,722,124</b>	<b>11,504,855</b>	<b>561,926</b>	<b>12,066,781</b>
<b>Expenses:</b>						
Program expenses:						
General government	2,249,171	-	2,249,171	1,769,464	-	1,769,464
Public safety	4,363,484	-	4,363,484	4,218,091	-	4,218,091
Health and sanitation	18,723	-	18,723	18,579	-	18,579
Public works	3,973,404	-	3,973,404	4,598,900	-	4,598,900
Culture and recreation	1,772,221	-	1,772,221	1,676,494	-	1,676,494
Debt service	104,532	-	104,532	96,501	-	96,501
Transfers (in) out	-	-	-	-	-	-
Clover Hill Golf Course	-	526,106	526,106	-	507,073	507,073
<b>Total expenses</b>	<b>12,481,535</b>	<b>526,106</b>	<b>13,007,641</b>	<b>12,378,029</b>	<b>507,073</b>	<b>12,885,102</b>
Change in net position	(358,081)	72,564	(285,517)	(873,174)	54,853	(818,321)
Net position - beginning	8,595,922	586,147	9,182,069	9,469,096	531,294	10,000,390
Net position - ending	<u>\$ 8,237,841</u>	<u>\$ 658,711</u>	<u>\$ 8,896,552</u>	<u>\$ 8,595,922</u>	<u>\$ 586,147</u>	<u>\$ 9,182,069</u>

Total governmental activities revenues of \$12,123,454 were derived primarily from other taxes representing 54%. Real Estate taxes made up the next largest source of revenue at 19%.

**Table A-3**  
**Years ended December 31, 2023 and 2022**  
**Net Cost of Governmental Activities**

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program:				
General government	\$ 2,249,171	\$ 614,830	\$ 1,769,464	\$ 248,648
Public safety	4,363,484	3,980,153	4,218,091	3,873,972
Health and sanitation	18,723	1,992	18,579	(22,208)
Public works	3,973,404	3,399,288	4,598,900	4,040,487
Culture and recreation	1,772,221	1,367,476	1,676,494	1,374,416
Debt service	104,532	104,532	96,501	96,501
Total	\$ 12,481,535	\$ 9,468,271	\$ 12,378,029	\$ 9,611,816

Table A-4 reflects the activities of the Clover Hill Golf Course Fund, the business-type activities of the Borough for the years 2023 and 2022:

**Table A-4**  
**Years ended December 31, 2023 and 2022**  
**Net Cost of Business-Type Activities**

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program:				
Golf course operations	\$ 526,106	\$ 70,782	\$ 507,073	\$ 53,367

## THE BOROUGH FUNDS

The following table depicts the revenues, expenditures, and changes in fund balance of the Borough's General Fund for the years 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Revenues:		
Taxes	\$ 8,832,148	\$ 8,701,933
Licenses and permits	166,646	172,833
Fines and forfeits	38,791	42,544
Interest and rents	120,735	64,719
Intergovernmental	1,566,356	1,235,634
Charges for services	730,813	587,618
Miscellaneous	158,363	214,311
	<hr/>	<hr/>
Total revenues:	<u>\$ 11,613,852</u>	<u>\$ 11,019,592</u>
Expenses:		
General government	\$ 1,611,491	\$ 1,545,316
Public safety	4,051,643	3,848,106
Health and sanitation	20,576	18,579
Public works	2,991,354	3,380,628
Culture and recreation	1,532,453	1,393,674
Debt service	464,324	306,293
	<hr/>	<hr/>
Total expenses:	<u>\$ 10,671,841</u>	<u>\$ 10,492,596</u>
Other financing sources (uses):		
Proceeds from issuance of debt	\$ -	\$ 700,000
Refund of prior year revenues	344	(5,961)
Transfers in	-	-
Transfers out	(1,149,556)	(725,000)
	<hr/>	<hr/>
Total other financing sources (uses):	<u>\$ (1,149,212)</u>	<u>\$ (30,961)</u>
Net change in fund balance:	<u>\$ (207,201)</u>	<u>\$ 496,035</u>

**PROPRIETARY FUND (CLOVER HILL GOLF COURSE FUND)**

The following table depicts the revenues, expenses, and change in net position of the Borough’s Proprietary Fund for the years 2023 and 2022:

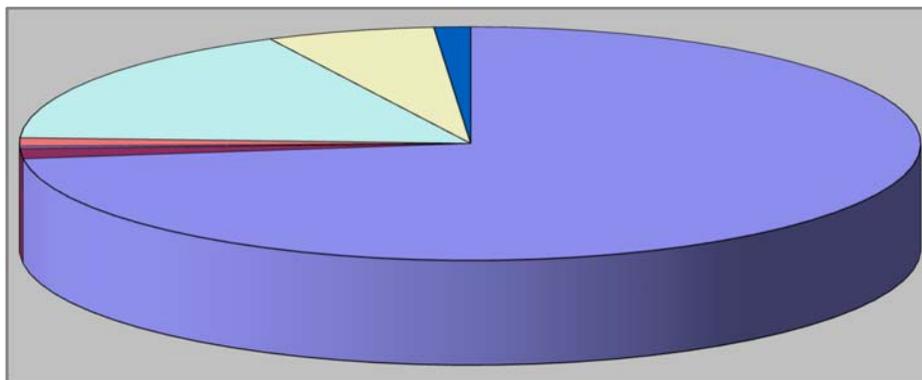
	<u>2023</u>	<u>2022</u>
Operating revenues	\$ 596,888	\$ 560,440
Operating expenses	<u>(526,106)</u>	<u>(507,073)</u>
Operating income (loss)	70,782	53,367
Nonoperating revenues (expenses)	<u>1,782</u>	<u>1,486</u>
Change in net position	<u>\$ 72,564</u>	<u>\$ 54,853</u>

**GOVERNMENTAL ACTIVITIES REVENUE**

The following charts graphically depicts the governmental activities fund revenues and expenses for the fiscal year ended December 31, 2023.

Total revenues for all governmental activities in 2023 were \$12,112,537. Taxes account for 73% of the annual revenue. Taxes include real estate taxes, earned income tax, real estate transfer tax, local services tax, and regional asset district tax.

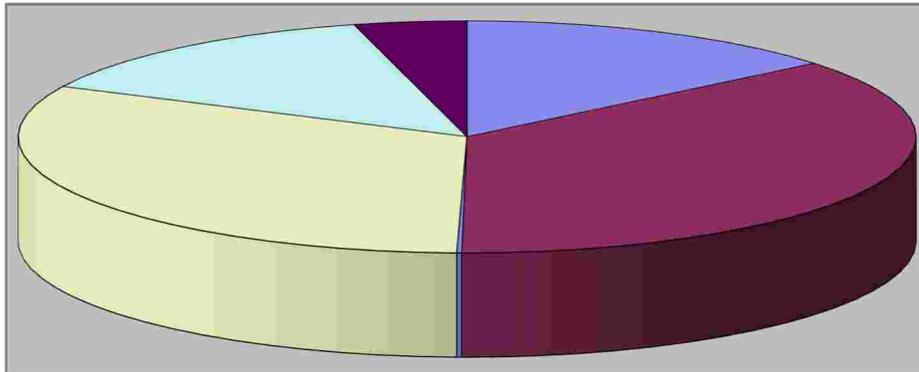
**TOTAL GOVERNMENTAL ACTIVITIES REVENUES: \$12,112,537**



## **GOVERNMENTAL ACTIVITIES EXPENSES**

Total expenses for all governmental activities in 2023 were \$11,444,980. The expenses reflect the delivery of a wide range of services, with the two largest areas being public safety at 36% and public works at 32%. General government expenses were 14% of total expenses.

### **TOTAL GOVERNMENTAL ACTIVITIES EXPENSES: \$11,444,980**



General Government	Public Safety
Health and Sanitation	Public Works
Culture and Recreation	Debt Service

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At December 31, 2023, the Borough had \$7,340,750 invested in capital assets, including land, infrastructure, buildings, machinery and equipment and vehicles net of depreciation. The Borough had \$316,611 in capital additions during the 2023 year, which is comprised of buildings and improvements, machinery and equipment, and vehicles.

### **Long Term Debt**

The outstanding balance due on all of the Borough's long-term indebtedness (bonds, notes, financed purchases) totaled \$4,087,299 on December 31, 2023.

## **PENSION TRUST FUNDS**

The Borough of Franklin Park has two pension plans – police and general employees. On December 31, 2023, the assets of the plans were \$12,314,849. An actuarial valuation of both plans determined that the net pension (asset) liability for the police and general employee pension plans was \$446,686 and \$1,350,974, respectively, as of December 31, 2023.

## **2024 BUDGET HIGHLIGHTS**

The Borough's present financial position allows Franklin Park to fund the current level of services provided, the initiatives established by Council and Mayor and many of the additional services and projects proposed by the department directors without any change in the tax rate in 2024. The 2024 Budget prioritizes the maintenance of infrastructure, IT upgrades, and upgrades to Acorn Park. In determining which projects to approve, the Borough Council and Mayor had to balance competing interests of all departments. The need to maintain local roads, stormwater systems, recreation facilities, public safety and other services were fully evaluated during the budget process.

The 2024 General Fund budget represents a 16% increase in expenditures and provides a reasonable fiscal approach to address the public service and capital investment needs of the Borough. Specific significant projects for 2024 include the paving of over four miles of roads, stream bank restoration and storm water detention facility retrofitting as required under the MS4 program, Acorn Park improvements, partially financed through a DCNR grant, and various machinery and equipment upgrades. The Borough continues to make investments in infrastructure and assets including sewer, water, roads, stormwater, and recreational amenities.

Finally, the Borough will continue to pursue all funding opportunities and long-term capital planning efforts. Ongoing projects such as the Comprehensive Recreation, Parks and Open Space Plan, the continued submission of grant applications for various infrastructure projects, and the stream water work demonstrate the Borough's commitment to a sustainable future and continued asset management.

## **CONTACTING THE BOROUGH**

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the Borough's finances and to demonstrate the Borough's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

Borough of Franklin Park  
Scott Weiskircher, Finance Director  
[sweiskircher@franklinparkborough.us](mailto:sweiskircher@franklinparkborough.us)  
412-364-4115 ext. 303

# BOROUGH OF FRANKLIN PARK

## STATEMENT OF NET POSITION

DECEMBER 31, 2023

<b>Assets</b>	Governmental Activities	Business-type Activities	Total
<b>Current assets:</b>			
Cash and cash equivalents	\$ 5,753,420	\$ 254,250	\$ 6,007,670
Taxes receivable, net	866,365	-	866,365
Lease receivable	507,271	-	507,271
Other receivables	266,673	438	267,111
Internal balances	(8,424)	8,424	-
Total current assets:	7,385,305	263,112	7,648,417
<b>Noncurrent assets:</b>			
Capital assets, not being depreciated	1,356,935	9,413	1,366,348
Capital assets, net of accumulated depreciation	5,983,815	407,946	6,391,761
Total noncurrent assets:	7,340,750	417,359	7,758,109
Total Assets	14,726,055	680,471	15,406,526
<b>Deferred Outflows of Resources</b>			
Pension related	897,488	-	897,488
Total deferred outflows of resources:	897,488	-	897,488
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	170,591	2,501	173,092
Accrued payroll and related benefits	217,512	4,990	222,502
Unearned revenue	-	13,642	13,642
Other current liabilities	4,441	627	5,068
Bonds payable, current	210,000	-	210,000
Notes payable, current	140,000	-	140,000
Total current liabilities	742,544	21,760	764,304
<b>Noncurrent liabilities:</b>			
Bonds payable, non-current	3,317,299	-	3,317,299
Notes payable, non-current	420,000	-	420,000
Escrow deposits	363,251	-	363,251
Compensated absences	33,734	-	33,734
Net pension liability	1,797,660	-	1,797,660
Total noncurrent liabilities	5,931,944	-	5,931,944
Total Liabilities	6,674,488	21,760	6,696,248
<b>Deferred Inflows of Resources</b>			
Pension related	280,532	-	280,532
Lease related	430,682	-	430,682
Total deferred inflows of resources:	711,214	-	711,214
<b>Net Position</b>			
Net investment in capital assets	3,253,451	417,359	3,670,810
Restricted for:			
Highways and streets	8,321		8,321
Unrestricted	4,976,069	241,352	5,217,421
Total Net Position	\$ 8,237,841	\$ 658,711	\$ 8,896,552

See accompanying notes to financial statements.

# BOROUGH OF FRANKLIN PARK

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

<u>Functions/Programs</u>	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
General government	\$ 2,249,171	\$ 209,977	\$ 1,424,364	\$ (614,830)	\$ -	\$ (614,830)
Public safety	4,363,484	383,331	-	(3,980,153)	-	(3,980,153)
Health and sanitation	18,723	306	16,425	(1,992)	-	(1,992)
Public works	3,973,404	94,508	479,608	(3,399,288)	-	(3,399,288)
Culture and recreation	1,772,221	404,745	-	(1,367,476)	-	(1,367,476)
Interest on long-term debt	104,532	-	-	(104,532)	-	(104,532)
Total governmental activities	12,481,535	1,092,867	1,920,397	(9,468,271)	-	(9,468,271)
Business-type activities:						
Golf course	526,106	596,888	-	-	70,782	70,782
Total primary government	<u>\$ 13,007,641</u>	<u>\$ 1,689,755</u>	<u>\$ 1,920,397</u>	<u>(9,468,271)</u>	<u>70,782</u>	<u>(9,397,489)</u>
General revenues:						
Taxes:						
Real estate				2,293,975	-	2,293,975
Earned income				5,734,566	-	5,734,566
Real estate transfer				569,992	-	569,992
Local service				244,188	-	244,188
Interest				108,762	1,782	110,544
Miscellaneous				158,707	-	158,707
Total general revenues				9,110,190	1,782	9,111,972
				<b>Change in Net Position</b>	72,564	(285,517)
				<b>Net Position:</b>		
				Beginning of year	8,595,922	9,182,069
				End of year	<u>\$ 8,237,841</u>	<u>\$ 8,896,552</u>

See accompanying notes to financial statements.

# BOROUGH OF FRANKLIN PARK

## BALANCE SHEET

### GOVERNMENTAL FUNDS

DECEMBER 31, 2023

	General Fund	Capital Reserve Fund	Other Governmental Fund	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 5,676,549	\$ 68,550	8,321	\$ 5,753,420
Taxes receivable, net	866,365	-	-	866,365
Lease receivable	507,271	-	-	507,271
Due from other funds	-	1,300	-	1,300
Other receivables	266,673	-	-	266,673
<b>Total Assets</b>	<b>\$ 7,316,858</b>	<b>\$ 69,850</b>	<b>\$ 8,321</b>	<b>\$ 7,395,029</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 170,591	\$ -	\$ -	\$ 170,591
Accrued payroll and related benefits	217,512	-	-	217,512
Due to other funds	9,724	-	-	9,724
Escrow deposits	363,251	-	-	363,251
Other liabilities	4,441	-	-	4,441
<b>Total Liabilities</b>	<b>765,519</b>	<b>-</b>	<b>-</b>	<b>765,519</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - taxes	31,658	-	-	31,658
Lease related	430,682	-	-	430,682
<b>Total Deferred Inflows of Resources</b>	<b>462,340</b>	<b>-</b>	<b>-</b>	<b>462,340</b>
<b>Fund Balance:</b>				
Restricted for				
Highways and streets	-	-	8,321	8,321
Assigned for:				
Fire equipment	936,194	-	-	936,194
Unassigned	5,152,805	69,850	-	5,222,655
<b>Total Fund Balance</b>	<b>6,088,999</b>	<b>69,850</b>	<b>8,321</b>	<b>6,167,170</b>
<b>Total Deferred Inflows of Resources, Liabilities, and Fund Balance</b>	<b>\$ 7,316,858</b>	<b>\$ 69,850</b>	<b>\$ 8,321</b>	<b>\$ 7,395,029</b>

See accompanying notes to financial statements.

# BOROUGH OF FRANKLIN PARK

## RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

YEAR ENDED DECEMBER 31, 2023

<b>Total Fund Balance - Governmental Funds</b>				\$	6,167,170
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds.					7,340,750
Property and other taxes receivable are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.					31,658
The net pension liability and deferred inflows and outflows of resources for pension are not recorded on the fund financial statements.					(1,180,704)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:					
	Notes payable	\$	(560,000)		
	Bonds payable		(3,527,299)		
	Compensated absences		(33,734)		(4,121,033)
<b>Total Net Position - Governmental Activities</b>				\$	<u>8,237,841</u>

See accompanying notes to financial statements.

## BOROUGH OF FRANKLIN PARK

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

#### GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2023

	General Fund	Capital Reserve Fund	Other Governmental Fund	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 8,832,148	\$ -	\$ -	\$ 8,832,148
Licenses and permits	166,646	-	-	166,646
Fines and forfeitures	38,791	-	-	38,791
Interest and rents	120,735	17,554	1,523	139,812
Intergovernmental	1,566,356	-	479,608	2,045,964
Charges for services	730,813	-	-	730,813
Miscellaneous	158,363	-	-	158,363
Total revenues	<u>11,613,852</u>	<u>17,554</u>	<u>481,131</u>	<u>12,112,537</u>
<b>Expenditures:</b>				
General government	1,611,491	-	-	1,611,491
Public safety	4,051,643	80,310	-	4,131,953
Health and sanitation	20,576	-	-	20,576
Public works	2,991,354	212,919	431,160	3,635,433
Culture and recreation	1,532,453	48,750	-	1,581,203
Debt service	464,324	-	-	464,324
Total expenditures	<u>10,671,841</u>	<u>341,979</u>	<u>431,160</u>	<u>11,444,980</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>942,011</u>	<u>(324,425)</u>	<u>49,971</u>	<u>667,557</u>
<b>Other Financing Sources (Uses):</b>				
Refund of prior year revenues	344	-	-	344
Transfers in	-	1,149,556	-	1,149,556
Transfers out	<u>(1,149,556)</u>	<u>-</u>	<u>-</u>	<u>(1,149,556)</u>
Total other financing sources (uses)	<u>(1,149,212)</u>	<u>1,149,556</u>	<u>-</u>	<u>344</u>
<b>Net Change in Fund Balance</b>	<u>(207,201)</u>	<u>825,131</u>	<u>49,971</u>	<u>667,901</u>
<b>Fund Balance:</b>				
Beginning of year	<u>6,296,200</u>	<u>(755,281)</u>	<u>(41,650)</u>	<u>5,499,269</u>
End of year	<u>\$ 6,088,999</u>	<u>\$ 69,850</u>	<u>\$ 8,321</u>	<u>\$ 6,167,170</u>

See accompanying notes to financial statements.

# BOROUGH OF FRANKLIN PARK

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

**Net Change in Fund Balance - Governmental Funds** \$ 667,901

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

(613,974)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

10,573

Changes in the net pension liability/asset and related deferred outflows and inflows of resources do not affect current financial resources and, therefore, are not reflected on the fund statements. The value of these items changed by this amount during the year.

(786,643)

The issuance of long-term debt (e.g. notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

359,792

Changes in the long-term portion of the compensated absence liability are reflected as an adjustment to expense on the statement of activities, but not included in the fund statements.

4,270

**Change in Net Position of Governmental Activities** \$ (358,081)

See accompanying notes to financial statements.

# BOROUGH OF FRANKLIN PARK

## STATEMENT OF NET POSITION

### PROPRIETARY FUND

DECEMBER 31, 2023

	Clover Hill Golf Fund
<b>Assets</b>	
<hr/>	
Current assets:	
Cash and cash equivalents	\$ 254,250
Accounts receivable	438
Due from other funds	8,424
	<hr/>
Total current assets	263,112
	<hr/>
Noncurrent assets:	
Capital assets, not being depreciated	9,413
Capital assets, net of accumulated depreciation	407,946
	<hr/>
Total noncurrent assets	417,359
	<hr/>
Total Assets	<u>\$ 680,471</u>
<hr/>	
<b>Liabilities and Net Position</b>	
<hr/>	
Liabilities:	
Current liabilities:	
Accounts payable	\$ 2,501
Accrued payroll and related benefits	4,990
Other payables	627
Unearned revenue	13,642
	<hr/>
Total liabilities	21,760
	<hr/>
Net Position:	
Net investment in capital assets	417,359
Unrestricted	241,352
	<hr/>
Total Net Position	658,711
	<hr/>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 680,471</u></u>

See accompanying notes to financial statements.

# BOROUGH OF FRANKLIN PARK

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

### PROPRIETARY FUND

YEAR ENDED DECEMBER 31, 2023

	Clover Hill Golf Fund
<b>Operating Revenues:</b>	
<hr/>	
Green fees and cart rentals	\$ 596,888
	<hr/>
<b>Operating Expenses:</b>	
<hr/>	
Salaries and benefits	242,737
Administrative	26,305
Utilities	43,307
Materials and supplies	71,844
Repairs and maintenance	12,440
Equipment rental and purchases	8,000
Depreciation	121,473
	<hr/>
Total operating expenses	526,106
	<hr/>
<b>Operating Income (Loss)</b>	70,782
	<hr/>
<b>Nonoperating Revenues (Expenses):</b>	
<hr/>	
Interest income	1,782
	<hr/>
<b>Change in Net Position</b>	72,564
	<hr/>
<b>Net Position:</b>	
<hr/>	
Beginning of year	586,147
	<hr/>
End of year	\$ 658,711
	<hr/> <hr/>

See accompanying notes to financial statements.

# BOROUGH OF FRANKLIN PARK

## STATEMENT OF CASH FLOWS PROPRIETARY FUND

YEAR ENDED DECEMBER 31, 2023

	Clover Hill Golf Fund
<b>Cash Flows From Operating Activities:</b>	
Cash received from customers	\$ 596,450
Cash paid to employees for wages and benefits	(239,641)
Cash paid to vendors for goods and services	(161,785)
	195,024
<b>Cash Flows From Noncapital Financing Activities:</b>	
Transfers to and from other funds	(10,483)
	(10,483)
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Purchases of capital assets	(96,781)
	(96,781)
<b>Cash Flows From Investing Activities:</b>	
Interest income	1,782
	1,782
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>89,542</b>
<b>Cash and Cash Equivalents:</b>	
Beginning of year	164,708
End of year	\$ 254,250
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:</b>	
Operating income (loss)	\$ 70,782
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	121,473
Changes in operating assets and liabilities:	
Accounts receivable	(438)
Accounts payable	(741)
Accrued payroll and related benefits	3,096
Other payables	89
Unearned revenue	763
	763
Net cash provided by (used in) operating activities	\$ 195,024

See accompanying notes to financial statements.

# BOROUGH OF FRANKLIN PARK

## STATEMENT OF FIDUCIARY NET POSITION

### FIDUCIARY FUNDS

DECEMBER 31, 2023

	<u>Pension Trust Funds</u>
<hr/>	
<b>Assets</b>	
<hr/>	
Cash and cash equivalents	\$ 278,316
Investments	<u>12,036,533</u>
<b>Total Assets</b>	<u><u>\$ 12,314,849</u></u>
<hr/>	
<b>Net Position</b>	
<hr/>	
Restricted for pension benefits	<u><u>\$ 12,314,849</u></u>

See accompanying notes to financial statements.

# BOROUGH OF FRANKLIN PARK

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2023

	<u>Pension Trust Funds</u>
<b>Additions:</b>	
Contributions:	
State aid - contributed by Borough	\$ 367,157
Employer	273,156
Employee	<u>115,699</u>
Total contributions	<u>756,012</u>
Net investment income (loss):	
Net increase (decrease) in fair value of investments	992,483
Interest and dividends	<u>386,725</u>
Total investment income (loss)	1,379,208
Less: investment expense	<u>(72,774)</u>
Net investment income (loss)	<u>1,306,434</u>
Total additions	<u>2,062,446</u>
<b>Deductions:</b>	
Benefits/withdrawals	<u>307,645</u>
<b>Change in Net Position</b>	1,754,801
<b>Net Position:</b>	
Beginning of year	<u>10,560,048</u>
End of year	<u><u>\$ 12,314,849</u></u>

See accompanying notes to financial statements.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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### 1. The Reporting Entity

The Borough of Franklin Park (Borough), Pennsylvania, was incorporated as a Borough in August 1961. The Borough covers approximately 13.5 square miles and has a population of approximately 15,000.

Members of Borough Council are elected from each ward by the voting public. Borough Council establishes policies and regulations in order to maintain the health, safety, and welfare of the residents. A full-time professional staff implements these policies and regulations, which is under the direction of an appointed Borough Manager. The Mayor is elected at large and serves for a four-year term. The Mayor oversees the operation of the police department to ensure its integrity and ability to provide public safety to the residents. The major functions of the Borough include public safety, health and sanitation, public works, culture and recreation, and other general administrative functions to facilitate the needs of the Borough residents.

In evaluating the Borough as a primary government, management has addressed all potential component units. Consistent with applicable guidance, the criteria used by the Borough to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. No component units meet the criteria for inclusion.

The Borough is involved with related parties, as described in Note 13.

### 2. Summary of Significant Accounting Policies

#### Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information on all of the non-fiduciary activities of the Borough. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from any business-type activities or component units for which the primary government is financially accountable. As a general rule, any effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those clearly

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# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Borough considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property, earned income, local services, and franchise taxes, as well licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Borough. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service, financed purchases, and pension expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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The Borough reports the following major governmental funds:

The *General Fund* is the principal operating fund of the Borough, which is used to account for all financial transactions except those accounted for in other funds. The Borough internally accounts for fire protection activity within the *Fire Protection Fund*. For financial reporting the Fire Protection Fund is combined with the General Fund.

*Capital Project Funds* are used to account for financial resources to be used for the acquisition or construction of major capital assets. The Borough's Capital Project Fund is used to account for the *Capital Reserve Fund*.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The Borough reports the following major proprietary fund:

The *Clover Hill Golf Fund* is used to account for the operations of the golf course owned by the Borough.

Additionally, the Borough reports the following other governmental fund:

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted to expenditures for specified purposes. The Borough's Special Revenue Fund is used to account for the *Highway Aid Fund*. Funding is received from the Commonwealth of Pennsylvania and is restricted in use for the maintenance, repair, and construction of roads, streets, and bridges for which the Borough is responsible.

Fiduciary Funds are used to report assets held in a trust, therefore, are not available to support Borough programs. The reporting focus is on net position and changes in net position and is reported using the accrual cash basis of accounting. The Borough reports on the following fiduciary funds:

The *Pension Trust Funds* are used to account for activities related to the General Employees and Police Pension Plans. These funds are held by the Borough in a trustee capacity.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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### Budgets

In December 2022, the Borough adopted its 2023 annual budget for its General Fund in accordance with the provisions of the Borough Code. The General Fund budget was prepared utilizing the modified accrual basis of accounting. The proposed budget includes the General Fund and Fire Protection Fund. All annual appropriations of the General Fund lapse at calendar year-end.

The Borough uses the following procedures in establishing this budgetary data:

- a. In accordance with the Borough Code, beginning at least 30 days prior to the adoption of the budget, which shall not be later than December 31, a proposed budget for the ensuing year shall be prepared. The proposed budget shall be kept on file with the Borough secretary and made available for public inspection for a period of ten days. Notice that the proposed budget is available for inspection is published in a newspaper of general circulation. After expiration of the ten days, Council makes such revisions in the budget as deemed advisable and shall adopt the budget by motion.
- b. Transfers of budget amounts are authorized between departments within any fund. However, any revisions that alter the total appropriations of any fund must be approved by the Council.
- c. The budget amounts shown as required supplementary information are the original and final amounts for the year ended December 31, 2023.

### Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

### Fair Value Measurement

The Borough categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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### Escrow Deposits

Escrow deposits include monies held in escrow related to deposits payable to developers and other organizations.

### Interfund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

### Capital Assets

Capital assets that have been acquired for general government purposes are recorded as expenditures in the governmental funds and are capitalized in the government-wide statement of net position. All capital assets are recorded at cost, if known, or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value on the date of donation. The Borough uses a threshold of \$5,000 for recording capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the Borough are depreciated using the straight-line method over the following estimated useful lives:

Vehicles	3-10 years
Buildings and Land Improvements	10-40 years
Furniture, Fixtures and Equipment	3-15 years
Infrastructure	20-60 years

### Leases

The Borough is a lessor for a noncancellable lease of Borough property. The Borough recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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At the commencement of a lease, the Borough initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow or resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow or resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Borough determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Borough uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Borough monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

### Unearned Revenues

Unearned revenues reported in the government-wide financial statements will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent revenues that are measurable but not available, and in accordance with the modified accrual basis of accounting are reported as unearned revenues.

### Compensated Absences

Calculation of the liability is determined by the vacation payments that would be made if employees were to leave or retire from the Borough. Compensated absences accrue when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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Employees earn vacation, based upon their contract, for use during the current calendar year and may be carried over for a period of time as defined by their contract. The number of days earned varies depending upon length of service and union contracts.

### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of any applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures/expenses.

### Deferred Outflows/Inflows of Resources

In addition to assets/liabilities, the statement of net position and/or balance sheet will sometimes report separate sections for deferred outflows/inflows of resources. This separate financial statement element, deferred outflows/inflows of resources, represents a consumption of net position and/or fund balance that applies to a future period and so will not be recognized as an outflow/inflow of resources (expense/expenditure or revenue) until then. The Borough has the following items that qualify for reporting in these categories:

Certain amounts determined in connection with pension accounting requirements are reported as deferred inflows/outflows of resources on the government-wide financial statements. These amounts are determined based on the actuarial valuations performed for the plans. Note 9 presents additional information about the pension plans.

Unavailable revenue is reported only on the balance sheet and represents taxes, which will not be collected within the available period. These amounts will be recognized as an inflow of resources in the period the amounts become available.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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### Net Position

The government-wide fund financial statements of the Borough report the following components of net position:

- Net investment in capital assets – The net investment in capital assets component of net position consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.
- Restricted – This component of net position consists of constraints placed on assets through external restrictions.
- Unrestricted – This component of net position consists of assets that do not meet the definition of “restricted.”

The Borough applies restricted resources first, when available, before using unrestricted resources, to pay expenses that can be paid from either source.

### Fund Balance

In the fund financial statements, governmental funds report fund balance in categories based on the level of restriction placed upon the funds. These levels that are applicable to the Borough are:

- Nonspendable – This category represents funds that are not in spendable form. The Borough did not have any nonspendable fund balance as of December 31, 2023.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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- Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties.
- Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the Borough’s highest level of decision-making authority. The Council is the highest level of decision-making authority for the Borough and can make such commitment via an ordinance or resolution prior to the end of the fiscal year. A commitment can only be modified or removed by an equal action of the Council. The Borough did not have any committed fund balance as of December 31, 2023.
- Assigned – This category represents intentions of the Borough to use the funds for specific purposes. The Council has delegated the authority to assign amounts to be used for specific purposes to the Borough Manager.
- Unassigned – This category includes the residual classification for the Borough’s General Fund and includes all spendable amounts not contained in other classifications.

The Borough’s policy is to use funds in the order of the most restrictive to the least restrictive.

### Adopted Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements were adopted for the year ended December 31, 2023: Statement Nos. 94 (Public-Private and Public-Public Partnerships and Availability Payment Arrangements) and 96 (Subscription-Based Information Technology Arrangements). These statements had no significant impact on the Borough’s financial statements for the year ended December 31, 2023.

### Pending Pronouncements

GASB has issued statements that will become effective in future years, including Statement Nos. 100 (Accounting Changes and Error Corrections), 101 (Compensated Absences), 102 (Certain Risk Disclosures), and 103 (Financial Reporting Model Improvements). Management has not yet determined the impact of these statements on the financial statements.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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### 3. Cash, Cash Equivalents, and Investments

#### Governmental and Proprietary Funds

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U. S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, short-term commercial paper issued by a public corporation, bankers' acceptances, insured or collateralized time deposits, and certificates of deposits. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes.

The deposit and investment policy of the Borough adheres to state statutes and prudent business practice. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the Borough.

The following is a description of the Borough's risks related to cash and cash equivalents:

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough's deposit policy requires deposits to be held in institutions that are insured by one of the federal deposit insurance organizations and when the value of the Borough's deposits exceeds the insurable limits, the additional sums must be secured by collateral pledged by the depository.

As of December 31, 2023, \$4,928,546 of the Borough's bank balance of \$5,208,856 was exposed to custodial credit risk, 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. These deposits had a carrying amount of \$4,654,981 (governmental funds) and \$254,250 (proprietary funds) as of December 31, 2023.

In addition to the deposits noted above, cash and cash equivalents include funds with INVEST. As of December 31, 2023, the fair value of the INVEST funds was \$710,960.

The fair value of the Authority's investments is the same as their carrying amount. The Authority's investment in INVEST cannot be classified because they are not evidenced by securities that exist in physical or book entry form. The fair value of the Authority's position in the INVEST external investment pool is the same as the value of the pool shares. All investments in an external investment pool that is not SEC-registered are subject to oversight

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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by the Commonwealth. The Authority can withdraw funds from INVEST without limitations or fees. As of December 31, 2023, investments in INVEST received an AAAM rating.

The Borough's investments in Pennsylvania Local Government Investment Trust (PLGIT) are "pooled" with other local governments and school districts in an effort to maximize return and minimize costs associated with investing. PLGIT invests in two basic types of federal securities: obligations backed by the full faith and credit of the United States Government and short-term obligations of the United States Government or its agencies or instrumentalities (which may or may not be backed by the full faith and credit of the United States Government). The PLGIT Trust may also invest in full faith and credit obligations of the Commonwealth of Pennsylvania and its agencies and may also have repurchase agreements. Finally, the trust is also authorized to invest in certificates of deposit which are insured by the FDIC or which are collateralized as provided by law. PLGIT investments are subject to oversight by the Commonwealth of Pennsylvania.

The Borough can withdraw funds from the external investment pools. However, there are certain limitations placed on these withdrawals. For PLGIT-Class accounts, there is a one-day holding period. For PLGIT PLUS accounts, there is a 30-day holding period for each deposit and a penalty for early withdrawal. For PLGIT/I-Class accounts, there is a one-day holding period and a penalty for more than two withdrawals in a calendar month.

As of December 31, 2023, the entire fair value of the investments in PLGIT of \$387,479 is considered to be a cash equivalent on the statement of net position and the governmental funds balance sheet. These deposits have a carrying amount of \$387,479 as of December 31, 2023. The Borough's investments in PLGIT cannot be classified by risk category, because the investment is not evidenced by securities that exist in physical or book entry form.

*Credit Risk* - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Borough utilizes investments allowable under Pennsylvania Borough Code of which limits its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2023, investments in PLGIT received an AAA rating.

*Interest Rate Risk* – The Borough utilizes investments allowable under Pennsylvania Borough Code of which limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All PLGIT investments have an average maturity of less than one year.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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### Investments – Pension Trust Funds

The Borough has an investment policy to establish asset allocation guidelines between investment types, and also to evaluate investment income results. The investment policy of both pension plans is to invest seventy percent in equity securities, twenty-eight percent in fixed income securities, and two percent in cash and cash equivalents.

The fair value of the Borough's Pension Trust Funds' investments at December 31, 2023 is as follows:

<u>Cash or Investment Type</u>	<u>Fair Market Value</u>
Cash and cash equivalents	\$ 278,316
Mutual funds	9,139,499
ETFs	<u>2,897,034</u>
<b>Total cash and other investments</b>	<u>12,314,849</u>
<b>Total cash, cash equivalents, and investments reported on statement of fiduciary net position</b>	<u><u>\$ 12,314,849</u></u>

The Borough categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Borough's investments in mutual funds and ETFs are determined to be measured at Level 1 inputs.

The following is a description of the Pension Trust Funds' investments risks:

*Credit Risk* - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Pension Trust Funds have no formal investment policy that would limit investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2023, the investment in mutual funds is unrated.

*Custodial Credit Risk* - For an investment, custodial credit risk is the risk that in the event of failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Borough's fiduciary fund investments in mutual funds and ETFs are not exposed to

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

custodial credit risk, because their existence is not evidenced by securities that exist in physical or book entry form.

### 4. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2023 is as follows:

	Balance at January 1, 2023	Additions	Deletions	Balance at December 31, 2023
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 1,356,935	\$ -	\$ -	\$ 1,356,935
Total capital assets, not being depreciated	<u>1,356,935</u>	<u>-</u>	<u>-</u>	<u>1,356,935</u>
Capital assets, being depreciated				
Buildings and improvements	6,435,363	32,170	-	6,467,533
Machinery and equipment	2,801,890	204,131	-	3,006,021
Vehicles	2,746,851	80,310	(54,952)	2,772,209
Infrastructure	<u>17,526,812</u>	<u>-</u>	<u>-</u>	<u>17,526,812</u>
Total capital assets, being depreciated	<u>29,510,916</u>	<u>316,611</u>	<u>(54,952)</u>	<u>29,772,575</u>
Less: accumulated depreciation for:				
Buildings and improvements	(4,857,824)	(341,509)	-	(5,199,333)
Machinery and equipment	(1,717,868)	(198,257)	-	(1,916,125)
Vehicles	(1,820,577)	(169,021)	54,952	(1,934,646)
Infrastructure	<u>(14,516,858)</u>	<u>(221,798)</u>	<u>-</u>	<u>(14,738,656)</u>
Total accumulated depreciation	<u>(22,913,127)</u>	<u>(930,585)</u>	<u>54,952</u>	<u>(23,788,760)</u>
Total capital assets, being depreciated, net	<u>6,597,789</u>	<u>(613,974)</u>	<u>-</u>	<u>5,983,815</u>
Governmental activities, capital assets, net	<u>\$ 7,954,724</u>	<u>\$ (613,974)</u>	<u>\$ -</u>	<u>\$ 7,340,750</u>

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

Depreciation expense was charged to the function/programs of the Borough as follows:

Governmental activities:	
General government	\$ 103,183
Public safety	85,289
Highways, roads, and streets	476,245
Culture and recreation	<u>265,868</u>
Total depreciation expense	<u>\$ 930,585</u>

Capital asset activity for business-type activities for the year ended December 31, 2023 is as follows:

	Balance at January 1, 2023	Additions	Deletions	Balance at December 31, 2023
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 9,413	\$ -	\$ -	\$ 9,413
Total capital assets, not being depreciated	<u>9,413</u>	<u>-</u>	<u>-</u>	<u>9,413</u>
Capital assets, being depreciated				
Buildings and improvements	1,201,275	11,765	-	1,213,040
Machinery and equipment	<u>446,266</u>	<u>85,016</u>	<u>-</u>	<u>531,282</u>
Total capital assets, being depreciated	<u>1,647,541</u>	<u>96,781</u>	<u>-</u>	<u>1,744,322</u>
Less: accumulated depreciation for:				
Buildings and improvements	(936,239)	(64,561)	-	(1,000,800)
Machinery and equipment	<u>(278,664)</u>	<u>(56,912)</u>	<u>-</u>	<u>(335,576)</u>
Total accumulated depreciation	<u>(1,214,903)</u>	<u>(121,473)</u>	<u>-</u>	<u>(1,336,376)</u>
Total capital assets, being depreciated, net	<u>432,638</u>	<u>(24,692)</u>	<u>-</u>	<u>407,946</u>
Business-type activities, capital assets, net	<u>\$ 442,051</u>	<u>\$ (24,692)</u>	<u>\$ -</u>	<u>\$ 417,359</u>

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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### 5. Property Taxes

The Borough levies property taxes each calendar year. The calendar dates for payment of these taxes are as follows:

May 1 – June 30	(Discount Period)
July 1 – August 31	(Face Period)
September 1 – December 31	(Penalty Period)
January 15 of next year	(Lien Date)

Taxpayers are entitled to a 2% discount if taxes are paid prior to July 1st. Collections after August 31st are assessed a 10% penalty. Taxes unpaid as of the end of the year may be liened.

The tax millage assessment for the 2023 calendar year is 1.29 mills on the assessed value of land and buildings of approximately \$1.8 billion. The Borough recognizes property tax revenue when received.

### 6. Interfund Receivables, Payables, and Transfers

Due To/Due From and transfers as of and for the year ended December 31, 2023 were as follows:

Fund	Due From Other Funds	Due To Other Funds	Transfers In	Transfers Out
Major Governmental Fund:				
General Fund	\$ -	\$ 9,724	\$ -	\$ 1,149,556
Capital Reserve	1,300	-	1,149,556	-
Major Enterprise Fund:				
Clover Hill Golf Fund	8,424	-	-	-
Total	<u>\$ 9,724</u>	<u>\$ 9,724</u>	<u>\$ 1,149,556</u>	<u>\$ 1,149,556</u>

Transactions between funds that are not expected to be repaid are accounted for as transfers. In cases where repayment is expected within the next fiscal year, the transactions are accounted for through due to and due from accounts.

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# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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The Due to the General Fund from the Capital Reserve Fund and the Clover Hill Golf Fund represents expenses funded by the General Fund. The transfer from the General Fund to the Capital Reserve fund was made to repay the interfund balance from a prior year.

### 7. Leases

During 2009 the Borough entered into a non-cancelable lease as the lessor of land for a cell tower. The lease had an initial term of five years with 14 automatic renewal terms of five years each ending in 2092. Base rent of the lease is \$1,739 per month with 3% increases each year beginning on the 7<sup>th</sup> year of the lease.

As of and for the year ended December 31, the lease includes the following:

<u>Discount Rate</u>	<u>Lease Receivable</u>	<u>Deferred Inflow of Resources</u>	<u>Lease Revenue</u>	<u>Lease Interest</u>
3.80%	<u>\$ 507,271</u>	<u>\$ 430,682</u>	<u>\$ 20,868</u>	<u>\$ 19,335</u>

### 8. Long-Term Liabilities

#### General Obligation Bonds

In 2016, the Borough issued General Obligation Bonds (Series 2016 Bonds) in the amount of \$4,820,000 for capital projects, including the construction of a fire station on behalf of the Franklin Park Volunteer Company. In 2021, the Borough issued General Obligation Bonds (Series 2021 Bonds) in the amount of \$3,955,000 to refund \$4,045,000 of outstanding Series 2016 Bonds. The Series 2021 Bonds bear interest at rates ranging from 2.000% to 5.000% and are scheduled to mature annually through September 2036. The bonds are secured by a pledge of full faith, credit, and taxing power of the Borough. In the event of failure to pay principal and interest when due that exceeds thirty days, any bond holder may bring suit for the amount due.

#### General Obligation Notes

In 2022, the Borough issued a General Obligation Note, Series of 2022 totaling \$700,000 with an interest rate of 3.80% for the purchase of property. The Series 2022 Note is due in October 2027. The note is secured by a pledge of full faith, credit, and taxing power of the Borough.

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# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

The annual debt service requirements to maturity for the General Obligation Bonds and General Obligation Notes are as follows:

	Governmental Activities			
	General Obligation Bonds		General Obligation Notes	
	Principal	Interest	Principal	Interest
2024	\$ 210,000	\$ 86,650	\$ 140,000	\$ 19,607
2025	220,000	76,150	140,000	14,157
2026	235,000	65,150	140,000	8,763
2027	240,000	53,400	140,000	3,369
2028	250,000	48,600	-	-
2029-2033	1,320,000	166,000	-	-
2034-2036	860,000	57,300	-	-
	<u>\$ 3,335,000</u>	<u>\$ 553,250</u>	<u>\$ 560,000</u>	<u>\$ 45,896</u>

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

	Balance at January 1, 2023	Additions	Deletions	Balance at December 31, 2023	Due Within One Year
Governmental Activities:					
General obligation bonds payable	\$ 3,540,000	\$ -	\$ (205,000)	\$ 3,335,000	\$ 210,000
Bond premium	207,091	-	(14,792)	192,299	-
Direct borrowing - notes payable	700,000	-	(140,000)	560,000	140,000
Escrow deposits	421,639	-	(58,388)	363,251	-
Net pension liability	2,348,983	1,897,090	(2,448,413)	1,797,660	-
Compensated absences	38,004	-	(4,270)	33,734	-
	<u>\$ 7,255,717</u>	<u>\$ 1,897,090</u>	<u>\$ (2,870,863)</u>	<u>\$ 6,281,944</u>	<u>\$ 350,000</u>

## 9. Pension Plans

### Defined Benefit Plans

#### Summary of Significant Accounting Policies

Financial information of the pension plans (Plans) is presented on the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Employer contributions to the Plans are recognized when due as required by applicable law.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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### Plan Descriptions

The Borough administers two single-employer, defined benefit pension plans established under the provisions of Act 205 of 1984 of the Commonwealth of Pennsylvania (Act). The Plans are governed by Borough Council, who are responsible for the management of Plan assets. Plan provisions and contribution requirements are established and may be amended by the Borough. The activity of the Plans is reported as the Pension Trust Funds in the accompanying financial statements. Separate plan financial statements are not available.

At December 31, 2023, Plan membership consisted of the following:

	<u>Police</u>	<u>General Employees</u>
Active employees	14	31
Retirees and beneficiaries currently receiving benefits	7	7
Terminated employees entitled to benefits but not yet receiving them	0	2
Total plan members	<u>21</u>	<u>40</u>

### Benefits Provided – Police Plan

*Retirement Benefit* – A participant is entitled to begin receiving retirement benefits after completing 25 years of service and attaining age 55 for employment, or 20 years of service for early retirement. A participant is fully vested after 12 years of service. The scheduled monthly retirement benefit is 50% of the participant's pension pay averaged over the final 36 months of employment.

*Survivor Benefit – Survivor Benefit* – For a participant after retirement eligibility, the participant's beneficiary will receive a distribution of 50% of the participant's accrued benefit that would have been payable of the participant's Normal Retirement Benefit.

*Disability Benefit* – If a participant becomes totally and permanently disabled as a result of accident or sickness occurring in the line of duty, the participant is entitled to receive a monthly disability benefit of 50% of the participant's salary at the time the disability was incurred, less Social Security disability benefits.

*DROP Benefit* – Employees may receive the *Retirement Benefit* as of DROP participation. The DROP Plan provides an alternative method of payment for retirement benefits for a special and limited period of time for member of the Plan under this Plan, employees stop earning

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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service credit toward a future benefit and the calculated retirement benefit at the time the DROP Plan period begins, is deposited into another investment vehicle that offers both substantial security and some level of guaranteed interest.

### Benefits Provided – General Employees Plan

*Retirement Benefit* – A participant is entitled to begin receiving retirement benefits after completing ten years of service and attaining age 62. For Union participants the benefit is the greater of a lump sum payment equal to Average Final Compensation multiplied by the sum of the applicable percentage for each year of credited service or a monthly benefit equal to \$30 per year of credited service. For non-union participants hired before May 1, 2017 the benefit is the greater of a lump sum payment equal to Average Final Compensation multiplied by the sum of the applicable percentage for each year of credited service, a monthly benefit equal to \$30 per year of credited service, or a monthly benefit equal to 1.0% of Average Final Compensation divided by 12, multiplied by years of credited service. For non-union participants hired on or after May 1, 2017 the benefit is equal to the sum of 1.0% of Compensation during each year of credited service divided by 12.

*Survivor Benefit* – For a participant after retirement eligibility, the participant's beneficiary will receive a distribution of 50% of the participant's accrued benefit that would have been payable of the participant's Normal Retirement Benefit.

*Termination Benefit* – If a participant's employment is terminated, the participant is entitled to a vested deferred benefit after ten years of service. A participant who terminates before ten years of service is entitled to a return of prior employee contribution plus interest.

### Contributions

The Plans are funded by the Borough on an annual basis pursuant to the provisions of the Act. The Act requires that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO). Employees are not required to contribute under the Act; such contributions are subject to collective bargaining. For the year ended December 31, 2023, participating employees in the Police Plan contributed 2% of covered payroll. Union employees in the General Employees Plan were required to contribute 2.5% until the attainment of age 60 with 30 years of service when contributions are no longer required. Non-Union employees in the General Employees Plan were required to contribute 2% of cover payroll for the year ended December 31, 2023. During the year, the Borough made its required contributions of \$338,433 and \$301,880 to the Police and General Employees Plans, respectively, based upon the MMO.

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# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

### Net Pension Liability (Asset)

*Measurement Date and Actuarial Assumptions* – The Borough’s net pension liability (asset) was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by actuarial valuations as of January 1, 2023 and rolled forward to December 31, 2023.

*Changes in the Net Pension Liability (Asset)* – The changes in the net pension liability (asset) of the Borough for the Police Plan for the year ended December 31, 2023 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2022	\$ 8,204,677	\$ 7,092,701	\$ 1,111,976
Changes for the year:			
Service cost	305,338	-	305,338
Interest	535,393	-	535,393
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(200,245)	-	(200,245)
Changes of assumptions	-	-	-
Contributions - employer	-	338,433	(338,433)
Contributions - employee	-	71,416	(71,416)
Net investment income (loss)	-	935,816	(935,816)
Benefit payments, including refunds	(206,486)	(206,486)	-
Administrative expense	-	(39,889)	39,889
Net changes	434,000	1,099,290	(665,290)
Balances at December 31, 2023	\$ 8,638,677	\$ 8,191,991	\$ 446,686

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

The changes in the net pension liability (asset) of the Borough for the General Employees Plan for the year ended December 31, 2023 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2022	\$ 4,704,354	\$ 3,467,347	\$ 1,237,007
Changes for the year:			
Service cost	129,835	-	129,835
Interest	313,359	-	313,359
Changes of benefit terms	540,391	-	540,391
Differences between expected and actual experience	(112,948)	-	(112,948)
Changes of assumptions	-	-	-
Contributions - employer	-	301,880	(301,880)
Contributions - employee	-	44,283	(44,283)
Net investment income (loss)	-	443,392	(443,392)
Benefit payments, including refunds	(101,159)	(101,159)	-
Administrative expense	-	(32,885)	32,885
Net changes	769,478	655,511	113,967
Balances at December 31, 2023	\$ 5,473,832	\$ 4,122,858	\$ 1,350,974

*Actuarial Assumptions* - The total pension liability was determined by an actuarial valuation performed on January 1, 2023, and rolled forward to December 31, 2023, using the following actuarial assumptions, applied to all periods in the measurement:

	Police	General Employees
Actuarial assumptions:		
Investment rate of return	6.50%	6.00%
Projected salary increases	4.50%	4.00%
Underlying inflation rate	2.50%	2.50%

Mortality rates were based on the PubS-2010 Public Safety Employees Mortality Table for the Police Plan and the PubG-2010 General Employees Mortality Table for the General Employees Plan.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

*Changes of benefit terms* – For the General Employees Plan, for union employees hired prior to May 1, 2017, the benefit changed from the greater of Formula 1 or Formula 2 to the greatest of Formula 1, Formula 2, or Formula 3. For union employees hired on or after May 1, 2017, the benefit remains the greater of Formula 1 or Formula 2. Effective January 1, 2024, an early retirement provision of age 55 with 5 years of service was added, normal retirement for non-union employees was changed from age 62 and 10 years of service to age 62 and 5 years of service, and the vesting schedule for non-union employees was changed from 100% after the completion of 10 years of service to 50% after the completion of 5 years of service and an additional 10% per year of service above 5 until 100% after the completion of 10 years of service.

*Investment Policy* – The Plans are authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The plans have no formally adopted investment policy.

*Long-Term Expected Rate of Return* – The long-term expected rate of return on Plans investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plans’ target asset allocation as of December 31, 2023:

Asset Class	Target Allocation		Long-Term Expected Rate of Return	
	Police	General Employees	Police	General Employees
Fixed income	28.00%	28.00%	0.97%-4.06%	0.97%-4.06%
Equities	70.00%	70.00%	4.25%-9.27%	4.25%-9.27%
Cash and equivalents	2.00%	2.00%	0.47%-1.07%	0.47%-1.07%
	100.00%	100.00%		

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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*Rate of Return* – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2023, the annual money-weighted rate of return on the Police Plan and General Employees and investments, net of investment expense, was 13.27% and 12.84%, respectively.

*Concentrations* – At December 31, 2023, the Plans had no investments (other than mutual funds or other pooled investments) in any one issuer that represented 5% or more of either Plan’s fiduciary net position.

*Discount Rate* – The discount rate used to measure the total pension liability for the Police Plan and General Employees Plan was 6.50% and 6.00%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, expenses would continue at their current level, and that the Borough would contribute the MMO in the future. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate* – The following presents the net pension liability (asset) of the Plans calculated using the discount rates described above, as well as what the Plans’ net pension liabilities (assets) would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Police Plan	\$ 1,547,177	\$ 446,686	\$ (466,409)
	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
General Employees Plan	\$ 1,876,784	\$ 1,350,974	\$ 899,438

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# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

### Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2023, the Borough recognized pension expense of \$1,426,956. At December 31, 2023, the Borough reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Police	General Employees	Total
<u>Deferred Outflows of Resources:</u>			
Net difference between expected and actual earnings	\$ 626,523	\$ 270,965	\$ 897,488
Total deferred outflows of resources	\$ 626,523	\$ 270,965	\$ 897,488
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 180,419	\$ 100,113	\$ 280,532
Total deferred inflows of resources	\$ 180,419	\$ 100,113	\$ 280,532

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

Year ending December 31,	Police	General Employees	Total
2024	\$ 220,723	\$ 93,171	\$ 313,894
2025	220,723	93,171	313,894
2026	220,723	93,170	313,893
2027	(114,949)	(59,887)	(174,836)
2028	(19,826)	(12,835)	(32,661)
Thereafter	(81,290)	(35,938)	(117,228)
	\$ 446,104	\$ 170,852	\$ 616,956

### Defined Contribution Plan

Additionally, the Borough administers a 401(a) defined contribution plan that is available to all full-time and permanent part-time non-uniform employees hired prior to May 1, 2017, with an exception for Teamster members, who are eligible after one year of service regardless of hire date. Eligible employees are not permitted to contribute. The plan was created to

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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supplement the General Employees' Plan. During 2023, the Borough contributed \$33,365 to the plan.

### **10. Workers' Compensation Trust**

For its workers' compensation insurance coverage, the Borough participates in the Municipal Risk Management Workmen's Compensation Pooled Trust (Trust), a public entity risk pool operated for the benefit of 309 municipal entities. Trust underwriting and rate-setting policies are established after consultation with an independent actuary and certain approvals of the Pennsylvania Department of Labor and Industry as mandated by Act 44 of 1993 (Act 44). All Trust participants may be subject to a supplemental assessment/dividend based on the overall experience of the participants, pursuant to Act 44. Similarly, participants may be issued a dividend/refund on the same basis. During 2023, the Borough received a dividend/refund in the amount of \$65,684. Each participant of the Trust agrees to jointly and severally assume and discharge the liabilities arising under the Workers' Compensation Act and Occupational Disease Act of each and every participant of the Trust. Political subdivisions joining the Trust must remain members for a minimum of four years; a member may withdraw from the Trust after that time by giving ninety days' notice, subject to approval by the Trust actuary under specified circumstances related to the continued fiscal stability of the pool. At the time of withdrawal, the participant is responsible for their share of assessments but has no claim on any other assets of the Trust.

### **11. Risk Management**

The Borough is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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### 12. Commitments and Contingent Liabilities

The Borough is a party to various legal actions normally associated with municipalities, the aggregate effect of which, in management's and legal counsel's opinion, would not be material to the financial position of the Borough.

### 13. Related Party Transactions

#### Franklin Park Volunteer Fire Company and Relief Association

The Borough provides support to the Franklin Park Volunteer Fire Company (Company) and the Franklin Park Volunteer Fire Company Relief Association (Association). During 2023, the Borough provided approximately \$126,000 of foreign fire insurance tax distributions to the Association. The Borough receives the foreign fire insurance tax distributions directly from the Commonwealth of Pennsylvania under Act 205. Additionally, the Borough provided support of \$100,000 to the Company for various operational and capital needs. As described in Note 8, the Borough issued bonds in 2016 to fund the construction of a new fire station on behalf of the Company.

### 14. Joint Venture

#### Northland Public Library

Northland Public Library (Library) is a public library that is considered to be a municipal authority by the Commonwealth of Pennsylvania. The governing body of the Library is its Board of Trustees, which is comprised of seven members appointed by the elected officials of its five supporting municipalities (one of which is the Borough). Since no individual municipality has control, the Library is not considered a component unit of any one-member community.

The Library meets the criteria for a joint venture as it is an organization that results from a contractual arrangement that is owned by two or more participants as a separate and specific activity subject to joint control, in which participants retain an ongoing financial responsibility.

# **BOROUGH OF FRANKLIN PARK**

## **NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023**

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The Borough, per contractual agreement, is responsible on a per capita basis for financing expenses of the Library, and to that end, is obligated to pay a share of the budgeted expenses of operation annually. Such payments amounted to \$363,139 for the year ended December 31, 2023.

The Borough has no equity interest in the Library. The Library issues separate financial statements, which are available at the Northland Public Library, 300 Cumberland Road, Pittsburgh, PA 15237.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

# BOROUGH OF FRANKLIN PARK

## BUDGETARY COMPARISON SCHEDULE

### GENERAL FUND

YEAR ENDED DECEMBER 31, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 8,808,700	\$ 8,808,700	\$ 8,832,148	\$ 23,448
Licenses and permits	177,000	177,000	166,646	(10,354)
Fines and forfeitures	38,500	38,500	38,791	291
Interest and rents	49,800	49,800	120,735	70,935
Intergovernmental	1,115,000	1,115,000	1,566,356	451,356
Charges for services	683,400	683,400	730,813	47,413
Miscellaneous	152,700	152,700	158,363	5,663
Total revenues	11,025,100	11,025,100	11,613,852	588,752
<b>Expenditures:</b>				
General government	1,840,500	1,840,500	1,611,491	229,009
Public safety	4,891,400	4,891,400	4,051,643	839,757
Health and sanitation	34,600	34,600	20,576	14,024
Public works	3,586,000	3,586,000	2,991,354	594,646
Culture and recreation	1,488,900	1,488,900	1,532,453	(43,553)
Debt service	440,400	440,400	464,324	(23,924)
Total expenditures	12,281,800	12,281,800	10,671,841	1,609,959
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(1,256,700)</b>	<b>(1,256,700)</b>	<b>942,011</b>	<b>2,198,711</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from sale of capital assets	47,500	47,500	-	(47,500)
Refund of prior year revenues	(5,000)	(5,000)	344	5,344
Refund of prior year expenditures	1,500	1,500	-	(1,500)
Transfers in (out)	488,300	488,300	(1,149,556)	(1,637,856)
Total other financing sources (uses)	532,300	532,300	(1,149,212)	(1,681,512)
<b>Net Change in Fund Balance</b>	<b>\$ (724,400)</b>	<b>\$ (724,400)</b>	<b>(207,201)</b>	<b>\$ 517,199</b>
<b>Fund Balance:</b>				
Beginning of year			6,296,200	
End of year			\$ 6,088,999	

## BOROUGH OF FRANKLIN PARK

### SCHEDULE OF CHANGES IN THE BOROUGH'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

#### POLICE PENSION PLAN

YEARS ENDED DECEMBER 31  
LAST TEN YEARS\*

	2023	2022
<b>Total Pension Liability:</b>		
Service cost	\$ 305,338	\$ 263,777
Interest	535,393	509,805
Differences between expected and actual experience	(200,245)	-
Benefit payments, including refunds of employee contributions	(206,486)	(188,918)
<b>Net Changes in Total Pension Liability</b>	434,000	584,664
<b>Total Pension Liability - Beginning</b>	8,204,677	7,620,013
<b>Total Pension Liability - Ending (a)</b>	\$ 8,638,677	\$ 8,204,677
<b>Plan Fiduciary Net Position:</b>		
Contributions - employer	\$ 338,433	\$ 310,511
Contributions - employee	71,416	34,671
Net investment income	935,816	(1,148,254)
Benefit payments, including refunds of employee contributions	(206,486)	(188,918)
Administrative expense	(39,889)	(42,170)
<b>Net Change in Plan Fiduciary Net Position</b>	1,099,290	(1,034,160)
<b>Plan Fiduciary Net Position - Beginning</b>	7,092,701	8,126,861
<b>Plan Fiduciary Net Position - Ending (b)</b>	\$ 8,191,991	\$ 7,092,701
<b>Net Pension Liability (Asset) - Ending (a-b)</b>	\$ 446,686	\$ 1,111,976
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	94.83%	86.45%
<b>Covered Payroll</b>	\$ 1,701,220	\$ 1,707,717
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	26.26%	65.11%

\*Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary pension schedules.

## BOROUGH OF FRANKLIN PARK

### SCHEDULE OF CHANGES IN THE BOROUGH'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

#### GENERAL EMPLOYEES PENSION PLAN

YEARS ENDED DECEMBER 31  
LAST TEN YEARS\*

	2023	2022
<b>Total Pension Liability:</b>		
Service cost	\$ 129,835	\$ 155,619
Interest	313,359	267,747
Changes in benefit terms	540,391	-
Differences between expected and actual experience	(112,948)	-
Benefit payments, including refunds of employee contributions	(101,159)	(100,168)
<b>Net Changes in Total Pension Liability</b>	769,478	323,198
<b>Total Pension Liability - Beginning</b>	4,704,354	4,381,156
<b>Total Pension Liability - Ending (a)</b>	\$ 5,473,832	\$ 4,704,354
<b>Plan Fiduciary Net Position:</b>		
Contributions - employer	\$ 301,880	\$ 286,021
Contributions - employee	44,283	38,357
Net investment income	443,392	(532,864)
Benefit payments, including refunds of employee contributions	(101,159)	(100,168)
Administrative expense	(32,885)	(32,950)
<b>Net Change in Plan Fiduciary Net Position</b>	655,511	(341,604)
<b>Plan Fiduciary Net Position - Beginning</b>	3,467,347	3,808,951
<b>Plan Fiduciary Net Position - Ending (b)</b>	\$ 4,122,858	\$ 3,467,347
<b>Net Pension Liability (Asset) - Ending (a-b)</b>	\$ 1,350,974	\$ 1,237,007
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	75.32%	73.71%
 <b>Covered Payroll</b>	 \$ 2,251,672	 \$ 2,083,131
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	60.00%	59.38%

\* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary pension schedules.

# BOROUGH OF FRANKLIN PARK

## SCHEDULE OF THE BOROUGH'S CONTRIBUTIONS AND INVESTMENT RETURNS

### POLICE PENSION PLAN

YEARS ENDED DECEMBER 31  
LAST TEN YEARS\*

<b>POLICE PENSION PLAN:</b>	<u>2023</u>	<u>2022</u>
<b>Schedule of Borough Contributions</b>		
Actuarially determined contribution	\$ 338,433	\$ 308,917
Contributions	<u>338,433</u>	<u>308,917</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 1,701,220</u>	<u>\$ 1,707,717</u>
Contributions as a percentage of covered payroll	19.89%	18.09%
<b>Investment Returns</b>		
Annual money-weighted rate of return, net of investment expense	13.27%	-14.30%

\* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary pension schedules.

# BOROUGH OF FRANKLIN PARK

## SCHEDULE OF THE BOROUGH'S CONTRIBUTIONS AND INVESTMENT RETURNS

### GENERAL EMPLOYEES PENSION PLAN

YEARS ENDED DECEMBER 31  
LAST TEN YEARS\*

<b>GENERAL EMPLOYEE'S PENSION PLAN:</b>	<u>2023</u>	<u>2022</u>
<hr/> <b>Schedule of Borough Contributions</b> <hr/>		
Actuarially determined contribution	\$ 301,880	\$ 286,020
Contributions	<u>301,880</u>	<u>286,020</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 2,251,672</u>	<u>\$ 2,083,131</u>
Contributions as a percentage of covered payroll	13.41%	13.73%
<hr/> <b>Investment Returns</b> <hr/>		
Annual money-weighted rate of return, net of investment expense	12.84%	-14.17%

\* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary pension schedules.

# BOROUGH OF FRANKLIN PARK

## NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2023

### Actuarial Methods and Assumptions Used in Determining the Contribution Rate (MMO)

The information presented in the required supplementary information was determined as part of the actuarial valuation at the dates indicated. Methods and assumptions used to determine contribution rates are as follows:

	Police	General Employees
Actuarial valuation date	1/1/2021	1/1/2021
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar, Closed	Level Dollar, Closed
Remaining amortization period	14 Years	8 Years (Aggregate)
Asset valuation method	4-year Smoothing	4-year Smoothing
Inflation	2.50%	2.50%
Salary increases	4.50% including inflation	4.00% including inflation
Investment Rate of Return	6.50% net of investment expenses not funding through the MMO, and including inflation	6.00% net of investment expenses not funding through the MMO, and including inflation
Mortality	2010 Public Retirement Plan - Public Safety mortality tables (PubS-2010) with improvement projected from year 2015 with rates derived from the Long- Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report	2010 Public Retirement Plan - General Employees mortality tables (PubG-2010) with improvement projected from year 2015 with rates derived from the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report
Retirement Age	Normal retirement age, or attained age, if currently eligible to retire	Normal retirement age, or attained age, if currently eligible to retire

# BOROUGH OF FRANKLIN PARK

## NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2023

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### Changes in Benefit Terms

For the General Employees Plan, for union employees hired prior to May 1, 2017, the benefit changed from the greater of Formula 1 or Formula 2 to the greatest of Formula 1, Formula 2, or Formula 3. For union employees hired on or after May 1, 2017, the benefit remains the greater of Formula 1 or Formula 2. Effective January 1, 2024, an early retirement provision of age 55 with 5 years of service was added, normal retirement for non-union employees was changed from age 62 and 10 years of service to age 62 and 5 years of service, and the vesting schedule for non-union employees was changed from 100% after the completion of 10 years of service to 50% after the completion of 5 years of service and an additional 10% per year of service above 5 until 100% after the completion of 10 years of service.

### Changes in Assumptions

There were no changes in assumptions.

## **SUPPLEMENTARY INFORMATION**

# BOROUGH OF FRANKLIN PARK

## COMBINING BALANCE SHEET

### GENERAL FUND

DECEMBER 31, 2023

	General Fund	Fire Protection Fund	Total General Fund
<b>Assets</b>			
Cash and cash equivalents - unrestricted	\$ 4,700,837	\$ 975,712	\$ 5,676,549
Taxes receivable, net	866,365	-	866,365
Lease receivable	507,271	-	507,271
Interfunds	29,625	(29,625)	-
Other receivables	266,673	-	266,673
<b>Total Assets</b>	<b>\$ 6,370,771</b>	<b>\$ 946,087</b>	<b>\$ 7,316,858</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 160,698	\$ 9,893	\$ 170,591
Accrued payroll and related benefits	217,512	-	217,512
Due to other funds	9,724	-	9,724
Escrow deposits	363,251	-	363,251
Other liabilities	4,441	-	4,441
<b>Total Liabilities</b>	<b>755,626</b>	<b>9,893</b>	<b>765,519</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue - taxes	31,658	-	31,658
Lease related	430,682	-	430,682
<b>Total Deferred Inflows of Resources</b>	<b>462,340</b>	<b>-</b>	<b>462,340</b>
<b>Fund Balance:</b>			
Assigned for:			
Fire equipment	-	936,194	936,194
Unassigned	5,152,805	-	5,152,805
<b>Total Fund Balance</b>	<b>5,152,805</b>	<b>936,194</b>	<b>6,088,999</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 6,370,771</b>	<b>\$ 946,087</b>	<b>\$ 7,316,858</b>

# BOROUGH OF FRANKLIN PARK

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

### GENERAL FUND

YEAR ENDED DECEMBER 31, 2023

	General Fund	Fire Protection Fund	Total General Fund
<b>Revenues:</b>			
Taxes	\$ 8,832,148	\$ -	\$ 8,832,148
Licenses and permits	166,646	-	166,646
Fines and forfeitures	38,791	-	38,791
Interest and rents	113,513	7,222	120,735
Intergovernmental	1,566,356	-	1,566,356
Charges for services	730,813	-	730,813
Miscellaneous	158,363	-	158,363
Total revenues	11,606,630	7,222	11,613,852
<b>Expenditures:</b>			
General government	1,611,491	-	1,611,491
Public safety	3,800,529	251,114	4,051,643
Health and sanitation	20,576	-	20,576
Public works	2,991,354	-	2,991,354
Culture and recreation	1,532,453	-	1,532,453
Debt service	164,058	300,266	464,324
Total expenditures	10,120,461	551,380	10,671,841
<b>Excess (Deficiency) of Revenues over Expenditures</b>	1,486,169	(544,158)	942,011
<b>Other Financing Sources (Uses):</b>			
Refund of prior year revenues	344	-	344
Transfers in (out)	(1,649,556)	500,000	(1,149,556)
Total other financing sources (uses)	(1,649,212)	500,000	(1,149,212)
<b>Net Change in Fund Balance</b>	(163,043)	(44,158)	(207,201)
<b>Fund Balance:</b>			
Beginning of year	5,315,848	980,352	6,296,200
End of year	\$ 5,152,805	\$ 936,194	\$ 6,088,999

# BOROUGH OF FRANKLIN PARK

## COMBINING STATEMENT OF FIDUCIARY NET POSITION

### PENSION TRUST FUNDS

DECEMBER 31, 2023

	General Employees	Police	Total
<hr/> <b>Assets</b> <hr/>			
Cash and cash equivalents	\$ 164,527	\$ 113,789	\$ 278,316
Investments	<u>3,958,331</u>	<u>8,078,202</u>	<u>12,036,533</u>
<b>Total Assets</b>	<u>4,122,858</u>	<u>8,191,991</u>	<u>12,314,849</u>
<hr/> <b>Net Position</b> <hr/>			
Restricted for pension benefits	<u>\$ 4,122,858</u>	<u>\$ 8,191,991</u>	<u>\$ 12,314,849</u>

# BOROUGH OF FRANKLIN PARK

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2023

	General Employees	Police	Total
<b>Additions:</b>			
<hr/>			
Contributions:			
State aid - contributed by the Borough	\$ 169,009	\$ 198,148	\$ 367,157
Employer	132,871	140,285	273,156
Employee	44,283	71,416	115,699
Total contributions	346,163	409,849	756,012
Net investment income (loss):			
Net increase (decrease) in fair value of investments	314,745	677,738	992,483
Interest and dividends	128,647	258,078	386,725
Total investment income (loss)	443,392	935,816	1,379,208
Less: investment expense	32,885	39,889	72,774
Net investment income (loss)	410,507	895,927	1,306,434
Total additions	756,670	1,305,776	2,062,446
<b>Deductions:</b>			
<hr/>			
Benefits/withdrawals	101,159	206,486	307,645
<b>Change in Net Position</b>	655,511	1,099,290	1,754,801
<b>Net Position:</b>			
<hr/>			
Beginning of year	3,467,347	7,092,701	10,560,048
End of year	\$ 4,122,858	\$ 8,191,991	\$ 12,314,849